

2007-08

BA #11

Date Issued 8/07

TO: ALL ADMINISTRATORS, DIRECTORS, SUPERVISORS, and OFFICE PERSONNEL

**FROM: Dennis Van Horn, Associate Superintendent for Business Affairs
Jill Pauley, Director of Accounting**

SUBJECT: CHANGE FUNDS AND PETTY CASH

CHANGE FUNDS

It is not acceptable to withhold incoming money from a deposit and use it to make change. Any school or department needing money on hand to make change can request a change fund. The change fund will be recorded in the Accounting Office and set up out of an Accounting account number. **Change money cannot be used to make purchases, reimburse employees, or refund students.** It should be available for audit at the request of the internal auditor. Change funds should be re-deposited at the end of the school year, unless other arrangements have been made with the Accounting Office. **NO PERSONAL CHECKS SHOULD BE CASHED USING THIS MONEY.**

PETTY CASH

The petty cash system is established to permit administrators to reimburse employees for small item purchases and to make small refunds. **There is a limit of \$45 for each petty cash transaction.** No personal checks should be cashed using this money.

Disbursements and In-School Procedures

Procedure:

- a. Secure approval of administrator **IN ADVANCE** of purchase.
- b. Secure a receipt **FROM THE VENDOR** when purchase is made. No reimbursement will be made without vendor's original receipt. Pay the sales tax. Cash purchases are not exempt from sales tax.
- c. Present receipt to administrator for reimbursement from petty cash. The administrator of the petty cash will complete a receipt, which you will need to sign, acknowledging reimbursement. The vendor's receipt should be stapled to the proper receipt book.
- d. Receipt books used for petty cash must be kept completely separate from those used to receipt incoming cash.

Establishment of Petty Cash Fund

At the beginning of each school year the Accounting Office will prepare vouchers and deliver checks to each school for accounts closed at the end of the prior year. Administrators of special programs (Federal, Summer School, etc.) will need to initiate a voucher to establish the fund.

Replenishment of Fund

The amount provided is not charged to an expenditure account until the petty cash fund is replenished. **The petty cash can be replenished as often as needed.**

As your supply of petty cash is depleted, send a claim voucher to the Accounting Office along with your receipt book (LPSDO, Box 2). Have the claim voucher signed by your administrator. Accounting will audit your receipt book and voucher and issue a check for the appropriate amount. The receipt book and a check will be returned to you by school mail. The amount of this replenishment will be charged to each account number as shown on your claim voucher. Petty Cash disbursements can be charged to Activity Accounts.

Payment Schedule

Petty cash reimbursements are processed weekly. Requests for replenishment of your petty cash fund received in the Accounting Office by Monday noon will have a check written on Tuesday. Checks will be sent to the schools on Wednesday. Checks will be made payable to "Petty Cash for XXX" (XXX=your school name).

Cashing Your Petty Cash Check

Each school location has been assigned to a particular Union Bank branch and that is the only branch where you can go to cash your petty cash check. In addition, each school has two designated employees who may cash the check. The designated employee will be asked to show their school identification and one other photo identification. Endorse the check with your school name and your name. Call the Accounting Office if you experience any problems with cashing the check.

If you need information about your school's Union Bank branch or designated employees, contact Jamie in Accounting at 1713. If you need to make changes, the principal must request this by memo or email.

End of the School Year Temporary Increase

Greater cash needs are common at the end of the school year because of the need to refund deposit money for such things as locks and calculators. Please assess your needs and request a temporary increase in your petty cash to enable you to handle these types of refunds out of your petty cash. To arrange an increase in your petty cash, call the Accounting Office (436-1762) to discuss an appropriate amount. Then send a claim voucher, signed by the administrator, requesting the increase. A check will be sent out to the school and the school will be temporarily accountable for the greater amount of petty cash. It is often easiest to keep the extra money separate from your regular petty cash.

To refund these types of deposits to large numbers of students, it is permissible to have a list giving the student name, student number, and amount of refund. Have the student sign by his/her name signifying receipt of the refund. Such lists will serve as support for one petty cash receipt for each list used for the total amount refunded on the list.

When you have completed your refunds, separately deposit any remaining cash marking the deposit slip as petty cash. Do not receipt this money, nor include this deposit with your monthly receipt summary deposits. Return the deposit and the petty cash receipts written with the appropriate supporting documentation to the Accounting Office. Accounting will reduce your petty cash accountability to its normal level.

Procedures for End of School Year

For external auditing purposes, **ALL PETTY CASH ACCOUNTS MUST BE CLOSED OR BROUGHT IN FOR AUDIT BETWEEN MAY 1ST AND JUNE 30TH.**

Close Account

1. If you choose to close your petty cash account and petty cash has been **ENTIRELY** expended, return the receipt book to the Accounting Office by school mail. Your receipt book and a check to reinstate petty cash will be returned to you at the beginning of the next school year.

Be sure that total receipts equal the initial amount of petty cash received and that account numbers are written on the receipts.

2. If you still have cash on hand, prepare four copies of your deposit slips and mark them "PETTY CASH." Do not include any other money on this deposit. Send the money and three copies of the deposit slip in a depository envelope to the BANK by armored car or hand deliver it to the Accounting Office. The fourth copy is for your records. Send the receipt book to the **ACCOUNTING OFFICE** (Box 2) by school mail.

- ✓ **DO NOT SEND THE RECEIPT BOOK TO THE BANK.**
- ✓ **DO NOT SEND CASH BY SCHOOL MAIL TO THE OFFICE OF BUSINESS AFFAIRS OR THE ACCOUNTING OFFICE.**

Be sure that the total receipts and deposit equal the initial amount of petty cash received and that account numbers are written on the receipts.

NOTE: With either closing procedure, a check equal to the initial amount of petty cash for your site will automatically be sent to you at the beginning of the next school year. There is no need to send a voucher to the Accounting Office.

Audit Account

If you do not want to close your account for the summer, you **MUST** still have your books audited. Please **BRING** (do not send) your petty cash and receipts to the Accounting Office to be audited. This may be done by appointment any time during the months of May or June. Call Jamie at 1713 for an appointment.

If your petty cash is in a checking account, then you must bring your check register and your bank statements for the past year along with your receipts when you come in for your audit. Please have your bank account reconciled to the last statement before the audit, listing any outstanding checks.