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# Petty Cash Management

## 211.1 PURPOSE AND SCOPE

This policy provides for the establishment and administration of a district petty cash fund.

## 211.2 POLICY

The District will establish, administer, and maintain the petty cash fund according to this policy.

### 211.2.1 DEFINITIONS

**Custodian** - The individual designated by the Fire Chief as having custody of and responsibility for maintaining the petty cash fund.

**Petty cash fund** - A reserve of money established to make small purchases when payment by purchase order or voucher is not practical.

## 211.3 RESPONSIBILITIES

### 211.3.1 FIRE CHIEF RESPONSIBILITIES

The Fire Chief or the authorized designee is responsible for establishing and maintaining protocols for the operation of a petty cash fund. The protocols should include but are not limited to:

- (a) Designation of a petty cash custodian.
- (b) Initial and replenishment fund amounts. The petty cash fund should not exceed the amount established by the District.
- (c) Maximum dollar amount for purchases. Petty cash expenditures should be limited to no more than \$100.
- (d) A receipt is required to request cash from the custodian.
- (e) An approved petty cash ledger for use by the custodian. The ledger may be maintained electronically or by hand and should require the following information for all transactions:
  - 1. The name of the member receiving cash
  - 2. The amount disbursed to the member
  - 3. The reason for the disbursement
  - 4. The amount of any cash returned
  - 5. The amount of any cash received to replenish the account
  - 6. A copy of any purchase receipt
- (f) A requirement that the custodian provides a full accounting and reconciliation of all fund transactions to the Fire Chief, which should then be reviewed and approved according to the Petty Cash Procedure before authorizing replenishment of the petty cash fund.

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- (g) A requirement that the petty cash fund is audited by the custodian at least annually and that the results of the audit are provided to the Fire Chief.
- (h) Established disciplinary guidelines for situations where the custodian has violated this policy or the Petty Cash Procedure, or where a member is found to have provided false information to obtain petty cash funds, including referral to law enforcement when the facts indicate that a crime may have occurred.
- (i) Designation of a physical location for the petty cash fund. The fund should be secured in the following manner:
  - 1. Use a lockbox with a key or combination lock.
  - 2. The lockbox should then be stored in a safe, securable drawer, cabinet, or locker.
  - 3. The safe, securable drawer, cabinet, or locker should be located in a securable room or office with restricted access.

### 211.3.2 PETTY CASH CUSTODIAN RESPONSIBILITIES

The custodian's responsibilities should include but are not limited to:

- (a) Maintaining the petty cash fund according to this policy and the Petty Cash Procedure.
- (b) Requesting replenishment funds from the Fire Chief when the funds on the account fall below the established replenishment amount or requesting funds needed to bring the petty cash fund back to the maximum allowable amount. Requests should be made at any regular membership meeting. No "emergency" requests should be permitted or approved.
- (c) Receiving funds for replenishment only from funds approved and allocated from department accounts or by the return of unused funds properly issued to members.
- (d) Maintaining the petty cash ledger according to this policy and the Petty Cash Procedure.
- (e) When someone other than the custodian will be handling the petty cash fund, accounting for all petty cash and vouchers before transferring petty cash responsibilities to an alternate custodian.