



OREGON YOUTH AUTHORITY
Policy Statement
Part I – Administrative Services



Subject

Petty Cash Fund

Section – Policy Number:

B: Financial Management – 2.2

Supersedes:

I-B-2.2 (6/9/03)

Effective Date:

03/28/2011

Date of Last

Review/Revision:

None

Related Standards and References:

- [ORS 293.180](#) (Agency Petty Cash Fund)
- Department of Administrative Services (DAS), Oregon Accounting Manual (OAM): [10.20.00.PO](#) (Cash); [10.20.00.PR](#) (Cash)
- [OYA Purchasing Resource and Reference Guide](#)
- OYA forms: [YA 2201](#) (Delegation of Expenditure Decision Authority)
[YA 2217](#) (Petty Cash Register and Request for Reimbursement)
[YA 2223](#) (Request To Establish Petty Cash Fund, Change Custodian, or Change Amount)
[YA 2224](#) (Petty Cash Reconciliation)

Related Procedures:

- None

Interpretation:

Business Services

Approved:

Colette S. Peters, Director

I. PURPOSE:

This policy provides guidelines for OYA offices and facilities in proper accounting of petty cash.

II. POLICY DEFINITIONS:

Petty Cash Custodian: The person responsible for ensuring fund transactions are compliant with OYA and statewide petty cash and purchasing policies, safeguarding the petty cash, and properly accounting for transactions.

III. POLICY:

Petty cash funds may be established at OYA offices and facilities for use when immediate cash payments are necessary. However, petty cash fund use will be minimized and avoided when possible. OYA must adhere to statewide policy regarding cash funds as described in the Oregon Accounting Manual.

IV. GENERAL STANDARDS:

A. Staff may use petty cash for purchases that are:

1. For official business of OYA in accordance with purchasing rules and policies;
2. Of an emergency nature;
3. Impractical or impossible to be made with a Small Purchase Order Transaction System (SPOTS) card, or by a check from OYA Central in advance using an expense voucher, or purchase order;
4. Less than \$30 per purchase; and
5. Approved by staff who are authorized to approve cash payments from the fund.

Staff must complete a YA 2201 (Delegation of Expenditure Decision Authority) form to document the authorization to approve cash payments.

B. Examples of appropriate petty cash use are as follows:

1. Emergency purchase of office or facility supplies when there is no open purchase order with a local vendor for the needed item and it is not possible to use a SPOTS card;
2. Purchase of a meal for an offender who is being transported;
3. Emergency purchase of clothing or transportation for an offender when the vendor will not accept an expense voucher and a SPOTS card is not an option;
4. Emergency purchase of a copy of an offender's birth certificate when the vendor will not accept a SPOTS card or a cardholder is not available.

C. Examples of inappropriate petty cash uses are as follows:

1. Purchases from a vendor who will accept an expense voucher, a SPOTS card, or who will bill the agency;
2. Non-emergency purchases where an advance payment can be made with a pre-pay purchase order; or
3. Purchases that are not for OYA official business which may or may not personally benefit staff (e.g. gifts, staff coffee supplies, greeting cards).

- D. Other restrictions
1. No petty cash funds will be loaned to staff or used to cash personal checks.
 2. No other funds will be combined with petty cash funds.
- E. Receipts must be obtained for all purchases and kept in a locked box with the cash until submitted to Central Accounting with a YA 2217 (Petty Cash Register and Request for Reimbursement) form.
1. If a receipt is unavailable, the Petty Cash Custodian must include an explanation when requesting reimbursement.
 2. The receipt must clearly be from the vendor and show exactly what was purchased, when, from whom, the cost, and how much was paid.
- F. The OYA Director, assistant directors, facility superintendents/camp directors, and field supervisors are authorized to establish a petty cash fund, designate or change the custodian of that fund, or change the fund amount.
1. The authorizing staff must complete a YA 2223 (Request to Establish Petty Cash Fund, Change Custodian, or Change Amount) and send it to Central Accounting.
 2. A completed YA 2224 (Petty Cash Reconciliation) must accompany the YA 2223 when the Petty Cash Custodian or fund amount are changed.
- Signatures of both Petty Cash Custodians (old/new) are required to acknowledge the transfer of funds when the request is to change the Petty Cash Custodian.
- G. Staff responsibilities
1. Petty Cash Custodian must -
 - a) Safeguard petty cash;
 - (1) Petty cash must be stored in a locked box within a locked safe, filing cabinet, or desk.
 - (2) The Petty Cash Custodian must be the only person with a key to the locked box and must ensure the desk, file cabinet, or safe is locked in the Petty Cash Custodian's absence.
 - (3) A temporary Petty Cash Custodian may be assigned during a regular Petty Cash Custodian's extended absence.

- i. In such cases, a cash count and reconciliation must be done at the time of the transfer both to and from the temporary custodian.
 - ii. The reconciliation must be signed by the custodian and temporary custodian.
 - b) Ensure compliance with OYA and statewide petty cash and purchasing rules;
 - (1) The Petty Cash Custodian must comply with OYA policy, which includes all relevant statewide petty cash requirements.
 - (2) The Petty Cash Custodian must comply with purchasing rules as described in the OYA Purchasing Process Resource and Reference Guide.
 - c) Issue petty cash;
 - (1) Upon request for authorized use of petty cash, the Petty Cash Custodian must prepare a YA 2217 based on information from the person making the request.
 - (2) The Petty Cash Custodian will obtain an approving signature on the form. The Petty Cash Custodian is not authorized to approve petty cash use.
 - (3) The Petty Cash Custodian must obtain a confirming signature of the person receiving the cash.
 - (4) The Petty Cash Custodian must release cash to the person making the approved purchase.
 - d) Reconcile the petty cash fund;
 - (1) The Petty Cash Custodian must prepare monthly reconciliations of the fund, obtain the authorizing person's signature, and keep reconciliations on file at the fund's location.
 - (2) Cash on hand plus receipts, plus cash released and awaiting receipts, plus unpaid reimbursement requests must equal the total amount of the fund at all times.
 - (3) If money or receipts are missing, the Petty Cash Custodian must prepare the reconciliation, obtain the signature of an authorizing person, date the reconciliation, and forward it to Central Accounting with an explanation of the circumstances.

- e) Reimburse the petty cash fund;
 - (1) Petty Cash Custodians must request reimbursement of the fund at least every month using a YA 2217, unless the request is less than \$10.
 - (2) Reimbursement must be requested by July 15th of each year for any un-reimbursed amounts as of June 30th.
 - (3) Reimbursement must be supported by receipts.
 - (4) Reimbursement must be requested for the exact amount of expenditures made from the fund.
 - f) Redeem reimbursement checks within a week of receipt, and place the funds in the petty cash box.
2. The authorizing person must -
- a) Have an effective YA 2201 authorizing approval of petty cash disbursements;
 - b) Review, approve, and sign for each purchase and replenishment of the fund on the YA 2217;
 - c) Review, approve, and sign monthly reconciliations prepared by the Petty Cash Custodian; and
 - d) Perform periodic unannounced reconciliations of the petty cash fund, at least every six months. The authorized person must use the reconciliation form, and retain it at the fund's location.
3. Purchasers must -
- a) Provide details of the purchase to the custodian when requesting petty cash funds;
 - b) Sign the YA 2217 for that purchase; and
 - c) After purchasing the item, give the receipt and any change to the Petty Cash Custodian.
4. Central Accounting staff must -
- a) Review YA 2217 forms for accuracy and conformance to the petty cash policy;
 - b) Initiate warrants payable to the Petty Cash Custodian for the exact amount of expenditures made from the fund;
 - c) Monitor periodic submission of YA 2217s;

- d) Research unreimbursed amounts as of June 30th of each fiscal period;
- e) Evaluate funds as to their need and size; and
- f) Periodically review petty cash purchases and control practices.

H. Losses due to theft

1. If petty cash is stolen from an office or facility, staff must file a police report and call Central Accounting as soon as the theft is discovered.
2. The authorizing person must prepare a written statement explaining the theft circumstance and send it with a copy of the police report to Central Accounting as soon as possible to replace lost funds.

The written statement must also include new internal controls established to mitigate future losses.

3. The replaced funds must be charged to the budget of the office sustaining the loss.

V. LOCAL OPERATING PROTOCOL REQUIRED: NO