



Judicial Council of California

Administrative Office of the Courts

Trial Court Financial Policies and Procedures

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PETTY CASH

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Petty Cash

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(Original 10/03)

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2.0 Purpose

(Original 10/03)

The purpose of this policy is to establish guidelines for the trial court to use in establishing, drawing from, replenishing, and accounting for petty cash funds.

3.0 Policy Statement

(Revised 9/10)

A petty cash fund may be established when the trial court finds it necessary to keep a small amount of cash on hand to purchase low value supplies and services that cannot be practically purchased by other means. The maximum petty cash purchase is \$100.00 unless advance approval from the Court Executive Officer, or documented designee is obtained.

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4.0 Application (Original 10/03)

This procedure applies to all trial court officers, managers, and employees who are responsible for authorizing, controlling, or reconciling petty cash funds or who may make purchases using petty cash.

5.0 Definitions (Revised 9/10)

Refer to the Glossary for the following key terms used in this policy.

Petty Cash

6.0 Text

6.1 Introduction (Original 10/03)

1. A petty cash fund may be established when it can be demonstrated that a continuing cash advance should be kept on hand to permit the purchase of low-value supplies and services.
2. Whenever possible, standard procurement methods should be used instead of petty cash (refer to Policy No. FIN 6.01, Procurement). However, some supplies, such as stamps, postage for prepaid meters, parking, cab fare, and rapid transit tickets needed for official trial court business purposes, may be purchased using petty cash funds.
3. More than one petty cash fund may be established if the trial court can demonstrate a need based on factors such as the size of the court or the need for petty cash at multiple court locations. These procedures apply to each petty cash fund established by the trial court.

6.2 Petty Cash Fund Custodian

(Original 10/03)

1. The Court Executive Officer must appoint a custodian of the trial court petty cash fund. The custodian is personally responsible for the safekeeping, disbursement, and accounting for petty cash. A copy of this procedure shall be given to the custodian to ensure that he or she understands the requirements for using petty cash funds.
2. The petty cash custodian shall have no other cash handling responsibilities.
3. Petty cash funds should be kept separate from all other monies. The petty cash fund shall be kept in a locked drawer or cabinet with the key in the custodian's possession.

6.3 Establishment of a Petty Cash Fund

(Original 10/03)

1. A check made payable to the custodian of the fund is written to establish the fund. Checks written to replenish the petty cash fund are also made payable to the custodian.
2. The petty cash fund should be kept to the lowest amount that is sufficient to meet the needs of the trial court. The authorized fund shall not exceed \$200, except that funds up to \$750 may be authorized where:
 - a. A fund of lesser size would normally require replenishment more often than once a month; and
 - b. A safe, vault, or money chest adequate to safeguard the petty cash fund is available.

6.4 Petty Cash Disbursements

(Revised 7/04)

1. The maximum petty cash disbursement is \$100 per transaction, exclusive of applicable sales tax.
2. Disbursements from a petty cash fund can only be made for authorized purposes. Each disbursement must be documented by a petty cash receipt, which should contain the following information:
 - a. Date of purchase or payment.
 - b. Name of vendor or other payee.
 - c. Amount paid.
 - d. Description of the goods purchased (entered by the vendor if a handwritten receipt is obtained, or by the purchaser if a cash register tape is issued) or of the services provided.
 - e. The trial court account the disbursement should be charged to.
 - f. Signature indicating receipt of purchases or services.

An example Petty Cash Receipt is provided in 7.0, Associated Documents.

3. The original vendor invoice, cash register receipt, or other evidence of the transaction for which petty cash is disbursed must be attached to the petty cash receipt.
4. The total receipts plus the cash on hand must equal the specified amount of the petty cash fund at all times.

6.5 Restrictions on the Use of Petty Cash

(Revised 7/04)

Whenever possible, standard procurement methods should be used instead of petty cash (refer to Policy No. FIN 6.01, Procurement).

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The petty cash fund cannot be used to:

- a. Pay for expenditures greater than \$100 unless advance approval from the Court Executive Office or designee is obtained. If approval is not obtained, purchases greater than \$100 shall be made according to Policy No. FIN 6.01, Procurement.
- b. Purchase goods currently covered by a trial court contract or blanket purchase order.
- c. Pay personal services that would be considered either wages or independent contractor payments. All payments for personal services must be paid through either the payroll system as wages, or accounts payable, if payment is being made to an independent contractor.
- d. Pay travel expenditures, except for local travel (e.g., parking, cab fare, local public transit fares, etc.).
- e. Make personal loans, salary advances or to serve as a check cashing fund.

6.6 Petty Cash Fund Reimbursement (Original 10/03)

1. Reimbursements to the petty cash fund are made by check payable to the custodian. To receive reimbursement for petty cash expenditures, the custodian must submit a Reimbursement of Petty Cash form that is supported by purchase receipts. An example form is provided at the end of this procedure.
2. Reimbursement requests must be approved for payment by the Court Fiscal Officer or his or her designee. The trial court accounting department is responsible for reviewing the receipts submitted with reimbursement requests.

3. Trial court executives, managers, and other employees are prohibited from authorizing petty cash reimbursements payable to cash or themselves.
4. Reimbursement should be requested as needed, but no less frequently than monthly. The fund shall be reimbursed prior to the close of the fiscal year.
5. Two people shall count and verify the amount in the petty cash fund periodically at the court's discretion. Any differences will be reported to the Court Executive Officer so that he or she can determine what action(s) should be taken.

6.7 Audit of Petty Cash Fund
(Original 10/03)

A representative of the trial court accounting department will count the petty cash fund according to the following schedule and report the count to the Court Financial Officer:

<u>Size of Fund</u>	<u>Frequency</u>
\$200 or less	Annually
\$200 to \$500	Quarterly
Over \$500	Monthly

6.8 Change in Petty Cash Custodian
(Original 10/03)

When custody of a petty cash fund is transferred to another custodian: (1) a personal review of the fund will be made by the employees directly concerned, and (2) a Petty Cash Change of Custodian Form (provided at the end of this procedure) should be completed for the approval of the Court Executive Officer. The purpose of this form is to document the change of custodian, that the total of the cash and the receipts equal the specified amount of the fund, and that the new custodian is aware of his or her specific responsibilities related to custody of the fund.

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7.0 Associated Documents
(Revised 7/04)

- Suggested Petty Cash Receipt**
- Suggested Reimbursement of Petty Cash Form**
- Suggested Change of Petty Cash Custodian Form**

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PETTY CASH RECEIPT	
\$100.00 limit per purchase	
NOT VALID WITHOUT ORIGINAL RECEIPT ATTACHED	
Receipts older than 30 days will not be reimbursed on this form	
Vendor: _____ Date: _____	
Description of purchased items and intended use:	

Charge to Account No: _____	
Purchased by: _____ Amount: \$ _____	
The above purchase was for official trial court purposes, and I have received, in cash, the amount shown above.	
_____	_____
Signature of Purchaser	Date

