

## **MCLEOD COUNTY PETTY CASH FUNDS AND CHANGE FUNDS POLICY**

The county has established change funds and petty cash funds in various county departments. The use of these funds is limited to the nature of the fund. The change funds are used only to make change when needed. The petty cash funds are used to purchase small items in cases of emergencies, where the regular routine of using auditor or commissioner warrants would not be able to be used. The responsibility of the funds is assigned to the department heads. These individuals may delegate the responsibility to maintain the funds to other staff members.

At any given point in time, the change funds are reconcilable to the cash on hand and the cash receipts. The total cash on hand should exceed the cash receipts by the amount of the change fund. The petty cash funds are reconcilable to the cash on hand and the cash receipts to document the use of the funds. At any given point in time the cash on hand plus the cash receipts should equal the amount of the petty cash fund.

Currently there is no maximum amount for individual disbursements from the petty cash funds. The size of the petty cash funds is limited in size and therefore the county has not adopted a policy to limit the size of the individual disbursements. In addition, the county has not limited the number of times a petty cash fund may be replenished, which would limit the number of disbursements in any one-year.

Because of the size and nature of the petty cash funds, the county does not use a voucher system for petty cash disbursements. Instead, actual cash receipts are maintained as accounting records to substantiate the cash balances on hand. The disbursements of petty cash are controlled by the authorized personnel who have the responsibility to monitor the petty cash fund.

All reimbursement requests for petty cash are reviewed by the auditor's office. The supporting documentation is reviewed for accuracy and reasonableness before the reimbursement is made. Once made the reimbursement vouchers and attachments are cancelled and filed with the auditor's office.

The auditor's office has established a policy to monitor petty cash funds as well as change funds. On periodic basis, surprise cash counts are performed to substantiate cash balances on hand. The auditor's office maintains a control log, which documents the date of the surprise cash count, the individuals involved, and the results of the cash count.

All petty cash funds and change funds must be authorized by the McLeod County Board by resolution to establish.