

Leon County Research and Development Authority

Policy No. 11-12

Title: Petty Cash Fund Policy

Date Adopted: November 1, 2011

Effective Date: November 1, 2011

Date Revised: November 1, 2012

1. PURPOSE

- a. The purpose of Policy No. 11-12, “Petty Cash Fund Policy” is to provide guidelines for the establishment and administration of minor purchases made by or on behalf of the Leon County Research and Development Authority (hereinafter referred to as the “Authority”).
- b. The beginning balance of the fund is \$200 and will be kept in a locked area maintained by the Custodian and supervised by the Executive Director.

2. SCOPE

- a. This policy applies to:
 - i. Employees of the Authority, or
 - ii. Individuals or organizations contracted to do business on behalf of the Authority, all of whom are defined as “agents,” such as the maintenance supervisor of Innovation Park.
- b. The Custodian is an employee of the Authority responsible for the security, documentation, reconciliation, and administration of the fund.
- c. The Supervisor of the Custodian is the Executive Director of the Authority. The Executive Director is responsible for overseeing the fund including proper safeguarding of the cash.

3. PURCHASING POLICY

- a. The petty cash fund should only be used to purchase minor items under \$200 such as beverages for Authority meetings, stamps, and supplies when it would be otherwise impractical to purchase items through the usual purchasing methods.
- b. Reconciliation of the petty cash fund will be conducted by the Custodian and Supervisor on a quarterly basis and reported to the Treasurer. Recurring audit findings may result in the petty cash fund being revoked.

4. PROCEDURE

- a. Before a purchase is made, the “purchaser” must complete the Petty Cash Request form including the following:
 - i. The date funds were advanced
 - ii. Amount of cash advance
 - iii. The name of the recipient
 - iv. The recipient’s signature

Note: The Custodian is responsible for ensuring the employee returns any unused cash.

- b. After the purchase, the recipient will provide the change to the Custodian to deposit into the petty cash fund and document the purchase on the Petty Cash/Change Fund Reconciliation Form.
- c. All expenses related to the fund should accompany a receipt including the date, amount, place of purchase, itemized amounts, description of the purchase, the public purpose served, and signature of purchaser.
- d. The receipt should be attached to the Petty Cash Request Form, which is maintained by the Custodian.

5. REIMBURSEMENT PROCEDURE

- a. If the fund needs to be replenished, the Custodian will complete the Petty Cash/Change Fund Reconciliation Form under the supervision of the Executive Director. The form should be signed by Custodian and Supervisor and provided to

the Accountant with a copy of the Petty Cash Request form/receipts requesting a replenishment check made payable to the Custodian. The Custodian will cash the check and immediately deposit the funds in petty cash.

- b. A reconciliation of the petty cash fund shall be done on a quarterly basis and reported to the Treasurer of the Authority. The Petty Cash/Change Fund Reconciliation Form shall be completed to insure the receipts plus cash on hand is equal to the amount of the authorized petty cash fund.
- c. If the receipts plus cash on hand are less than the authorized amount, this is a shortage. If the amount is significant (5% or more), it shall be reported to the Executive Director immediately for investigation.