

PETTY CASH FUND --- OVERVIEW

Sacramento City Unified School District's Board of Education Policy requires all district purchases to be made by the District's Purchasing Department. This policy allows the Superintendent, Purchasing Manager or designee to authorize purchases for the District. Any purchases not in accordance with this policy become the personal liability of the individual who initiated the purchase.

The exception to this policy is the site or departmental Petty Cash Fund. In the case of a Petty Cash Fund, the principal/site manager is the designee authorized to make purchases within the parameters of this policy.

Petty cash funds are "*advances*" made to the site or department; they are not budget increases. The petty cash funds can be used for all programs that have available monies. There are two options for establishing Petty Cash accounts:

1. A traditional checking account at Bank of America (see page 2 of this manual) OR
2. A CAL-Card Account - a Visa credit card program provided by the State of California (see page 10 of this manual)

As the Petty Cash checking account is reduced or fully expended, sites/departments submit a request to replenish (reimburse) the account. The purchases that were made are charged to the appropriate site/department accounts and their budget is accordingly reduced. Petty Cash CAL-Card account balances are paid monthly at which time balances are accordingly restored.

PRINCIPAL/SITE MANAGER (21 OF 110 5) (2) (L-CARD) (S) (DW) (C) (I) (R) (E) (S) (T) (O) (R) (E) (D) (.) (T) (A) (P) (G)

REQUESTING A PETTY CASH

FOOD PURCHASES

Purchase of items for individual consumption (i.e. snacks, beverage or meals that comply with the District per diem dollar limits) at District and school meetings are considered operational expenses and can be paid out of petty cash funds. Attach a flyer and agenda of the meeting along with the receipt.

Food cannot be purchased for resale or preparation without complying with state and federal laws and Board policy regarding nutritional value and food preparation guidelines. Contact Nutrition Services and Purchasing Services prior to purchasing food for these purposes.

GIFTS OF PUBLIC FUNDS

State law prohibits the purchase of gifts with public funds. School districts are funded with public funds thus purchases of gifts cannot be made with District funds.

However, certain recognition awards have been deemed to be allowable by our governing board. These items are not considered gifts but are considered to be *operational expenses*. Allowable recognition awards, which may be awarded to employees or school volunteers, include items that:

- x Cost less than \$25 per person
- x Are related to the school/district or to education
- x Are not personal wear items, gift certificates, gift cards or cash awards

Allowable items may include pins and buttons, small tote bags or portfolios, or other items designed to boost morale or recognize educational achievement or school pride, as long as the cost per person does not exceed \$25. Disallowable items include t-shirts, hats and caps, jackets or other items of personal wear, gift certificates, gift cards and cash awards.

Any recognition item that is personalized or customized is considered a service, not a supply item, and may not be purchased with petty cash funds. This includes but is not limited to flower arrangements prepared by a florist, engraved plaques, any school logo embroidery, and any delivered catering.

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5. Check if the deposits received and deposited have been properly recorded at the bank. If a deposit has not been recorded at the bank but has been recorded in the checkbook for the **reconciling month**, it becomes a reconciling item called a **DEPOSIT IN TRANSIT**. Add the Deposit in Transit to the bank balance.
6. The result becomes the **Reconciled Bank Balance**.

Part 2

7. Using the checkbook register, locate the ending balance for the reconciling month. Enter that amount on the Checkbook Balance (End of Month) line.
8. Using the bank statement, check if there are any printing charges, stop payment fees, etc. that have not been recorded in the checkbook. If there are charges, enter them on the Add/Deduct: Bank Charges/Errors line. Deduct charges/fees from the checkbook balance.
9. Check to see if all deposits recorded at the bank are entered into the checkbook during the reconciling month. If there are unrecorded deposits, enter them on the Add/Deduct: Bank Charges/Errors line. Add unrecorded deposits to the checkbook balance.
10. The result becomes the **Reconciled Checkbook Balance**.
11. **The Reconciled Bank Balance and the Reconciled Checkbook Balance should be the same.**

For assistance with this process, please contact Accounting Services at 643-7885 and select option 2, or direct dial the Accounting Specialist assigned to your site/department.

IMPREST RECONCILIATION

1. Write the Imprest Amount (the amount that the account originally started with PLUS any increases) on the first line marked “(B).”
2. Using the Reconciled Checkbook Balance from Part 1, enter the amount on the Reconciled Checkbook Balance line.
3. In the section titled “Reimbursements in Transit,” record all of the check numbers and dollar amounts of checks needing reimbursement. There may be checks left over from a previous month. Total the check amounts and record on the “Total Reimbursements in Transit” line. Add the total to the Reconciled Checkbook Balance.
4. The result should be the same as the Imprest Amount.

TROUBLESHOOTING

There may be several reasons why the reconciliation does not balance. The most common errors are:

- x Transposition Error – reversal of numbers, i.e. 27 may be written as 72
- x Miscalculation in the checkbook
- x Inclusion of information from the following month
- x Changes made to reimbursement amounts by Accounts Payable.

Send the completed reconciliation ACC-F006, a copy of the bank statement, and a copy of the checkbook register showing the reconciling month’s transactions and ending balance to General Accounting, Box 802A. As a reminder, reconciliation is due by the end of the following month (i.e. January is due by the end of February).

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REIMBURSEMENT OF FUND

To ensure that the Petty Cash Fund is not completely depleted, it should be reimbursed no less than monthly or when approximately 50% of the imprest amount has been used, whichever occurs first. The fund should be reimbursed at least once per month even if the 50% level is not reached.

In order to receive reimbursement, an original receipt and a *Petty Cash Checking Account Voucher Form (ACC-F002)* must support each purchase.

The individual who received a check from the principal or site manager is required to sign the voucher. The principal/office manager is required to sign the voucher for checks written to vendors stating that the check was received/mailed to the particular vendor. This voucher form and the attached receipts are required to obtain reimbursement to the Petty Cash Fund.

If a receipt is lost, a memo is required from the principal or site manager identifying the purchased item, its cost and purpose of the expenditure.

To receive reimbursement, complete an on-line petty cash reimbursement requisition (Y-Requisition). **Y-Requisitions are used only for petty cash reimbursements. Refer to Petty Cash – Process Y-Requisition to Replenish Checking Accounts & Pay CAL-Card Accounts (ACC-W035)**

Itemize the check number and amount in the description section of the Y-Requisition. Send the completed Y-Requisition and all vouchers and receipts to Accounts Payable, Box 802B.

Any requisition without supporting documentation (a receipt and signed *Petty Cash Checking Account Voucher Form (ACC-F002)*) will be returned for completion.

Petty cash reimbursement requests will be reimbursed by Accounts Payable within ten (10) working days of receipt of a complete and appropriate requisition package.

SUMMER DEPOSITS

Sites that submit requisitions during the summer can have their checks deposited by Accounting Services. **Be sure to attach a deposit slip to the requisition.** Requisitions without an attached deposit slip will be paid and the check will be held in Accounting Services until the beginning of the school year. Alternatively, Accounting Services will transfer all reimbursements directly into the petty cash account if the site/department holds its account at Bank of America.

COMBINING (OR COMMINGLING) FUNDS

DO NOT DEPOSIT ANY OTHER FUNDS INTO THE PETTY CASH ACCOUNT!

Do not combine Petty Cash Funds with any other funds, such as student body funds or donations.

The only deposit into this account should be the reimbursement received from Accounts Payable.

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TIPS FOR SUCCESS

Reconcile your petty cash account EVERY MONTH! If

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**FORMS USED
FOR PETTY CASH FUND**