

TOWN OF HERNDON - ADMINISTRATIVE REGULATIONS

EFFECTIVE DATE: February 1, 1997

FILE UNDER SECTION 5

NO. 2

REVISION DATE: N/A

SUPERSEDES: N/A

APPROVED BY: Robert A. Stalzer

SUBJECT: Petty Cash Policy

I. Purpose

The purpose of this administrative regulation is to establish the Town's petty cash policy for small, infrequent purchases. A small, infrequent purchase is defined as: Miscellaneous postage, parking, tolls, certified copies and miscellaneous emergency purchases, not to exceed \$25.00. This definition does not include purchases made at such places as Staples, Hechingers, Horn Motors, K-Mart, or anywhere else the Town has an established credit account.

II. Policy

To insure accountability of the petty cash fund, each department shall assign one individual to be the fund custodian and one individual to be the supervising official. The names of these individuals and their titles, as they pertain to the petty cash fund, shall be submitted to the Department of Finance prior to issuance of the initial petty cash fund.

III. Procedures

The fund custodian shall be responsible for the petty cash fund and pay the vouchers as they are presented. Each petty cash voucher must list the date, amount paid (not to exceed \$25.00) and account number to be charged. If possible, an original bill or other receipt should be attached to the voucher.

When the petty cash fund needs to be replenished, the fund custodian adds together all of the petty cash vouchers that have been paid out, fills out the petty cash reconciliation sheet, and presents them to the supervising official for review and verification.

The supervising official then signs the petty cash reconciliation sheet, verifying its accuracy, and submits it to the Manager of Financial Operations for reimbursement.

When a replenishment (i.e. reimbursement check) is made, the fund custodian must sign for these funds, verifying that the petty cash bank has been accurately replenished. In addition, the Department Head must sign off on this receipt of funds or may designate the supervising official as his designee.

TOWN OF HERNDON - ADMINISTRATIVE REGULATIONS

The petty cash fund will be replenished at the end of each month so that expenses paid from the fund are recorded in the proper accounting period and the month-end cash balance is stated correctly.

Finance Department staff will perform audits of each department's petty cash fund on a semi-annual basis. **These visits will be unannounced.** Receipts and the remaining cash balance should always equal the initial fund amount.

Small departments, such as Town Attorney and Administration may utilize the general petty cash procedures established by the Department of Finance and therefore be under no obligation to comply with specific departmental petty cash procedures established here. Other petty cash procedures, such as supporting documentation and compliance with petty cash definitional terms and financial limits, shall nonetheless apply to these small departments.



Robert A. Stalzer
Town Manager