**PETTY CASH POLICY**

**PURPOSE**

This policy outlines the process for creating, managing, and closing a petty cash fund to support departmental operations.

**SETTING UP A PETTY CASH FUND**

To request a petty cash fund, a department representative must provide a written request to [DEPARTMENT NAME] that includes:

* The purpose of the fund.
* The requested amount (not to exceed $[NUMBER]).
* The name of the designated custodian, who must be an authorized employee of [EMPLOYER'S NAME].

Once approved, [DEPARTMENT NAME] will issue a check to the designated custodian to establish the fund.

This policy complies with all Ohio and federal laws and regulations.

**CUSTODIAN RESPONSIBILITIES**

The custodian of the petty cash fund is accountable for the following:

* Fund security:
  + Keeping the fund in a locked box stored in a secure, locked location (cabinet, safe, or desk) on company premises.
  + Ensuring only the custodian has access to the fund.
* Fund maintenance:
  + Disbursing cash only for allowable expenses.
  + Maintaining a log of all transactions, accompanied by original receipts that include:
    - Vendor's name.
    - Date of purchase.
    - Description of the item or service.
    - Purchase price and a written note stating the business purpose.
* Reconciling the fund at the end of each month and before replenishing it, changing custodians, or closing the fund.
* Replenishing the fund by submitting a check request to [DEPARTMENT NAME] equal to the total of the receipts.
* Reporting theft or discrepancies immediately to [DEPARTMENT NAME].
* Closing the fund when it is no longer needed.

The custodian is responsible for any misuse or mismanagement of the fund.

**APPROVED USE OF PETTY CASH**

Petty cash funds are intended for minor business-related expenses that do not exceed $[NUMBER] per reimbursement. Permitted uses include:

* Taxi fares.
* Postage costs.
* Office supplies [excluding items governed by [EMPLOYER'S NAME]'s procurement policies].
* Meals [capped at $[NUMBER]].

Prohibited uses

Petty cash funds may not be used for:

* Payment of salaries, wages, tips, or gratuities.
* Personal purposes, such as loans or check cashing.
* Paying invoices or bypassing the company’s purchasing procedures.
* Making charitable contributions.

**EMPLOYEE REIMBURSEMENT REQUESTS**

Employees must present original receipts to the custodian for reimbursement of approved expenses [during normal business hours/between [NUMBER][am/pm] and [NUMBER][am/pm]]. Each receipt must include:

* Vendor name.
* Date of purchase.
* Item purchased.
* Purchase price.

**REPLENISHING THE FUND**

The custodian should replenish the petty cash fund [monthly/quarterly/as needed] by submitting a [written/check] request to [DEPARTMENT NAME]. Replenishment will only occur if total expenditures and cash on hand equal the original fund amount.

**FUND AUDITS**

Petty cash funds are subject to periodic audits by [DEPARTMENT NAME], which may occur at any time with or without prior notice.

**CLOSING A PETTY CASH FUND**

If a petty cash fund remains inactive for [NUMBER] months or is no longer needed, the custodian must reconcile the fund and return all remaining cash, receipts, and records to [DEPARTMENT NAME]. If the custodian is no longer employed or the fund is not managed in accordance with this policy, the department must close the fund.

**POLICY ADMINISTRATION**

[DEPARTMENT NAME] is responsible for enforcing and overseeing this policy. For any questions or issues not addressed here, employees should contact [DEPARTMENT NAME].

Violations of this policy may result in disciplinary action, up to and including termination.

**APPLICABILITY TO COLLECTIVE BARGAINING AGREEMENTS**

The terms outlined in this policy are designed to complement, not replace, amend, or supplement, the terms and conditions of employment outlined in any collective bargaining agreement that applies to unionized employees at [EMPLOYER'S NAME].

Employees covered by a collective bargaining agreement should refer to its terms for guidance. Where this policy's terms differ from those in the applicable collective bargaining agreement, the agreement's terms will take precedence.

**ACKNOWLEDGEMENT OF RECEIPT AND REVIEW**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (employee name), acknowledge that on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date), I received and reviewed a copy of [EMPLOYER'S NAME]’s [NAME OF POLICY]. I understand that it is my responsibility to familiarize myself with the policy and adhere to its terms.

I also acknowledge that this policy is not intended to create an employment contract or alter my at-will employment status, unless otherwise specified in a written agreement signed by an authorized representative of [EMPLOYER'S NAME]. Any delay or failure by [EMPLOYER'S NAME] to enforce the provisions of this policy does not constitute a waiver of its rights to enforce them in the future.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date