SANGAMON COUNTY PETTY CASH FUND POLICY

Petty cash funds may be established and maintained in Sangamon County Departments/Offices for the purpose of making change, purchasing items of small cost, payment of postage due, and for other nominal expenditures which cannot be administered economically and efficiently through customary procurement/requisition procedures.

Establishment and Operation of a Petty Cash Fund

1. Prior to the establishment of any petty cash fund, each department/office shall submit a request to the Auditor's Office to establish the petty cash fund. The request should include a statement of justification of the need for the fund and a description of the internal controls that will be used to assure the safe-keeping of the fund.
2. The Auditor's Office shall review such requests and, if it determines that sufficient need exists and that adequate controls will be provided, shall approve the establishment of the fund. If such a request is disapproved by the Auditor's Office, the requesting department/office may appeal the disapproval to the Finance Committee, who shall make the final determination on the approval/disapproval of the request.
3. The establishment of petty cash funds shall be from monies budgeted to the creating department/office and shall be charged to account 541.007.
4. No petty cash fund shall exceed $500.
5. The Petty Cash Fund must be kept intact and not commingled with any other funds, e.g., the agency's daily cash receipts.
6. Single expenditure transactions from the Petty Cash Fund shall be limited to amounts less than $50. "Stringing" of payments to the same vendor (individually less than $50.00 but exceeding $50.00 in an individual order) is not an approved use of the petty cash fund.
7. The Petty Cash Fund is to be maintained on an imprest basis, i.e., cash on hand plus invoices/statements and receipts plus reimbursement requisitions in transit must equal the amount of the established fund at all times. All cash shortages are the responsibility of the custodian in charge of the fund.
8. An invoice/statement or purchase receipt should be secured for each expenditure reimbursed from the Petty Cash Fund.
9. Periodic reimbursement to the Petty Cash Fund shall supported by paid invoices/statements or purchase receipts, and shall be from monies which have been budgeted to the using department/office, but may be a fund other than the one from which the Petty Cash Fund was established.
10. All reimbursements to the Petty Cash Fund shall be charged against expenditure account 541.007.
11. Reimbursement to the Petty Cash Fund should be made through the requisition process with the custodian identified as the vendor.
12. Someone other than the custodian should approve reimbursement to the Petty Cash Fund.
13. Petty Cash Funds shall not be used to cash checks from any payee.
14. Although postage due is an allowable payment from the petty cash fund, the purchase of postage stamps is not an allowable use of the fund.
15. Inappropriate disbursements from the Petty Cash Fund will become the personal responsibility of the custodian authorizing the erroneous payment.
16. An internal audit shall be performed on each petty cash fund at least annually.

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JUL 10 2007
Paul Palazzolo
SANGAMON COUNTY AUDITOR

Change in Custodianship

1. Upon succession in the custodianship of any petty cash fund, both the former and successor custodians shall sign a statement, showing the exact status of the fund at the time of the transfer.
2. The original copy shall be kept on file in the office wherein the fund exists, and each signer shall be entitled to retain a copy.

Reduction or Dissolution of a Petty Cash Fund

1. When a Petty Cash Fund is desired to be reduced or dissolved, an accounting is to be made to verify that the total of the invoices/statements or receipts and the cash equals the total of the authorized Petty Cash Fund.
2. Any cash remaining is to be deposited back into account 541.007 in the establishing fund.
3. After the final deposit of the remaining cash, a memorandum shall be provided to the Auditor's Office citing the reduction/dissolution of the fund and copies of the un-reimbursed invoices/statements or receipts and the final deposit slip shall be attached.

Approved this 10th day of July, 2007.

Finance Committee

_____, Chairman	_____, Member
_____, Member	_____, Member
_____, Member	_____, Member
_____, Member	_____, Member
_____, Member	_____, Member