

**TO: ALL COUNTY PERSONNEL**  
**FROM: VERDENIA C. BAKER**  
**COUNTY ADMINISTRATOR**  
**PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT AND BUDGET(OFMB)**  
**SUBJECT: PETTY CASH**  
**PPM #: CW-F-041**

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**ISSUE DATE**  
**September 26, 2018**

**EFFECTIVE DATE**  
**September 26, 2018**

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**PURPOSE:**

To provide procedures to establish, administer, and dissolve petty cash funds including provision for safeguarding the funds and establishing responsibility in case of loss or shortage.

**UPDATES:**

Future updates to this PPM are the responsibility of the Director of OFMB.

**AUTHORITY:**

- Florida Statute, Chapter 219, as may be amended.
- Palm Beach County Administrative Code, Sections 200 and 305.03, as may be amended.
- PPM # CW-F-075, Loss or Damage to County Property, as may be amended.

**DEFINITIONS:**

**Cash:** For purposes of this PPM cash is defined as coins, currency, checks, bank drafts and money orders.

**Custodian:** County employee assigned the responsibility for and custody of a petty cash fund for a specific department.

**Department Head:** The Director or Acting Director of a Department or Separate Office as listed in Section 200 of the Administrative Code.

**Petty Cash Checking Account:** A petty cash checking account that is controlled by a Department custodian, whereby the Department custodian makes petty cash disbursements by check rather than cash.

**Petty Cash:** An amount of cash on hand that is controlled by a Department custodian which is used for the emergency purchase of goods and services, to reimburse employees for incidental

expenses in the normal performance of their job, and to recognize meritorious employee actions through the Employee Recognition Program.

**POLICY:**

The Department Head is authorized to act as the County Administrator's designee to establish and dissolve petty cash funds up to \$1,000; appoint and change Custodians; and approve single purchase limits up to \$50, except for expenditures relating to the Employee Recognition Program, which shall be limited to \$100 for single purchases. All expenditures from petty cash funds shall be for a County business related purpose. The Department's custodian will coordinate the setup of the petty cash account (whether cash or checking account) with the Clerk & Comptroller's Revenue & Cash Management Department (Finance-Revenue).

The County Administrator, or designee, is authorized to approve the replacement of lost or stolen petty cash funds upon receipt of the proper documentation from the Department, including the Property Loss Report and Police Report, if applicable.

The County Administrator, or designee, may also approve higher limits for an individual department for a specific purpose. In cases where higher limits are approved, the expenditures shall be controlled through the use of a checking account. Bank charges for maintaining the account are reimbursable; however, penalty charges (e.g. NSF check charges) are not reimbursable.

Departments shall develop procedures to ensure there are adequate internal controls to safeguard petty cash (including unused checks) and the appropriate documentation is prepared to support petty cash expenditures. The Clerk & Comptroller's Finance-Payables Department (Finance-Payables) requires original vendor receipts for reimbursement.

It is the responsibility of the Department to perform monthly account reconciliations on all petty cash accounts. Reconciliations are to be approved by the Custodian's supervisor or designee and retained on file in the department. Reconciling items and discrepancies shall be investigated, documented and reported in accordance with departmental procedures.

In the event of an impending state of local emergency, whether declared or undeclared, the limits imposed by this policy shall not apply, and the County Administrator may establish or increase petty cash funds in any amount deemed necessary under the circumstances.

Custodians shall ensure that all petty cash funds (including unused checks if applicable) will be kept in a locked drawer or box and stored in a secured area with access limited to authorized personnel. Custodians shall be personally responsible for the security of the petty cash assigned to them and shall be required to reimburse any loss resulting from improper or negligent handling of the funds.

**PROCEDURES:**

1. Opening Petty Cash Funds – The Department Head shall submit a memorandum to Finance-Revenue requesting the establishment of a petty cash fund. The memorandum shall appoint a

Custodian, describe the purpose of the fund, the amount and the account requested (checking or cash). The department custodian shall coordinate the setup of the account with Finance-Revenue.

2. Closing Petty Cash Funds - The Department Head shall submit a memorandum to Finance-Revenue requesting the closing of a petty cash fund. The Department Custodian shall submit all cash (checks if applicable) and expenditure receipts for said funds along with a final request for reimbursement to Finance-Revenue.
3. Change in Custodian - Department Head approval is required for all changes of Department custodians for petty cash funds. A memorandum from the Department Head shall be forwarded to Finance-Payables along with the confirmation that the petty cash funds were reconciled and that all monies and outstanding checks if applicable have been counted and verified by the out-going Department Custodian and their supervisor or designee . Finance-Payables shall forward this information to the Payroll Section in order for the employee files to be adjusted accordingly.
4. Replacement of Lost or Stolen Petty Cash-
  - a. If it has been determined that the Custodian is unable to reimburse the County for the lost or stolen funds from a petty cash fund, the Custodian must follow the procedures outlined in PPM# CW-F-075. Additionally, the Department Head shall submit for approval to his or her direct supervisor (i.e., Assistant County Administrator, Deputy County Administrator, or County Administrator) the following:
    - 1) a copy of the Property Loss Report;
    - 2) a copy of the Police Report, if applicable; and
    - 3) a cover memorandum requesting approval for the replacement of the lost or stolen cash and identifying the expenditure account number to be charged.
  - b. The Department Head's direct supervisor will review the submitted information, and, if approved, will provide a signature and date on the face of the cover memorandum submitted by the Department Head.
  - c. The approved memorandum, along with all other required documentation as listed above shall be sent to Finance-Payables.
  - d. Finance-Payables will notify the Department custodian of any changes or corrections to said replacement fund request.
  - e. Replacement funds will be issued by check made payable to the Department Custodian.
  - f. Upon receipt of the replacement fund check, the Department Custodian shall verify that said check is correct and shall cash or deposit said check as soon as possible.

5. Reimbursement of Petty Cash Fund

- a. Departments should make requests for petty cash reimbursements no more than once a month. The Department Custodian shall complete and submit a reimbursement request, with all required documentation, to the Department Custodian's supervisor for review and approval. Any exceptions to the general requirements of this PPM relating to frequency of reimbursement or individual purchase limits shall be justified in writing prior to reimbursement.
- b. The Department Custodian's supervisor or designee shall review and approve the reimbursement request and forward it, along with a list of all petty cash checks issued and a cover memorandum, to Finance-Payables. Original vendor receipts are required for reimbursement. Finance-Payables will notify the Department Custodian of any changes or corrections to said reimbursement request. Reimbursements will be by check made payable to the Department Custodian.
- c. Upon receipt of the reimbursement check from Finance-Payables, the Department Custodian shall verify that the reimbursement is correct and shall cash or deposit the reimbursement check as soon as possible. Checks which cannot be cashed or deposited immediately shall be kept in a secure location. If there is a discrepancy in the amount of the reimbursement, the Department Custodian shall inform the Department Custodian's supervisor or the Department Head who shall contact Finance-Payables regarding said discrepancy.

  
VERDENIA C. BAKER  
COUNTY ADMINISTRATOR

**Supersession History:**

1. PPM # CW-F-041, effective 10/18/93
2. PPM # CW-F-041, effective 3/28/94
3. PPM # CW-F-041, effective 9/1/95
4. PPM # CW-F-041, effective 10/1/08
5. PPM # CW-F-041, effective 2/1/10
6. PPM # CW-F-041, effective 4/25/11
7. PPM # CW-F-041, effective 10/1/14