
Alameda-Contra Costa Transit District

Administrative Regulation No. 353A:

Petty Cash Procedures

Issuing Officer: General Manager
Date of Adoption: 01/92
Most Recent Amendment: 11/30/2020
See Also:

Subject Category: Section 300 - Finance
Subsection: Financial Matters
Control Department(s): Finance

I. PURPOSE

The purpose of this Administrative Regulation is to set forth and the procedures for establishing and maintaining petty cash funds and for securing petty cash reimbursement. Petty cash is intended for small, incidental purchases.

II. PERSONS AFFECTED

All District departments, personnel, officers and the Board of Directors are governed by this procedure.

III. DEFINITIONS

“Petty Cash Fund” means a small cash fund used to make incidental purchases where normal purchasing methods are not practical.

“Petty Cash Custodian” means an individual designated to have exclusive access to, control of, and responsibility for the protection and use of the fund. The custodian is the cashier of the fund. This responsibility cannot be delegated.

“Petty Cash Administrator” means the supervisor or manager who is responsible for maintaining proper maintenance and security of funds, and ensuring that petty cash reimbursements are made in accordance with the procedures set forth herein. Administrators of petty cash funds should be limited to the following positions:

- Transportation/Maintenance Superintendents;
- Training/Education Center Administrator;
- Purchasing Manager;
- Director of Revenue Management/Chief Financial Officer

“Petty Cash Reimbursement Form” means the official document by which expenditures are authorized. Petty cash reimbursement forms must be signed by employee’s manager, and must be attached with original receipt, prior to submitting for reimbursement.

“Petty Cash Fund Replenishment Envelope” means the form required to replenish the fund. The form records each expenditure, contains all original receipts, and includes reconciliation of the remaining petty cash.

IV. REGULATION

A. Authority and Responsibility

1. The Treasurer's Office has the authority and responsibility for establishing procedures for all cash handling activities.
2. It is the responsibility of the Petty Cash Administrator to ensure all transactions are in compliance with the District's procedure.
3. Non-compliance items can be denied at each review/approval level by the Treasury Petty Cash Custodian or the Treasurer, and the requestor will be notified. Any appeal(s) will be forwarded to the Chief Financial Officer and the respective department executive for resolution.

B. Establishment/Close/Change of Petty Cash Funds

1. To establish a petty cash account, the requesting Division must submit a Petty Cash Fund Authorization Form signed by Division Superintendent to the Director of Revenue Management.
2. The request will be reviewed and approved by the Director of Revenue Management and the Chief Financial Officer. Once approved, the Petty Cash Authorization Form will be forwarded to the Treasury Coordinator.
3. The Treasury Petty Cash Custodian, hereinafter referred to as Treasury Custodian, upon obtaining all approval signatures, will retain a copy of the authorized form for Treasury's files. The Treasury Custodian will then forward a check request to Accounts Payable attached with the original copy of the Fund Authorization Form. The Treasury Custodian will ensure that the petty cash fund is appropriately set up in the General Ledger (GL) and will notate the GL # on the Fund Authorization Form. The check will be made payable to the requesting Custodian's name and sent in the interoffice mail. The Treasury Custodian will deliver the check, a current copy of this procedure, and an initial supply of petty cash forms to the custodian. The Treasury Custodian will provide necessary petty cash forms and supplies on an ongoing basis.
4. The Treasury Custodian will review the current procedure with the custodian and will ensure the custodian will:
 - a. Maintain the cash fund in a locked secure area.
 - b. Provide any additional training or support the custodian may need to establish the fund.
 - c. Forward all fund reimbursements to the Treasury Custodian for review and approval prior to replenishment.

5. To decrease or close a petty cash fund, the custodian should return the amount of the fund reduction, along with a petty cash change request on Petty Cash Fund Authorization Form signed by Division Superintendent, to the Director of Revenue Management.

C. Reimbursable expenses:

1. Reimbursement of the following District employee Class B License Renewal:
 - a. Bus Drivers
 - b. Instructors
 - c. Road Supervisors
 - d. Maintenance (mechanics)
 - e. Warehouse stores
2. Bridge Tolls and Bart tickets for business purposes only.
3. Office supplies not available through District's office supply contractor.
4. Meal expenses for Board of Directors meetings and other official Board business meetings.
5. Mileage, parking and miscellaneous monthly expenses for Board members.
6. All petty cash transactions are limited to \$99.99 or less.

D. Prohibited Uses

1. Amounts more than \$99.99.
2. Purchases that are not critical or not directly related to District's primary business objectives, including but not limited to the purchases of goods for personal use or staff members.
3. District event expenses, including decoration items.
4. Non-local travel and meeting expenses (Must use PeopleSoft Travel and Expense forms).

E. Petty Cash Expenditures and Reimbursement Transactions

1. All Petty Cash reimbursement transactions require an approved petty cash reimbursement form and the original receipt.
2. The Petty Cash Reimbursement Form must bear the original signature of the approving manager. The requesting and approving person cannot be the same.
3. The reimbursement form should be properly filled out to include:
 - i. Date of Transaction
 - ii. Employee name and badge number

- iii. Organization department number to be charged
 - iv. GL account number that specifically classifies the charge
 - v. Amount of transaction
 - vi. Description of business purpose – sufficient description to identify the business purpose and validity of the transaction
4. Failure to comply with the above documentation requirements will result in non-reimbursement.

F. Maintenance and Security of Petty Cash Funds

1. Petty cash funds should be properly secured at all times. All funds must be locked in safes and access should be limited to the custodian and administrator only.
2. Division Petty Cash Standard Operating Procedures (SOPs) provide further details for Division Petty Cash maintenance and security procedures.
3. Petty cash custodian and administrator are responsible for maintaining complete records of all fund disbursements, cash counts and replenishments.
4. All petty cash funds are subject to audit by the Treasury Custodian or designee, and Internal Audit, annually and/or without notice.
5. A security investigation will be performed for missing or theft of funds. In the event of theft, the petty cash custodian should immediately notify his/her supervisor, Treasury Department, and the Security Department.

G. Petty Cash Fund Replenishments

1. Petty Cash custodian and the administrator are responsible for the monthly replenishment of petty cash funds.
2. Petty Cash custodian and administrator are to sign the envelope and forward to the Treasury Custodian for review and approval.
3. The Petty Cash Fund is to be reconciled as stated on envelope, at least quarterly. On the petty cash reconciliation envelope, “Cash On Hand” + “Disbursement” + “Replenishment” = Approved Fund Level. Any overage/shortage is to be reported to Treasurer and CFO immediately.
4. Treasury Custodian will make a copy of the face of the envelope and deliver the original replenishment request to Accounts Payable for check issuance.

Approved by:



Michael A. Hursh, General Manager
Alameda-Contra Costa Transit District