



## Policy: Petty Cash

**ChildNet Number:** CN 010.024

**Original Approved Date:** June 2, 2003

**Policy Revised Date(s):** September 29, 2004, November 22, 2009, March 2010, May 20, 2010

**Policy Sunset Date:**

**COA Standard(s):** FIN 2, 7.03, 7.04, 7.05

### Statement of Policy:

It is the policy of ChildNet to make available limited resources to facilitate immediate purchases made on behalf of the organization. To limit access to and properly safeguard petty cash funds.

### Scope:

This operating procedure describes the processes for using petty cash for reimbursement of purchases made by employees.

**Board Chair's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

11/15/10



## Procedure: Petty Cash

**ChildNet Number: CN 010.024**

**Original Approved Date: June 2, 2003**

**Procedure Revised Date(s): September 29, 2004, November 22, 2009, March 2010, May 20, 2010, June 10, 2014, February 21, 2018, October 19, 2022**

**Procedure Sunset Date:**

**COA Standard(s): FIN 2, 7.03, 7.04, 7.05**

### Definitions

**Petty Cash Fund:** An authorized fund used for incidental cash expenditures used to facilitate immediate purchases.

**Petty Cash Fund Custodian:** The individual who is designated to serve in the role of petty cash custodian.

### Statement of Procedure:

#### Petty Cash Custodianship

Client Services has the ability to request petty cash checks. The purpose of the petty cash checks is to ensure that ChildNet staff has appropriate support for facility needs, client emergencies and other situations that may arise where petty cash may be deemed necessary. Petty Cash Funds are **ONLY** to be used when other available sources of spending have been exhausted (where possible, company credit cards should be used in lieu of petty cash).

- a. Petty cash accounts are established for each county and balances are monitored daily by the Controller or designee.
- b. Petty cash funds should be handled on an immediate-needs basis only.
- c. In instances where a petty cash custodian is being replaced, petty cash checks under the old custodian must be reconciled, closed-out and re-established under the new staff person.
- d. Staff members are **NOT** allowed to reassign/distribute petty cash until it has been reassigned to the new custodian; this is done by completing a Petty Cash Reconciliation Form.



## **Security and Internal Control of Petty Cash Fund**

- a. The petty cash checks stock is maintained in a locked drawer or safe and the key remains with the designated custodian or designee.
- b. In the absence of the designee, the CFO, Controller, or Accounting Manager are the employees authorized to distribute petty cash checks.
- c. Fund discrepancies or misuse of the fund may result in the revocation of petty cash privileges and/or corrective action up to or including termination.
- d. In the event petty cash checks are missing and theft is suspected, the following procedures must be followed:
  - The CFO and Chief Program Officer in charge of the custodian should be notified immediately.
  - The fund custodian must prepare a document outlining the facts and circumstances of the loss.
  - Losses and/or theft need to be reported to the bank by the Controller, Accounting Manager, or designee immediately.
- e. Signature cards must be obtained for new Directors as needed.

## **Utilization of Petty Cash Fund**

The guidelines detailed below provides the process in which a ChildNet employee may access the petty cash fund.

- a. ChildNet employees must fill out the appropriate request form detailing the circumstances resulting in the use of a petty cash check and submit to their supervisor for approval. Once all levels of appropriate approvals have been obtained, it is presented to the petty cash custodian to prepare the check.
- b. The petty cash check should be made out to the payee, vendor or requestor noted on the request, an indication of what the expense is related to, signed by an authorized signatory, and a copy made of the check. Receipts received as a result of payment should be attached to the corresponding documentation by the custodian.
- c. Petty cash checks will not be written to Cash. In the event it is necessary to purchase a money order or cashier's check, the request must be written to the



appropriate staff member with proper supporting documentation and approvals and must be authorized by the CFO, Controller, or designee.

- d. When petty cash is advanced for purchases, the request is partially completed, indicated as 'Advance,' approved and signed by the employee receiving the petty cash check. The request is to be fully completed within three days after the purchase is made and all documentation submitted to the petty cash custodian as noted above. Any amounts refunded must be in the form of a personal check, money order or cashier's check.
- e. Inapplicable taxes should be removed prior to preparing any petty cash check.

### **Reconciliation of the Petty Cash Fund**

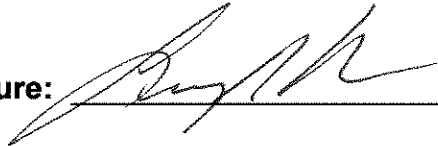
- a. The Petty Cash log identifying all distributed petty cash check numbers, date of check, vendor, amount and purpose; along with all supporting documentation is scanned electronically and submitted to the Accounting Manager on a monthly basis for entry into the accounting system.
- b. Any petty cash funds used on behalf of ChildNet clients which are required to be logged into the Comprehensive Child Welfare Information System (CCWIS) is coordinated between the FIS Manager and the Accounting Manager. Once entered into the CCWIS system an invoice is generated. This invoice is used to appropriately code the use of the petty cash in the general ledger.
- c. The supporting invoices and receipts for this activity is included with all other monthly support provided with the petty cash log for input into the integrated modular accounting system.
- d. Once the petty cash usage has been successfully entered into the accounting system by the Accountant I or Accounting Coordinator, it is posted to the general ledger, and the backup is maintained electronically.
- e. The reconciliation process includes:
  - 1. Ensuring the use of all petty cash checks are appropriately supported during a given month.
  - 2. Confirming entry of the information into the accounting system and approval of the batch.
  - 3. Clearing of the activity using the bank reconciliation process within the accounting system.



### Replenishment of the Petty Cash Account

- a. Controller or designee monitors the balance in the petty cash accounts on a monthly basis.
- b. Once the petty cash account drops below \$2500.00, a request is sent to the CFO to approve a transfer for replenishment.
- c. The Controller or designee then completes an online transfer of funds from ChildNet's operating account to the Petty Cash account and prepares a bank transaction entry within the integrated modular accounting system.
- d. Upon completion of the transfer, the confirmation is forwarded to the CFO

President's Signature:



Date:

10/31/22