

DATE: 10/14/91

PETTY CASH AND CHECK REQUEST POLICY

This policy establishes the petty cash and check request functions.

I. POLICY

It is the policy of the Fairbanks North Star Borough administration that a cash disbursement system function within the Borough to facilitate small purchases, to reduce the processing of labor intensive documents for purchases of small dollar amounts, and to minimize the amount of idle non-interest bearing cash.

II. SUPPLEMENTAL INFORMATION

A. References -

1. FNSB 3.01.020

B. Definitions -

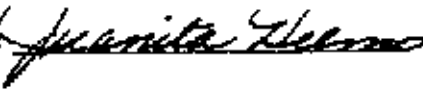
1. Check Request - Internal document used to gather the necessary information and approval to allow issuance of a check to a vendor for payment of small, incidental expenses. This form is also used when the account distribution is an asset (1XXXX), liability (2XXXX) or revenue (4XXXX).
2. Petty Cash - A system which allows use of cash to facilitate the purchase of small dollar items from local vendors.

C. Attachments - None

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SUPERSEDES: 25.01 (5/13/88)

PRIMARY RESPONSIBILITY: FS



PETTY CASH: ESTABLISHMENT OF FUND PROCEDURE

This procedure outlines the establishment of a petty cash fund.

I. PROCEDURE

- A. The Financial Services Department is responsible for creating petty cash funds and maintaining the records and signature authorization forms for all petty cash funds.
- B. The department director is responsible for assigning a key custodian and alternate custodian. In cases where the petty cash fund serves more than one department, the key custodian and alternate will be chosen by the director of the department in which the fund is located (i.e., petty cash fund for the third floor Administrative Center is located in the Public Works Department; therefore, the Director of Public Works assigns the custodians).
- C. To request a petty cash fund or an addition/decrease to a current fund, the department director must submit the request in writing to the Controller, Financial Services Department. The Controller is responsible for approving the request.
- D. When a new fund is approved or the custodian changed, the department director must submit to the Controller, a Signature Authorization Form (Attachment 1) for the key custodian and the alternate custodian.
- E. When a new fund or an addition is approved, the department's key custodian may pick up the cash for the fund from Collections.
- F. The department must ensure that the petty cash fund is secured in a locked cabinet/safe.
- G. Petty cash funds have been established at various locations. See the current list maintained by the cash analyst in the Financial Services Department.
- H. Departments/divisions are to use only the petty cash fund assigned unless extenuating circumstances arise.

II. SUPPLEMENTAL INFORMATION

- A. References - None
- B. Definitions - None
- C. Attachments -
 1. Signature Authorization Form

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SUPERSEDES: 25.01.01 (5/13/88)
PRIMARY RESPONSIBILITY: FS

SIGNATURE AUTHORIZATION

FAIRBANKS NORTH STAR BOROUGH
809 Pioneer Road
PO Box 71267
Fairbanks AK 99707-1267
(907) 459-1000

Department Name _____

Division Name(s) _____

MSA Center Number(s) _____

(printed or typed name)

(full signature)

(initials)

This person is the authorized signatory for the following functions as related to the above named department/division.

- _____ Purchase order - original
- _____ Purchase order - receiving report/payment request (pink or photocopy)
- _____ Travel authorization
- _____ Timesheets
- _____ Check request
- _____ Petty cash voucher/expenditure
- _____ Petty cash custodian __ Key __ Alternate
- _____ Fund verification
- _____ Budget transfer

_____ This person is authorized to pick up payroll and accounts payable employee checks for the above named department/division

_____ This person is the above named department/division timekeeper.

_____ This person is the above named department/division Fixed Asset Custodian.

Effective Date(s) _____ Permanent / Temporary
(circle one)

Termination Date _____

DEPARTMENT APPROVAL _____

RETURN THIS FORM TO THE FINANCIAL SERVICES DEPARTMENT, CONTROLLER

PETTY CASH OPERATION PROCEDURE

This procedure outlines the operation, reconciliation, and replenishment of petty cash funds.

I. PROCEDURE

- A. Petty cash should be used for purchases of \$100 or less from local vendors. Any c.o.d. items up to \$100 may be paid from petty cash. Petty cash must not be used for charged items.
- B. Petty cash may be used for local training if the amount does not exceed \$100.
- C. Expenditure of petty cash:
 1. The department must complete the cash-out section of the Petty Cash Voucher/Expenditure form (Attachment 1).
 2. The department takes the completed form to the key custodian who checks it for completeness (account numbers, department director's signature, etc.) and allowability (\$100 or less).
 3. The department signs the form for receipt of cash. The form remains with the key custodian.
 4. Once the purchase is made, the department returns any remaining cash along with the invoice to the key custodian. Together, the department and key custodian fill in the cash-in section of the form, attach the invoice to the form or a sheet of paper and copy it for the department's file, if requested. For microfilming and filing purposes, no sheets should exceed 8 1/2" x 11" and small receipts should be taped to additional sheets.
 5. Normally, one Petty Cash Voucher/Expenditures form is used for each petty cash purchase. However, similar purchases may be summarized on the same form.
- D. Reconciliation of petty cash fund:
 1. Petty cash funds must be in balance at all times. (Cash on hand plus total of all Petty Cash Voucher/Expenditure forms must equal the amount of the petty cash fund).
 2. The key custodian uses the Petty Cash Reconciliation form (Attachment 2) to reconcile the fund.
- E. Replenishment of petty cash fund:
 1. The amount of each petty cash fund is intended to be sufficient for ten (10) working days. Replenishment should be requested when the fund is approximately two-thirds (2/3) depleted or more often if desired.
 2. The key custodian summarizes, by MSA account number, all Petty Cash Voucher/Expenditure forms on the Petty Cash Summary form (Attachment 3). Do not duplicate account numbers on the summary form. Department approval is not

required on the Petty Cash Summary form if a department director has signed each of the Petty Cash Voucher/Expenditure forms.

3. The key custodian completes the Petty Cash Reconciliation form and submits both forms to the fund accountant, Financial Services Department (inter-office mail may be used).
4. The fund accountant will check account distribution and allowability. They will authorize the amount to be replenished and will forward the forms to Collections.
5. The fund accountant will notify the key custodian and the affected department of any disallowed expenditures. The fund accountant will be responsible for resolving these expenditures.
6. The key custodian may collect the money to replenish the fund from Collections. The approved funds will be available 24 hours after the Fund Accountant receives the request.
7. The key custodian will sign and date their Summary Sheet upon receipt of cash.
8. The key custodian must obtain from Collections a copy of the approved Petty Cash Summary to forward to all affected departments.
9. Weekly, Collections will request replenishment of the reimbursement fund by submitting to the fund accountant a Check Request (Attachment 4), the batch of Petty Cash Summary forms, and a Petty Cash Reconciliation form.

II. SUPPLEMENTAL INFORMATION

A. References - None

B. Definitions -

1. **Alternate Custodian** - This person acts in the absence of the Key Custodian
3. **Collections** - A function of the Treasury/Budget Division of the Financial Services Department
4. **Key Custodian** - The person who has physical custody of the petty cash fund. This person is responsible for safeguarding the cash, ensuring that no cash is issued without proper authorization, maintaining an adequate supply of cash, reconciling the fund, and completing all paper work required for reconciliation and replenishment
6. **Reimbursement Fund** - The fund located in Collections used to replenish all the petty cash funds

C. Attachments -

1. Petty Cash Voucher/Expenditure form
2. Petty Cash Reconciliation form

3. Petty Cash Summary form
4. Check Request form

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PETTY CASH VOUCHER/EXPENDITURE

FAIRBANKS NORTH STAR BOROUGH
809 Pioneer Road
PO Box 71267
Fairbanks AK 99707-1267
(907) 459-1000

CASH OUT

CASH IN

Date: _____

Date: _____

Amount Requested _____

Amount Received _____

Description _____

Key Custodian _____

Final Purchase Amount
(this must agree with
attached invoices) _____

Account No. _____

Dept. Approval _____

Amount Disbursed _____

Signature of Receiver _____

INVOICES:

PETTY CASH SUMMARY

FAIRBANKS NORTH STAR BOROUGH
809 PIONEER ROAD
P.O. BOX 71267
FAIRBANKS, AK 99707-1267
(907) 452-4761

Key Custodian _____

Date _____ Ext. No. _____

Dept. Approval _____
(or each Petty Cash Voucher/Expenditure form must be signed)

Approved Replenishment _____ Budget Approval _____

Amount	Account Number
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	

TOTAL _____

ATTACH ALL PETTY CASH VOUCHER/EXPENDITURES FORMS

APPROVED:

Juanita Helms

FNSB NO. 25.01.03

DATE: 5/13/88

CHECK REQUEST

This procedure outlines the use of check requests.

I. PROCEDURE

- A. A check request is used by the departments in place of a purchase order when the purchase is \$100 or less and the exact amount of the purchase is known.
- B. Check requests must be used whenever the account distribution is an asset (1XXXX), liability (2XXXX), revenue (4XXXX), or when replenishing the Reimbursement Fund. The \$100 limit does not apply in these cases. Examples: refunds, payroll liabilities, remittance of taxes to cities, and debt service payments.
- C. Check requests may not be used for travel or training expenses.
- D. The department completes the two-part, prenumbered check request form, keeps the department's copy, and routes the original with an invoice or other supporting documentation as follows:
 1. Fund Account, Financial Services Department, for budget control.
 2. Purchasing, General Services Department, for vendor number.
 3. Accounts Payable, Financial Services Department, for payment.

II. SUPPLEMENTAL INFORMATION

- A. References - None.
- B. Definitions - None.
- C. Attachments - Check Request form.

SUPERSEDES:
PRIMARY RESPONSIBILITY: FS

CHECK REQUEST FOR INTERNAL USE ONLY

FAIRBANKS NORTH STAR BOROUGH
P.O. Box 71267
809 Pioneer Road
Fairbanks, Alaska 99707
(907)452-4761

Check Payable to: _____ :Vendor Name and Address
:(if different)
:
:
:
:
:

Vendor No. _____ Date _____

(Purchasing) Amount Account Number Description

SAMPLE

Total \$ _____

Department/Division _____

Dept. Approval _____

Budget Approval _____

