

Policy

PETTY CASH FUNDS

The board of education authorizes establishment of imprest petty cash accounts by resolution. The resolution will include:

- A. The amount or amounts authorized for each petty cash fund;
- B. The maximum expenditure that may be made from each fund;
- C. The individual designated by the board who shall be responsible for the disposition of each fund.

The designated person(s) shall report to the board the amounts disbursed from each account periodically, as directed by the board, and will return all unused petty cash funds to the depository at the end of the fiscal year. All petty cash funds shall be established by board-approved voucher. Petty cash funds and disbursements will be audited as part of the annual financial audit.

Funds are to be used for emergencies and small purchases only and not to subvert the intent of the regular purchasing procedures or for routine expenditures. No single expenditure shall exceed the amount determined by the board in its resolution, and all expenditures must be authorized by the designated individual.

Date: *Reviewed: May 17, 2000; May 15, 2002; February 16, 2011*
 Readopted: May 17, 2000; January 21, 2004; April 13, 2011

Legal References: Use legal reference sheet.

Cross References: List your appropriate policies. See legal reference sheet for possibilities.

Key Words

Petty Cash

Legal References

PETTY CASH FUNDS

QSAC Monitored:

Section 4: Fiscal Management

Other Reasons:

A policy stating the board's intention of passing a resolution to establish petty cash fund(s) is good business practice.

Recommendation:

A policy noting the need for the resolution which must state the amount authorized for each fund and the maximum single expenditure which may be made, designate the responsible individual, and set a timetable for reporting expenditures. These topics should be addressed in the policy.

The policy statement may also include return of unused funds to depository and use of board-approved voucher to obtain cash for establishment of funds.

<u>Legal References:</u>	<u>N.J.S.A.</u>	18A:19-13	Petty cash funds
	<u>N.J.S.A.</u>	18A:23-2	Scope of audit
	<u>N.J.A.C.</u>	6A:23A-16.8	Petty cash fund

Possible

<u>Cross References:</u>	*3320	Purchasing procedures
	*3326	Payment for goods and services
	3571	Financial reports
	3571.3	Annual financial statement

*Indicates policy is included in the Critical Policy Reference Manual.