



## Baypoint Preparatory Academy PETTY CASH POLICY AND PROCEDURES

### OVERVIEW

The purpose of a petty cash fund is to allow staff to make small purchases from cash on hand for those items that can be exempted from the normal purchasing process. These items include but are not limited to:

- a. One-time and/or small supplies purchases with an immediate need (for example, running out of copy paper on the day a mailing goes out)
- b. Other small items that cannot be paid on the credit card

Director has designated Carrie Best as the Petty Cash Manager. Approval from the Petty Cash Manager is required for any petty cash purchases. In times that the Petty Cash Manager is absent, the Director has designated Terri Marek as the interim Petty Cash Manager. **The amount of the petty cash fund is hereby set at \$200.00.**

### PROCEDURE FOR USING PETTY CASH

#### Procedure When Employee Purchases Items:

1. Employee receives prior approval from the Petty Cash Manager or designee for the planned purchase in advance for purchases up to \$25.
2. Employee makes the purchase, paying for the item with personal monies and obtains an itemized receipt or cash register sales slip.
3. Employee presents the itemized receipt or sales slip to the Petty Cash Manager.
4. Petty Cash Manager records the following information on the Petty Cash Log:
  - o the amount of the purchase
  - o the date
  - o the purpose
  - o the purchaser
  - o the purchaser's signature
5. The Petty Cash Manager then disburses cash in the exact amount needed to reimburse the employee, keeping the signed record of the disbursement containing the above information together with the original receipts provided. The total of cash plus receipts in the petty cash box/file should always equal \$200.00.

#### Procedure When Employee Receives Advance to Purchase Items:

1. Employee receives prior approval from the Petty Cash Manager for the planned purchase in advance. The Petty Cash Manager also indicates how much may be disbursed as an advance.
2. Petty Cash Manager disburses the approved amount of cash to the employee, recording the following information at the time of disbursement on the Petty Cash Log:
  - o the amount of the advance
  - o the date

- the purpose (*Indicate if special funds/grants should be used i.e. Title I, Special Ed*)
  - the recipient
  - the recipient's signature
3. Employee makes the purchase using the advanced funds and obtains an itemized receipt or cash register sales slip.
  4. Employee presents the itemized receipt or sales slip to the Petty Cash Manager along with any change from the original advance.
  5. The Petty Cash Manager notes the final cost of the item and amount returned on the original disbursement record described in #2 above, and keeps the signed record of the disbursement containing the above information together with the original receipts provided.
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### **REPLENISHMENT POLICY**

Replenishment of the petty cash fund to \$200.00 should be done on a timely basis in order to maintain a sufficient balance to cover projected petty cash needs at all times. Generally, this would be when the cash balance drops below \$100.00, but can be requested sooner if a large number of petty cash purchases are anticipated. In addition, all funds should be replenished at the fiscal year end so there are no outstanding receipts as of June 30.

### **REPLENISHMENT PROCEDURE**

1. When the Petty Cash gets low the Petty Cash Manager will total the expenditures listed on the Petty Cash Log and write the total in the "Total Purchases" located at the bottom of the log.
2. Count the cash remaining in the petty cash box and write that total in the Cash On Hand box located at the bottom of the log.
3. The Cash on Hand should match the Beginning Balance minus the Total Purchases. If it doesn't match recalculate your Total Purchases and Cash On Hand. If it still doesn't balance you will need to attach a written explanation to the log.
4. You will now submit the log with receipts and explanations to the Director for approval. The Director will sign the bottom of the Petty Cash Log which will provide authorization for a replacement check. (At this time the Petty Cash Manager will start a new Petty Cash Log and enter the remaining cash balance at the top of the log.)
5. The Petty Cash Manager will now submit the Petty Cash Log and all receipts and explanations to the DMS AP Specialist for payment. The DMS AP Specialist will then process a replacement check made out to "cash".
6. The replacement check can then be cashed by the Petty Cash Manager, the cash received placed in the Petty Cash box/file and the deposit added to the new Petty Cash Log as a deposit using the date the check was cashed. The new Petty Cash Log should now have a starting balance of \$200.00.