

# CITY OF RAPID CITY

## CITY-WIDE PETTY CASH POLICY

### Effective Immediately

#### **Section 1. Purpose:**

The operations of the City of Rapid City (“City”) are to be carried out efficiently and expeditiously with adequate financial control and accountability. The City may control its finances and appropriate money for authorized purposes pursuant to SDCL 9-12-2. The City’s Finance Officer is charged with supervising the accounting system for all City departments, pursuant to Rapid City Municipal Code of Ordinances 2.40.050, subparagraphs F. and G.

A balance must be struck between the need for department operating efficiency and flexibility, and the need for financial control and accountability. The purpose of this policy is to implement uniform procedures for utilizing petty cash funds that will provide both operational efficiency and financial control and accountability.

Any and all petty cash transactions must comply with all applicable City policies, in addition to the City-Wide Petty Cash Policy. Misuse or unauthorized use of City petty cash funds will be considered grounds for disciplinary action, up to and including termination. All improper use of petty cash funds are the responsibility of the employee.

#### **Section 2. Petty Cash Policy:**

- a. Petty cash is for official City business only, specifically the reimbursement of small amounts for items purchased by employees for the day-to-day operational business needs of City departments. Reimbursement will be made only upon presentation of the appropriate paid detailed receipt.
- b. Incidental expenses allowed through petty cash include but are not limited to City-related expenses for: registered mail, postage, emergency supplies, and supplies not available through a vendor.
- c. All reimbursements for meals, travel, and mileage must be made in accordance with the City’s Travel and Training Regulations, and shall not be paid out of petty cash. Reimbursement for meals, travel, and mileage will be made only when requested via a Travel and Training Request form.
- d. Only City departments authorized by the City Council may carry petty cash accounts, and the amount to be included in any petty cash account shall not be greater than what is approved by resolution or ordinance.

- e. The petty cash shall be kept in a locked safe place, and the key will be kept in a secure location. Only the Department Director and/or designees approved by the City Finance Officer will have access to the locked petty cash box and key. The Department Director and any approved petty cash designees shall be deemed petty cash Custodian(s).
- f. The amount to be disbursed from the petty cash accounts for any purpose shall not exceed \$50 without the prior written approval of the Finance Officer.
- g. No purchases may be artificially divided to constitute a \$50 purchase under this policy. Artificially divided petty cash purchase(s) will not be approved for petty cash replenishment.
- h. When petty cash is disbursed, it must be replenished by warrant. The replenishment shall be subject to the same review and approval as invoices. Meals, travel, mileage, parking, or other similar expenses will not be approved for petty cash replenishment.
- i. The replenishment must be by voucher with the appropriate detailed receipts attached. The receipts shall show the date, recipient, the purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the cash and their department director or designated supervisor.
- j. Petty cash accounts shall not be used for personal cash advances.
- k. Petty cash accounts shall not be used to cash checks or City warrants.
- l. The City Finance Officer or his or her designee may conduct unscheduled, periodic reviews of any and all petty cash funds to ensure proper cash management procedures are being followed.

**Section 3. Procedures for Receiving Petty Cash:**

- a. An employee making an approved purchase shall obtain a receipt from the vendor, and present the receipt to the department's petty cash Custodian.
- b. The department's petty cash Custodian will then assign a petty cash slip to the employee. The slip must show the date, recipient, item purchased, the purpose, the amount, and the account to be charged.
- c. The employee will be reimbursed with cash upon receipt of the completed slip. The original, legible, detailed sales invoice or receipt must accompany the slip.

#### **Section 4. Procedures for Processing Petty Cash:**

- a. The petty cash Custodian shall maintain a petty cash fund journal. The petty cash Custodian shall log in the petty cash fund journal each petty cash slip issued, reflecting the slip number, individual's name, and department.
- b. Upon receiving a completed petty cash slip, the Custodian will verify the dollar amount of the receipt against the requested amount of cash and record the amount in the journal. The receipt is to be attached to the completed petty cash slip and kept in the petty cash fund until time of reimbursement.
- c. The Custodian shall balance the petty cash account at the end of each day that there is petty cash activity.