

**BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY, FLORIDA**

**PROCEDURES FOR THE ESTABLISHMENT, USE AND
CONTROL OF PETTY CASH AND CHANGE FUNDS**

PETTY CASH FUND

1. **INTRODUCTION**

It is the Board's desire to allow the offices of elected officials, independent County agencies, and departments under the County Administrator to possess petty cash funds. It is the Board's belief that the proper use of petty cash funds will provide a cost effective means of dealing with minor purchases. It is also the Board's desire to delegate all aspects associated with the day-to-day operation of petty cash fund.

Therefore, the Board retains the authority to approve the establishment of a petty cash fund and its initial amount and to approve subsequent increases of a petty cash fund. The Board delegates to the Administrative Head the responsibility to name the initial Custodian and any successor Custodians.

A petty cash fund may be decreased or closed out at any time by returning the funds and/or expenditure documentation to Accounting. This activity does not require Board approval.

2. **DEFINITIONS**

- A. **Accounting** - The BOCC Accounting Department, a department within the organization of the Clerk of Circuit Court.
- B. **Administrative Head** - An elected official or a chief administrative officer of an independent agency whose operating budget is funded by the Board, or a department director within the organization of the County Administrator.
- C. **Board** - The duly elected Board of County Commissioners of Hillsborough County, Florida.
- D. **Clerk** - The Chief Deputy Clerk to the Board of County Commissioners, Office of the Clerk of Circuit Court.

- E. **County Audit** - A department within the organization of the Clerk of Circuit Court.
- F. **Custodian** - The person to whom the petty cash fund has been paid or transferred, who shall be personally responsible for the safety and integrity of said monies at all times.

3. **PURPOSE**

The purpose of a petty cash fund is to have a small amount of cash on hand with which to make minor purchases in those instances where the preparation and issuance of a purchase order and/or a check would not be justified in terms of time spent or expense incurred to prepare.

4. **CREATION**

When the need for a petty cash fund is determined, the Administrative Head shall submit a written request to the Clerk. That request must name the initial Custodian, state the estimated amount needed, and specify the general nature of the expenditures anticipated. It is suggested that the requested amount of the fund be equal to the estimated amount of two months' expenditures. All requests will be sent to County Audit for review.

County Audit will review the request mainly for reasonableness and will discuss any concerns with the Administrative Head. The results of that review will be forwarded back to the Clerk.

Assuming County Audit approved the request, the request will then be placed by the Clerk onto the next available Agenda of the Board for approval to establish the petty cash fund. Upon approval, the Clerk will advise Accounting to issue a check payable to the Custodian.

If County Audit denies the request, the request will be forwarded back to the Clerk for return to the Administrative Head.

5. **CUSTODIAN**

The Custodian must be a permanent employee and be employed by the office for which the petty cash fund has been approved. They will be held personally responsible and accountable for the petty cash fund and will be expected to make reimbursement for any loss or misuse of the money entrusted to them, except when that loss results from action not within their control, such as an after hours robbery.

6. **SECURITY**

The petty cash fund should be maintained in a secure with limited access to protect against loss or theft. During working hours a locked cash box or cash drawer is recommended. After hours and on weekends a vault or safe is recommended, if available. The petty cash fund must at all times be maintained separate and apart from all other funds.

7. **CONTROL AND USE**

The Custodian is responsible for maintaining an adequate record of all expenditures from their petty cash fund. Said record shall consist of a Petty Cash Summary document (Exhibit 1) which contains an entry for each expenditure made. Petty cash fund expenditures must be for a valid public purpose and shall be supported by a paid store receipt which reflects the date the transaction occurred, the amount paid for each item, the total amount paid, and the establishment from which the purchase was made. If the expenditure was for something other than a store purchase, such as reimbursement for a parking meter fee or vicinity mileage, it must be supported in the same manner as if it were being submitted to Accounting for the issuance of a check.

The Administrative Head is responsible for ensuring that the Custodian is following the policies, as specified herein, and related procedures on the proper use and safeguarding of petty cash funds. The Administrative Head will perform periodic audits of the petty cash fund to verify that the fund balance has remained intact and will immediately report any discrepancies found to Accounting.

Upon request, the Custodian shall submit the petty cash fund and the record for audit.

8. **CHANGE OF FUND CUSTODIAN**

A. **Temporary Assignment**

To insure maintenance of operation during the temporary absence of the permanent Custodian, the Administrative Head may appoint a temporary Custodian as necessary. Should this be done, a Petty Cash Fund Change of Custodian form (Exhibit 2) must be completed to document custodial transfer of the petty cash fund. The original form must be sent to Accounting.

Temporary assignments shall not exceed 30 days. When the permanent Custodian returns, another Petty Cash Fund Change of Custodian form must be completed to document custodial return of the petty cash fund. The original of this form must also be sent to Accounting.

During the transfer of the petty cash fund to and/or form a temporary Custodian, all overages must be remitted to Accounting. Any Shortages must be up at this time by the Custodian in possession of the petty cash fund at the time the shortage occurred.

A temporary Custodian shall have no authority to request replenishment of the petty Cash fund. It shall be the responsibility of the permanent Custodian to insure the petty cash fund has adequate funds with which to operate during their absence.

B. Permanent Change

Should it become necessary to permanently change the Custodian, a Petty Cash Fund Change of Custodian form must be completed and sent to Accounting to document custodial transfer of the petty cash fund. At their option, the Administrative Head may instead elect to have the old Custodian turn in their fund to Accounting and have a new disbursement made to the new Custodian.

9. Request for Replenishment of Petty Cash Fund

The request to replenish a petty cash fund must be supported by a properly completed and approved Petty Cash Summary form (Exhibit 1). The Petty Cash Summary form will be the basis for charging the appropriate expenditure index code and subobject. Store receipts or other documentation as described in the CONTROL AND USE section above must be attached to the Petty Cash Summary form to document the validity and accuracy of the expenditure. Monthly mileage logs must be used to support vicinity mileage claims.

Requests for replenishment should be made as often as necessary to insure adequate working funds at all times. Replenishment must be requested during the fiscal year in which the purchase was made, except that purchases made during the month of September may be carried forward to the next fiscal year.

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The Petty Cash Summary form must be signed by the Custodian and by someone with signature authority as described in Administrative Directive 146 or its successor documents.

Completed Petty Cash Summary forms should be submitted to Accounting for reimbursement. A copy of all material should be retained by the Custodian to guard against loss during transit.

Along with each request to reimburse a petty cash fund, the Custodian will be required to complete the petty Cash Fund Report which can be found on the back side of the Petty Cash Summary form (Exhibit 1). The Custodian will document that the combination of cash, paid receipts, and to her documentation totals to the amount of the petty cash fund. Any overage must be submitted to Accounting. Any shortage must be made up immediately by the Custodian.

Custodians will be reimbursed for all State sales tax charges incurred.

10. **RESTRICTIONS ON USE OF PETTY CASH**

The Custodian will be in violation of this procedure if petty cash is used for the following:

- A. Payment of salaries and/or wages of any nature.
- B. Advances or loans to any individual.
- C. Payment of or for contractual services.
- D. Purchase of anything, including postage stamps, for subsequent resale to anyone.
- E. Individual purchases exceeding \$25.00.
- F. Cashing of checks of any nature for any reason.
- G. Reimbursements to employees for parking meters or vicinity mileage in excess of \$5.00.
- H. Food of any kind.
- I. Travel outside of Hillsborough County.

If the Custodian allows petty cash fund monies to be spent for goods or services that are subsequently determined to be improper, it shall be the responsibility of the Custodian to reimburse the petty cash fund.

If questions arise at any time concerning the use or handling of petty cash funds, contact Accounting.

CHANGE FUND

The purpose of a change fund is to provide those units charged with the responsibility of collecting monies on behalf of the Board of County Commissioners with adequate monies to make change for the public. Procedures for the establishment and control of a departmental change fund are the same as those previously discussed for a petty cash fund. **The change fund, however, CANNOT be used for making expenditures.**

The amount in the change fund must remain exactly as established and this should be verified daily along with the cash collections for that day. The change fund **CANNOT** be used to account for overages and shortages in cash collection.

All monies received must be receipted. Monies received over the counter must be processed immediately and a receipt must be given to the party making payment. Monies received by mail must be processed in the same working day as received.

Only those employees specifically designated as cashier by the department and thoroughly knowledgeable of cash collection procedures are authorized to collect monies and issue receipts thereon.

DO NOT CASH CHECKS FOR ANYONE OR GIVE CHANGE ON CHECKS.

The designated cashier is responsible for the integrity of the cash drawer. Unauthorized persons should not have access to the cash register and should never receive payments on behalf of the Board of County Commissioners.