

Administrative Order



Administrative Order No.: 3-6

Title: Petty Cash

Ordered: 05/18/2009

Effective: 05/18/2009

AUTHORITY:

Section 4.02 of the Miami-Dade County Home Rule Charter, as amended.

SUPERSEDES:

This Administrative Order supersedes previous Administrative Order 3-6, ordered and effective December, 19, 1995.

POLICY:

Petty cash funds exist to provide departments with a method of making a purchase for legitimate and appropriate infrequent, unanticipated public purpose purchases of goods and services of less than two hundred fifty (\$250) without utilizing the small purchase order procedure required by **Administrative Order 3.38**.

ESTABLISHMENT:

Petty cash funds shall be established through the submission of written requests by department directors to the Finance Director. The request shall include the departmental written petty cash fund procedures. Upon approval by the Finance Director or his/her designee(s), appropriate action will be taken by the department director to ascertain that the petty cash administrative procedures are understood and in place.

LIMITATIONS:

Petty cash funds are not to be used to circumvent the County's centralized procurement program or any other County established policies and procedures relating to specific types of expenditures, such as travel or other expenses limited by other legislation.

Petty cash funds may be used only for public purpose legitimate operating expenditures, considered non-recurring and unanticipated in nature. Unless specifically authorized elsewhere, prohibited expenditures include, but are not limited to, food and beverage items, donations, flowers, items of a personal nature and other similar items. Toll and parking receipts may be reimbursed as infrequent expenditures only; otherwise, these items should be claimed for reimbursement through mileage reimbursement request and not paid as typical petty cash items. Individuals receiving car allowance executive benefits are not eligible to receive mileage reimbursements or reimbursements for local tolls or parking.

No disbursement in excess of two hundred fifty dollars (\$250) per transaction may be made from authorized petty cash fund, except upon prior approval of the Finance Director or his/her designee(s). Approvals granted by telephone shall be supported by a written memorandum promptly forwarded to the Finance Director or his/her designee(s) for confirmation of approval, and subsequently included within the reimbursement package.

A petty cash fund is not to be used as a cash register fund nor does it replace the use of small purchase orders where it is anticipated that a series of transactions of less than two hundred fifty dollars (\$250) with a particular vendor will be recurring.

RESPONSIBILITY:

The Department Directors shall be responsible for establishing written departmental petty cash fund procedures and ensuring that secured on-site storage facilities are provided to safeguard the funds. Departmental written procedures must be kept current and available at all times for review by auditors or Finance Department personnel. A list of authorized departmental petty cash custodians shall be forwarded to the Finance Director prior to October 1 of each year. If the custodian of a petty cash fund is changed during the fiscal year, the Department Director shall immediately send written notification to the Finance Director or his/her designee(s).

Petty cash disbursements must be authorized by someone at a supervisory level independent of the fund custodian.

Department directors, fund custodians and other persons authorized to approve petty cash disbursements and/or seek fund replenishment shall be responsible for assuring that all such transactions comply with applicable County laws and departmental procedures.

ACCOUNTABILITY:

The custodian of the petty cash fund shall be held responsible for all monies in the fund. No reimbursements shall be made from County funds for lost petty cash funds due to the negligence of the custodian or due to the lack of safeguarding the petty cash funds.

Petty cash funds shall not be commingled with personal monies, used for personal purchases, or borrowed or loaned for personal use between cash custodians.

Custodians must be able to account for the full amount of funds being held at any given time. Funds may consist of cash, paid invoices/receipts, or interim approved receipts for cash advanced to other individuals for specific purposes.

The custodian of the petty cash fund is responsible for keeping an accurate record of all disbursements from the fund and maintaining original receipts in support of such disbursements.

PROCEDURES:

Departmental petty cash procedures shall contain the following **minimum** provisions:

1. Cash advances shall be requested in writing and authorized by the department director or his/her designee(s). Documentation relating to purchases paid by petty cash including any unused cash advance shall be submitted to the custodian within five (5) business days from the receipt of the advance.

Receipts for reimbursements shall not be more than thirty (30) days old.

2. At a minimum, reimbursements must be supported by original invoice/receipt documents which include: purchase date, vendor name, description of item purchased, reimbursement amount, signature of employee reimbursed and supervisory approval. (This information need not be duplicated on a separate form if listed on the invoice/receipt either in a preprinted manner or manually scribed).
3. Petty cash funds shall be reconciled, on a standardized form, at the time of replenishment or at a minimum on a quarterly basis, whichever occurs first. All reconciliations shall be reviewed and approved and authorized in writing by the department director or his/her designee(s).
4. Replenishment of petty cash funds shall be made by the Finance Department upon receipt of completed Petty Cash Reconciliation Form with all required petty cash disbursements support documents attached, sealed in a Petty Cash Reimbursement Request Envelope.
5. Independent, unannounced verifications of petty cash fund balances and examinations of expenditures (on a sample basis) may be conducted at least annually to assure accountability and compliance with departmental procedures and County ordinances. Such examinations shall be directed by the Department Director or his/her designee.
6. At all times the remaining petty cash on hand and un-reimbursed invoices/receipts shall equal the balance of the petty cash fund. In the event that any or all of a petty cash fund is lost, stolen, or misplaced, the department director shall be responsible for reporting and communicating the incident to the Finance Director in writing. Such communication, shall be accompanied by a police report. A copy of the memorandum sent to the Finance Director, along with a copy of police

report shall also be forwarded to the Director, Audit and Management Services.

COMPLIANCE:

Department directors are ultimately responsible for assuring that all petty cash transactions conform to the provisions of this Administrative Order. The Finance Department may periodically examine petty cash disbursements and procedures for propriety and compliance with this Administrative Order. Petty Cash disbursements which do not comply with this Administrative Order can result in non-reimbursement or other appropriate administrative action. Further, the Audit and Management Services Department conducts periodic audits to determine conformance with established County and departmental petty cash fund procedures and other applicable County laws and regulations.

EXCLUSION:

Department directors that feel that specific operations or programs should be excluded from the provisions of this Administrative Order shall submit a detailed memorandum to the Finance Director outlining the reasons therefore. This memorandum, which must be approved by the Finance Director, must certify that sufficient mitigating internal accounting controls are in place to adequately safeguard the utilization of the petty cash funds.

County Mayor

Approved by the County Attorney as
to form and legal sufficiency