

IDAHO DEPARTMENT OF PARKS AND RECREATION POLICIES AND PROCEDURES			
Number	Effective	Title	Owner
III-20	7/1/2005	Petty Cash	Fiscal

Approval: \_\_\_\_\_

**PREFACE:** Petty cash may be established from a cost center's operating fund. Petty cash is an amount established by the cost center to provide immediate disbursement availability within the established limit. Petty cash is generally a small amount by nature and must be reconciled to the established amount periodically and verified by an independent person.

**DEFINITION:** Petty cash. An amount of cash used to meet the minor cash needs for purchases of a cost center.

**POLICY:** Petty cash shall be requested by the cost center manager and approved at the discretion of the applicable bureau chief, in an amount deemed necessary to effect operational efficiency. The cost center manager, shall be held responsible and accountable for the money transferred from the operating fund to petty cash. Petty cash shall not be established from incoming cash receipts.

**PROPER USE OF PETTY CASH:** Petty cash should be used only for small expenditure items such as:

- ◆ Delivered items requiring immediate payment such as postage due and COD charges on freight shipments, etc.
- ◆ Small purchases from local vendors that do not accept Pcard.

Under no circumstances should petty cash be used for any of the following:

- ◆ Purchase of materials, supplies, or services that could be paid for more efficiently with a Pcard.
- ◆ Extend cash advances to employees.
- ◆ Cash personal checks.
- ◆ Purchase personal items for employees.
- ◆ Any other non-state business purposes.

#### **PROCESS TO ESTABLISH OR INCREASE PETTY CASH**

1. The Cost Center Manager completes the Petty Cash Request Form (Attachment 1) and forwards to the respective bureau chief.
2. The Bureau Chief approves the petty cash request and forwards to the accounting unit.
3. The Accounting unit processes the request through STARS issuing a warrant to the cost center manager.

#### **ANNUAL CERTIFICATION OF PETTY CASH AMOUNT**

1. In December of each calendar year, the IDPR Accounting Manager will initiate the process to validate the petty cash amount recorded in STARS for each cost center.
2. The Cost Center Manager will validate that the amount of petty cash is available at the Cost Center, and return acknowledgement in writing to the Accounting Manager.
3. The IDPR Accounting Manager will retain said acknowledgement on file pursuant to the agency's retention policy.

**Attachment I**

**PETTY CASH REQUEST**

This is a request to establish a petty cash fund for \_\_\_\_\_ (name of cost center)

in the amount of \$ \_\_\_\_\_. The need for the petty cash fund is the result of


This is a request to increase the petty cash fund for \_\_\_\_\_ (name of cost center)

from \$ \_\_\_\_\_ to \$ \_\_\_\_\_. This increase is necessary because


Date: \_\_\_\_\_

Cost Center Manager Signature \_\_\_\_\_

Bureau Chief Signature \_\_\_\_\_

Forward to the Accounting Unit for processing.