

PETTY CASH AND PETTY CHARGE

I. PURPOSE:

The following guideline establishes procedures for petty cash and petty charge purchases.

II. DEFINITIONS:

Petty Cash: Purchases of \$100.00 (tax included) or less made only by authorized City Employees.

Petty Charge: Purchases of \$1,000.00 (tax included) or less charged only by City Employees.

III. POLICY:

- A. Petty cash purchases are authorized for up to \$100.00 for commodities and services purchased from personal funds and will be reimbursed the same day.
- B. Petty charge purchases are authorized for up to \$1,000.00 for commodities and services.
- C. All purchases charged to the City must be made in the name of the City of Little Rock and the Department responsible for the purchase.
- D. Splitting of invoices to circumvent more formal bidding and the \$100.00 and \$1,000.00 limit is absolutely prohibited.
- E. The Internal Auditor will audit each Departmental petty cash fund at least semi-annually and provide a recap of discrepancies to the City Manager. Discrepancies will be reconciled via charges and credits to the budgetary account.

IV. PROCEDURE:

- A. Petty Cash:
 - 1. Petty cash funds may be established within Departments as authorized by the Finance Department.
 - 2. A management person will be designated in writing by the Department Director as the custodian for administering the Petty Cash Fund within each Department.

3. Purchases made from personal funds will be reimbursed when evidence of purchase is presented. Detailed receipts and properly filled out petty cash forms with complete account numbers and endorsement by the purchaser and custodian are required for reimbursement.
4. To replenish the Department Petty Cash Account, the Petty Cash Custodian will summarize by division and object code, the expenditures on a purchase requisition and submit to the Finance Department Comptroller.
5. The Finance Department will audit and reconcile at least semi-annually.

B. Petty Charge:

1. Each Department Director will be responsible for petty charges purchases within their Department to assure compliance with all conditions of this procedure guideline. They may designate in writing a Department Administrator that will approve purchases and submit the requisition to the Finance Department. Division Administrators may be designated to assist the Department Administrator; however, the Department Administrator will be the contact person with the Finance Department in all routine matters relating to petty charges and payments. All requisitions must bear the approval endorsement of either the Department Director or an Administrator.
2. The authorized purchaser must sign the invoice or receipt at the time of purchase and submit to the appropriate Administrator upon returning to their workplace. The Administrator will verify that an authorized employee made the purchase and endorse approval of the transactions. If Division Administrators are appointed, they will submit their signed invoices to the Department Administrator who will package all such invoices and purchasing requirements for the entire Department and submit to the Accounts Payable Division for processing.
3. It is the Department's responsibility for their Administrator to follow-up on untimely invoicing to guarantee that payment for purchases does not exceed normal business practices. In addition, it is the Department's responsibility to check petty charge invoices to ensure that duplicate payments do not result from the charge and processing of an invoice for payment.
4. It is the Administrator's responsibility to include on all delivery tickets and invoices, the Department and Division number for whom the purchase was made. Failure to obtain this minimum information will result in rejection.
5. Department Administrators are responsible for preventive and detection of duplicate payments. Accordingly, any resulting adjustments will require a memorandum of explanation

- referencing all related documents process to the Finance Department Comptroller.
6. Request for payment without a proper Administrator signature on the invoice and requisition will be rejected and returned to the Department Petty Charge Administrator.
 7. The Finance Department will selectively audit compliance with this procedure and the propriety of its use. Abuse or inability of Departments to process charges properly will be reported to the City Manager.
 8. The Department Director or Administrator will not give blanket purchasing approval to contractors or anyone not employed by the City of Little Rock. Only upon prior, written authorization from the Department Administrator or the Division Administrator, if applicable, may a non-City Employee make a petty charge purchase in the City's name. Each individual purchase made by non-City Employees must receive separate and prior approval. Furthermore, no petty cash reimbursement or petty charge payment will be made without an approving signature of the Petty Cash Custodian or Administrator on invoices and requisitions.
 9. Charges of \$500.00 or more are to be entered as a requisition in Lawson.

Approved:



Bruce T. Moore
City Manager