

# NWF Health Network Policy & Procedure

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**Series:** 1300: Financial Management

**Policy Name:** Petty Cash

**Policy Number:** 1344

**Origination Date:** 02/27/2020

**Revised:** Board Meeting of 4/27/2023

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## PURPOSE

This policy defines the policies and procedures to be followed when starting, administering and ending the use of petty cash funds for small incidental cash purchases by employees for an amount up to \$500 for the Guardian Assistance Program (GAP) and Foster Family Support Program (FFS).

The company's policy is to create a petty cash fund for the Guardian Assistance Program and Foster Family Support Program when appropriate to improve operations based on providing availability to cash for purchases of background screening results from local law enforcement offices, where it is not practical or efficient to make the purchase through the normal process of a purchase order.

## SECURING THE PETTY CASH ACCOUNT

The Fiscal Assistant or designee (assigned by the Director of Accounting) is in charge of ensuring the security of petty cash money. All cash and vouchers for expenditures must be held in a locked cash safe box with access limited by a key held by the Fiscal Assistant or designee (assigned by the Director of Accounting). The Fiscal Assistant or designee is responsible for the petty cash thus access to the funds must be always held in the safe box.

The petty cash fund will be reconciled on a Monthly basis by the Fiscal Assistant or designee and audited occasionally by the Accounting Manager. The Fiscal Assistant or designee must ensure that the cash on hand plus vouchers with receipts is equivalent to the total amount disbursed to the petty cash account. The petty cash must always be maintained separately from other cash drawers, any other revenue and personal money.

## PETTY CASH PURCHASES AND VOUCHERS

An employee making a purchase with petty cash must follow this process

- 1) Obtain approval from the GAP program manager or Foster Family Support program manager or designated supervisor on a purchase order form.
- 2) Obtain petty cash funds for the equivalent amount of the petty cash voucher
- 4) Make the purchase and obtain a receipt
- 5) Provide the receipt to the Fiscal Assistant or designee within 2 working days following purchase.

The only time the petty cash fund should be utilized is for emergency type purchases for local law enforcement or other similar background checks that cannot be paid for in advance by NWFHN's normal accounting process.

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## **REIMBURSING PETTY CASH ACCOUNT**

Reimbursement of the petty cash fund must be completed at least once per month regardless of the month and by the last day of the month. Additionally the petty cash fund must be reimbursed at year end. All reimbursement requests must be made by making a request to accounts payable with a purchase order.

A reimbursement request must include the department, each receipt along with the corresponding accounting code to be applied against. Overage and shortages must be applied against the appropriate account as well.

## **TRANSFERRING CUSTODIANS**

When responsibility of the petty cash fund is transferred to another person, the original custodian must replenish the fund to its original cash balance by requesting reimbursement for all vouchers and receipts. Upon doing this the management supervisor must be notified in writing of the change in custodianship.

## **CLOSING PETTY CASH FUND**

When petty cash is no longer needed for the Guardian Assistance Program department or the Foster Family Support Program department the fund should be closed by reimbursing the fund as outlined above and then the account should then be returned to accounting providing a credit back to the original account withdrawn from.