



County of Santa Clara

Policy Name: Petty Cash (Revolving) Funds

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Policy Type: Administrative

Category: Fiscal and Budget **Sub-Category:** Budget Practices

Policy Name: Petty Cash (Revolving) Funds

Policy Owner: Controller-Treasurer Department

Policy Purpose

The Director of the Finance Agency is authorized by the Board of Supervisors to approve the creation, use, modification, or discontinuance of departmental petty cash (revolving) funds. The purpose of this policy is to provide guidance to departments seeking petty cash or modification of their petty cash allowances, as well as the process for communicating petty cash needs to the Finance Agency.

Policy Summary

The Finance Agency has the discretion to control the use, appropriation, modification, and discontinuation of petty cash funds. With this authority, the Finance Agency may, from time to time, request information from departments regarding the use of petty cash or the need for a modification of petty cash funds.

Procedures

Requesting Creation or Increase of a Petty Cash (Revolving) Fund

- 1) To request the creation or increase of a petty cash (revolving) fund, the **requesting department** submits a written request to the



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Controller-Treasurer. This request shall include a justification for the need to create or increase a petty cash (revolving) fund.

- 2) Upon receiving a request to create or increase a petty cash (revolving) fund, the **Controller-Treasurer Department** may modify the requested amount and approve or deny the request as follows:
 - 2a) Approve: If the Controller-Treasurer approves the request, the **Controller-Treasurer Department** advises the requesting department of the approval and any modifications made to the amount.
 - 2b) Deny: If the Controller-Treasurer denies the request, the **Controller-Treasurer** Department advises the requesting department of the denial and the reasons for denying the request.
- 3) Upon notification of petty cash request approval, the **requesting department** processes a transaction in the County's accounting system to produce a warrant and presents the warrant to the bank to obtain the petty cash amount.
- 4) The **requesting department's petty cash (revolving) fund custodian** disburses the funds for authorized uses within the department's and Finance Agency's dollar amount limits. The custodian must obtain the signature of each employee receiving petty cash to acknowledge receipt of the funds. The custodian must also obtain receipts and other documents demonstrating that the disbursed funds were used for the authorized purpose.



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Discontinuing or Decreasing a Petty Cash (Revolving) Fund

- 1) Upon receiving notice or approval to discontinue or decrease a fund, the **department fund custodian** deposits the cash by following the Controller-Treasurer Department's usual deposit process and notifies the Controller-Treasurer Department when the transaction completed.

Changing the Use of a Petty Cash (Revolving) Fund

- 1) To request a change in permissible uses of petty cash (revolving) funds, the **requesting department** submits a written request to the Controller-Treasurer containing justification for the change in use.
- 2) The **Controller-Treasurer** approves or denies the request and notifies the requesting department of the decision.

Replenishing a Petty Cash (Revolving) Fund

- 1) Before requesting replenishment of a petty cash (revolving) fund, the **requesting department's fund custodian** must balance the fund by determining that the receipts and other documents plus the remaining cash equal the authorized amounts.
- 2) In the event of an overage or shortage, the **fund custodian** must follow the policy and procedure for documenting overages and shortages.
- 3) The **custodian** processes a transaction in the County's accounting system to produce a warrant and presents the warrant to the bank to obtain the petty cash replenishment amount.



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Definitions

For the purposes of this policy, the following definitions apply:

- 1) **"Fund Custodian"** means the employee designated as a particular department's custodian and internal auditor of a Petty Cash (Revolving) Fund.
- 2) **"Petty Cash (Revolving) Fund"** a small fund of cash provided to a department specified or discretionary purposes. The monies in a Petty Cash (Revolving) Fund may be referred to generally as "petty cash" or "petty cash funds."
- 3) **"Warrant"** means a check or other similar document issued by the County and approving the disbursement of a set amount of funds.

Frequently Asked Questions

None.

Related Policies

None.

Related Forms and Information

None.

History

Date	Changes Made
2/19/2014	Policy uploaded. (John Myers)



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