

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
PETTY CASH AND OTHER IMPRESS FUNDS

Purpose-

Petty cash funds are established upon recommendation by the County Auditor's Office and approval by the Mayor to allow county organizations or agencies to purchase small, miscellaneous items that are of such a nature and limited value that the use of a normal purchase order is deemed not to be cost effective.

Other impress-type funds are established by similar procedures on a case-by-case basis, where, due to the nature of certain operations, it is deemed to be cost effective (or otherwise expedient) to process disbursements by means of such an account rather than through individual general warrants. Change funds are established to provide cash for the purpose of making change when processing over-the-counter cash receipts.

1.0 Definitions Including the Various Types of Impress Funds Used Under this Policy

- 1.1 Impress Fund- a separate amount of money set aside where, by policy, the cash available to disburse plus the supporting vouchers for money already disbursed must equal an authorized fixed amount (known as the "impress" amount). Note that all the funds described below are operated in the county as "impress" funds.
- 1.2 Petty Cash Fund- an amount of cash available for small purchases relating to normal business operations.
- 1.3 Change Fund- an amount of cash available to provide change for over-the-counter cash receipts from users.
- 1.4 Impress Checking Account- an amount of cash available in an established commercial bank for purposes similar to petty cash funds, but which is generally established in larger impress amounts. A reasonable portion of this amount (in most cases not to exceed \$200) may be maintained in cash to accommodate small cash transactions.
- 1.5 Operating Checking Account- similar to an impress checking account, but generally established in larger impress amounts and restricted to serve a specific operating need.

2.0 Procedure to Establish an Impress Fund

- 2.1 The requesting organization shall complete an MPF form 2 request for change or establishment of petty cash or other impress fund. (Countywide Policy 1062, Management of Public Funds. It shall be forwarded to the Accounting and Operations Division of the Auditor's Office. After a review for propriety and internal controls, the Auditor will make a recommendation to the Mayor regarding implementation.
- 2.2 If the Mayor approves the request, the Auditor will issue a general warrant in the "impress" amount, payable to the custodian in order to initiate funding for the account.
- 2.3 Prior to opening an account with a commercial bank, the custodian shall contact the Treasurer, who will provide guidance regarding establishing and using the account.

3.0 Operations of the Fund

- 3.1 There is to be one person directly responsible for each fund (the **Custodian**), who is held accountable for the integrity of the amount and operation of the fund.
- 3.2 Cash on hand must be retained in a secure location in accordance with other county policies on cash controls, such as countywide Policy #1062, "Management of Public Funds ."
- 3.3 Wherever possible, the custodian shall be independent of control over any operating cash receipts.
- 3.4 **Petty Cash** and **Change Funds** shall not be used to cash checks of any type. Employee check-cashing service is offered at the counter in the Treasurer's Office. Employees at locations remote from the Government Center shall use outside institutions that provide this service.
- 3.5 Disbursements from petty cash and other impress accounts are for the purpose of covering over-the-counter, cash purchases under the specified limit (see Section 6.0). For these types of transactions the items purchased **shall be paid for at the time of the transaction**. Any purchases "charged" with a vendor under the county's credit are to be processed under established accounts payable procedures, and **not subsequently paid** from a petty cash or other impress account. To do otherwise is in conflict with the purpose of this policy and is considered to be not cost effective.
- 3.6 The operations of the fund shall be reviewed closely by the custodian's immediate supervisor or someone at an appropriate level of authority as designated by the Department Director or Elected Official. Each reimbursement request must be signed by the custodian, and shall be reviewed, and signed by the reviewer. It is understood that the custodian and reviewer's signatures on the request indicates that the operation of the fund is proper and the funds are properly accounted for.
- 3.7 The reimbursement request shall be submitted to the Accounting & Operations Division of the Auditor's Office in accordance with existing procedures to process direct payments,(where no purchase order is processed.) The amount requested shall provide adequate operating funds for approximately **three (3) months**. If a greater amount is consistently needed to avoid depleting the fund, the organization shall consider requesting an increase in the authorized impress amount. A request to increase the impress amount is processed following the same procedures as explained in section 2.1 and 2.2.
- 3.8 Occasionally items already disbursed are denied reimbursement by the Auditor because the transaction appears not to be authorized by this policy. A form letter from the Auditor explaining any such denials will accompany the reimbursement when returned to the organization. The custodian may submit a letter of justification, which if approved, would be the basis for reimbursement with the next reimbursement request. If the item is **not approved**, however, it must be reimbursed by the individual(s) responsible for the unauthorized disbursement. Reimbursement is necessary in order to bring the fund to the impress amount. Such matters shall be resolved timely. Mitigating circumstances may be explained in a letter to the Mayor. The Auditor will reimburse the account for any "denied" items if authorized by the Mayor through this procedure.

- 3.9 Any unaccounted-for funds (shortages) shall be investigated immediately. The custodian, after appropriate investigation, may be required to personally replenish the shortage, depending on the circumstances. If the shortage appears to relate to a theft, it shall be reported in accordance with Countywide Policy #1304 - Discovery and Reporting of Thefts. Any shortages not resolved immediately shall be explained in a letter to the Mayor. The Auditor will reimburse requests to replenish accounts resulting from shortages if authorized by the Mayor through this procedure.
- 3.10 Any overages would normally represent just an administrative error and shall be investigated and resolved immediately. Any amount of unresolved overage shall be brought to the Auditor's Office and will be recorded as miscellaneous revenue using a cash receipt.
- 3.11 Petty cash vouchers (or other appropriate supporting documents for other types of funds) are to be used for each disbursement from the fund. **See EXHIBIT A** for a sample petty cash voucher. The following paragraphs describe the detail procedures for the operation of a petty cash fund. Similar procedures are to be followed for the other types of funds to accomplish the same purposes; however, the specific terminology may differ.
- 3.11.1 **Vouchers** are to be filled in completely, prior to releasing any cash. The voucher shall be dated and the reason for the expenditure explained. The total amount released to the individual receiving the cash (the **payee**) shall be recorded. It shall be signed by the payee and approved by the custodian.
- 3.11.2 Sales receipts, invoices, etc. received at the time of the purchase are to be returned to the custodian along with any "change" (unspent money) from the transaction. When receipts are not available (which shall be a rare exception), a written "certification" from the payee shall be provided explaining the expenditure, the amount and why no receipt is available. The receipt (or certification) shall be attached to the voucher for supporting documentation.
- 3.11.3 A **Control Listing** is to be kept, identifying in numerical order the voucher number, the date of each disbursement, the name of the vendor from whom purchased, the payee, and the amount spent. (See **EXHIBIT 2**). The listing is to be submitted along with the vouchers as an integral part of the reimbursement request described in 3.7 above.
- 3.11.4 The listing shall be signed by the custodian, and submitted to the Custodian's Supervisor or other authorized signatory before forwarding the reimbursement request to the Auditor's Office.
- 3.12 The County is exempt from sales tax as a governmental entity. In order to avoid sales tax, the custodians shall use or provide to employees as needed Utah State Tax Commission Form TC-721 "Exemption Certificate". This form is to be presented to the vendor as evidence of tax-exemption. If employees do not follow this procedure, they shall pay the sales tax themselves. This form may be obtained from Contracts & Procurement.
- 3.13 General warrants reimbursing the fund will be made payable to the custodian. At least ten working days shall be allowed between submission to the Auditor and issuance of the warrant.

- 3.14 Any fund covered under this policy is subject to surprise counts or audit by the Auditor's Office at any time. The custodian is personally responsible for the impress amount to be intact at all times.

4.0 Custodian Controls and Closing a Fund

- 4.1 Designating a custodian, and any subsequent changes of custodians, shall be processed by completing the MPF form 2 from Countywide Policy 1062.
- 4.2 To close out a fund no longer in use, the entire amount in cash and vouchers, shall be delivered to the Auditor's Office, Accounting and Operations Division. A receipt for the return of the fund will be issued by the Auditor.

5.0 Propriety of Fund Transactions

Except as provided in Section 6.0 of this policy, any purchase is appropriate from impress funds as long as it is a legal, ordinary and necessary purchase to conduct legitimate County business, and has been contemplated in the appropriations for that organization. Accounts established with restrictions for specific operating purposes (e.g., event settlements, etc.) shall be limited to those purposes. Responsibility for determining "propriety" rests first with those processing and approving the transaction, and, of course, ultimately with the Department Director or Elected Official under whose supervision the account is operated.

6.0 Prohibited Transactions

- 6.1 Disbursements over the existing authorized amount per transaction (currently \$200). The only exception to this provision is for "operating checking accounts" which are established for specific operating needs and (at the time they are initiated) contemplate disbursements in excess of the "petty cash" limit.
- 6.2 Items covered under other county policies in which the policy states petty cash is not to be used, or where separate Mayoral approval is required, such as the Travel policy #1019, or the Mileage Allowance Policy #1026. Note that food or meals may be purchased from petty cash and other impress accounts; however, such purchases are subject to the provisions of countywide policy #1020, "Meals Policy".
- 6.3 Transactions covered under other established financial systems in which funds are disbursed, the nature of which is in conflict with the purpose of petty cash and impress accounts, for example:
 - 6.3.1 payments for purchases under the county's credit, which are processed by accounts payable procedures;
 - 6.3.2 payments that represent compensation to employees, which are subject to payroll taxes;
 - 6.3.3 Any other payments which are specified as inappropriate and not related to the purpose of this policy, which may be added to this list from time-to-time.
- 6.4 Split purchases, where multiple vouchers are prepared to facilitate the purchase of an item over the authorized per transaction amount.

- 6.5 Items of a personal nature to reward, compensate or express sympathy to a County employee, employee's family members or volunteer. Items purchased primarily to "celebrate" festive occasions, such as holidays.

APPROVED and PASSED this 20 day of December, 2000.

BOARD OF COUNTY COMMISSIONERS
OF SALT LAKE COUNTY

Mark Shurtleff, Chair

ATTEST:

Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

District Attorney's Office Date

EXHIBIT A

PETTY CASH VOUCHER FORM
(See section 3.11)

SALT LAKE COUNTY	
PETTY CASH VOUCHER	
No. _____	
Date _____	Amount Released \$ _____
	Amount Returned \$(_____)
	Amount Used \$ _____
For _____	

_____	_____
Recipient	Custodian

NOTE: THESE FORMS ARE AVAILABLE IN PADS FROM SALT LAKE COUNTY PRINTING

