

### **PETTY CASH FUND --- OVERVIEW**

Sacramento City Unified School District's Board of Education Policy requires all district purchases to be made by the District's Purchasing Department. This policy allows the Superintendent, Purchasing Manager or designee to authorize purchases for the District. Any purchases not in accordance with this policy become the personal liability of the individual who initiated the purchase.

The exception to this policy is the site or departmental Petty Cash Fund. In the case of a Petty Cash Fund, the principal/site manager is the designee authorized to make purchases within the parameters of this policy.

Petty cash funds are "*advances*" made to the site or department; they are not budget increases. The petty cash funds can be used for all programs that have available monies. There are two options for establishing Petty Cash accounts:

1. A traditional checking account at Bank of America (see page 2 of this manual) OR
2. A CAL-Card Account - a Visa credit card program provided by the State of California (see page 10 of this manual)

As the Petty Cash checking account is reduced or fully expended, sites/departments submit a request to replenish (reimburse) the account. The purchases that were made are charged to the appropriate site/department accounts and their budget is accordingly reduced. Petty Cash CAL-Card account balances are paid monthly at which time balances are accordingly restored.

### **PRINCIPAL OR SITE MANAGER'S DUTIES**

The Petty Cash Fund is to be safeguarded as the personal responsibility of the principal or site manager. This person must be able to produce the fund, either in cash, receipts or vouchers upon demand of the District's internal auditor or external auditors. This responsibility cannot be delegated to another person.

Principal or site managers are personally responsible for bank charges caused by writing checks against a bank account lacking sufficient funds.

The principal or site manager must verify budget availability before an expenditure is approved.

No more than \$20.00 in coin/currency should be kept at the site. The principal/site manager is personally responsible for any theft of coin/currency over \$20.00. Any loss of funds due to theft up to \$20.00 will be charged to the site/department's budget. It is preferable that the entire amount be kept in a checking account at a bank.

Ineligible purchases (Education Code Section 42804) made from the fund become the personal liability of the principal or site manager. If there are any questions regarding acceptable purchases, contact Purchasing Services at 277-6662. If you suspect forgeries have occurred or notice discrepancies in your account, contact the bank first, then notify Accounting Services at 643-7837 or Internal Audit at 643-7975.

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**REQUESTING A PETTY CASH CHECKING ACCOUNT FUND**

A Petty Cash Fund should be established at the beginning of each school year. To request a fund, complete a *Request For Petty Cash Checking Account Form (ACC-F001)* (this form can be found on the District’s intranet under the Accounting Services Department’s Documents) and send to the Director of Accounting, Box 802. The maximum amount for a petty cash fund varies as follows:

Children's Center Locations	\$500 – Maximum
Preschool, Elementary Schools and Central Departments	\$500 – Maximum
K-8 and Middle Schools	\$1,000 – Maximum
High Schools, Adult Education and Large Central Departments	\$2,000 – Maximum

**Two signatures are required on all checks.** It is recommended that you have at least three and no more than five authorized signors on the account. It is recommended that checks be pre-printed with the words "Two signatures required." You also have the option of having checks pre-printed with the words "do not exceed \$250."

The bank selection for the checking account establishment must be approved by the Accounting Services Director. The bank selected should be noted on the *Request For Petty Cash Checking Account Form (ACC-F001)*. The bank account title should read "Sacramento City Unified School District - Site/Department Name Petty Cash Account." A letter from either the Chief Business Officer or the Accounting Services Director will be sent with the initial petty cash account opening deposit authorizing the principal or site manager to use the District’s tax identification number when setting up the account.

At this time, most District petty cash accounts are held at Bank of America. If a Bank of America branch is selected, General Accounting will forward an instruction packet and signature cards to the site. Bank of America has asked that individual branches not be contacted for setup of this account. The banking may be handled locally, but the initial setup must be handled by Accounting Services.

**USES OF THE PETTY CASH FUND (Checking Accounts and CAL-Card Accounts)**

The Petty Cash Fund may only be used for supply line items (4000 series Object Codes) not exceeding \$100 per item or \$250 per reimbursement transaction. All purchases exceeding \$250 in total must be made through the Purchasing Services Department. Purchases that are not in compliance or that are made without the approval of the principal or site manager should be rejected. If purchases are made in violation of this policy, your site/department may lose the privilege of having a petty cash fund. Postage (5911 Object Code) may be purchased for any amount.

Handling, printing charges and returned check fees that may be assessed by the bank can be included in the Petty Cash claim for reimbursement. Stop payment charges may also be reimbursed through the Petty Cash Fund. In all cases, include a copy of the bank charge slip or bank statement with the form.

## **FOOD PURCHASES**

Purchase of items for individual consumption (i.e. snacks, beverage or meals that comply with the District per diem dollar limits) at District and school meetings are considered operational expenses and can be paid out of petty cash funds. Attach a flyer and agenda of the meeting along with the receipt.

Food cannot be purchased for resale or preparation without complying with state and federal laws and Board policy regarding nutritional value and food preparation guidelines. Contact Nutrition Services and Purchasing Services prior to purchasing food for these purposes.

## **GIFTS OF PUBLIC FUNDS**

State law prohibits the purchase of gifts with public funds. School districts are funded with public funds thus purchases of gifts cannot be made with District funds.

However, certain recognition awards have been deemed to be allowable by our governing board. These items are not considered gifts but are considered to be *operational expenses*. Allowable recognition awards, which may be awarded to employees or school volunteers, include items that:

- Cost less than \$25 per person
- Are related to the school/district or to education
- Are not personal wear items, gift certificates, gift cards or cash awards

Allowable items may include pins and buttons, small tote bags or portfolios, or other items designed to boost morale or recognize educational achievement or school pride, as long as the cost per person does not exceed \$25. Disallowable items include t-shirts, hats and caps, jackets or other items of personal wear, gift certificates, gift cards and cash awards.

Any recognition item that is personalized or customized is considered a service, not a supply item, and may not be purchased with petty cash funds. This includes but is not limited to flower arrangements prepared by a florist, engraved plaques, any school logo embroidery, and any delivered catering.

## **DISALLOWED USES**

Contracted services, consultants, field trip entrance fees/tickets, travel claims (including gas), mileage claims, memberships, recurring monthly charges, gifts, technology and other non-supply items may not be paid from the Petty Cash Fund.

Chemicals should not be purchased using the Petty Cash Fund. Examples include but are not limited to hand sanitizer, cleaning products, and garden pesticides. There are liability issues related to these supply purchases and they must be purchased using CleanSource, Office Depot, through your custodian, or using the District purchase requisition process.

Attempts to influence government decisions, entertainment, or other purposes unrelated to classroom instruction may not be paid with this fund (Education Code Section 42810). No ATM cards can be issued against this account.

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## FUND MAINTENANCE

The District requires that sites/departments maintaining a petty cash fund complete a monthly reconciliation and a request for reimbursement. Failure to reconcile monthly can result in termination of the petty cash fund privilege.

## RECONCILIATION

The *Petty Cash Reconciliation (ACC-F006)* must be completed monthly. For auditing purposes, a signed copy must be submitted to General Accounting, Box 802A, by the end of the following month (example: January reconciliation is due by February 28). The June 30 Reconciliation must include transactions through June 30 and must be submitted by August 15 due to summer break.

\*\*\* Note: This is a generic form. Some sites/departments may need to add additional lines such as Cash On Hand, Deposit in Error, or Adjustments.

Petty cash reconciliation consists of two parts:

1. Bank Reconciliation ACC-F006 – Assuring that the bank balance and the checkbook balance are the same.
2. Imprest Reconciliation ACC-F006 – Accounting for the original imprest amount (the original opening balance plus any increases) that may consist of the checkbook balance, cash on hand and unreimbursed vouchers.

The following items are needed to complete the reconciliation:

1. Reconciling month's Bank Statement
2. Last month's Reconciliation ACC-F006
3. Checkbook Register
4. Request for Reimbursements that have been paid and deposited/transferred during the current month.

## BANK RECONCILIATION

### Part 1

1. Using the bank statement, locate the ending bank balance and enter that amount on the Bank Balance (End of the Month) line.
2. Using the prior month's reconciliation, check if the outstanding checks have cleared the bank during the reconciling month.
3. Using the checkbook, check if the **reconciling month's checks** (not checks written in the following month) have cleared the bank.
4. If there are any checks that have been written in a prior month or in the reconciling month that have not cleared the bank, enter the check number and the dollar amount in the outstanding checks section. Deduct the total outstanding checks from the bank balance.

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5. Check if the deposits received and deposited have been properly recorded at the bank. If a deposit has not been recorded at the bank but has been recorded in the checkbook for the **reconciling month**, it becomes a reconciling item called a **DEPOSIT IN TRANSIT**. Add the Deposit in Transit to the bank balance.
6. The result becomes the **Reconciled Bank Balance**.

**Part 2**

7. Using the checkbook register, locate the ending balance for the reconciling month. Enter that amount on the Checkbook Balance (End of Month) line.
8. Using the bank statement, check if there are any printing charges, stop payment fees, etc. that have not been recorded in the checkbook. If there are charges, enter them on the Add/Deduct: Bank Charges/Errors line. Deduct charges/fees from the checkbook balance.
9. Check to see if all deposits recorded at the bank are entered into the checkbook during the reconciling month. If there are unrecorded deposits, enter them on the Add/Deduct: Bank Charges/Errors line. Add unrecorded deposits to the checkbook balance.
10. The result becomes the **Reconciled Checkbook Balance**.
11. **The Reconciled Bank Balance and the Reconciled Checkbook Balance should be the same.**

For assistance with this process, please contact Accounting Services at 643-7885 and select option 2, or direct dial the Accounting Specialist assigned to your site/department.

**IMPREST RECONCILIATION**

1. Write the Imprest Amount (the amount that the account originally started with PLUS any increases) on the first line marked “(B).”
2. Using the Reconciled Checkbook Balance from Part 1, enter the amount on the Reconciled Checkbook Balance line.
3. In the section titled “Reimbursements in Transit,” record all of the check numbers and dollar amounts of checks needing reimbursement. There may be checks left over from a previous month. Total the check amounts and record on the “Total Reimbursements in Transit” line. Add the total to the Reconciled Checkbook Balance.
4. The result should be the same as the Imprest Amount.

**TROUBLESHOOTING**

There may be several reasons why the reconciliation does not balance. The most common errors are:

- Transposition Error – reversal of numbers, i.e. 27 may be written as 72
- Miscalculation in the checkbook
- Inclusion of information from the following month
- Changes made to reimbursement amounts by Accounts Payable.

Send the completed reconciliation ACC-F006, a copy of the bank statement, and a copy of the checkbook register showing the reconciling month’s transactions and ending balance to General Accounting, Box 802A. As a reminder, reconciliation is due by the end of the following month (i.e. January is due by the end of February).

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## REIMBURSEMENT OF FUND

To ensure that the Petty Cash Fund is not completely depleted, it should be reimbursed no less than monthly or when approximately 50% of the imprest amount has been used, whichever occurs first. The fund should be reimbursed at least once per month even if the 50% level is not reached.

In order to receive reimbursement, an original receipt and a *Petty Cash Checking Account Voucher Form (ACC-F002)* must support each purchase.

The individual who received a check from the principal or site manager is required to sign the voucher. The principal/office manager is required to sign the voucher for checks written to vendors stating that the check was received/mailed to the particular vendor. This voucher form and the attached receipts are required to obtain reimbursement to the Petty Cash Fund.

If a receipt is lost, a memo is required from the principal or site manager identifying the purchased item, its cost and purpose of the expenditure.

To receive reimbursement, complete an on-line petty cash reimbursement requisition (Y-Requisition). **Y-Requisitions are used only for petty cash reimbursements. Refer to *Petty Cash – Process Y-Requisition to Replenish Checking Accounts & Pay CAL-Card Accounts (ACC-W035)***

Itemize the check number and amount in the description section of the Y-Requisition. Send the completed Y-Requisition and all vouchers and receipts to Accounts Payable, Box 802B.

Any requisition without supporting documentation (a receipt and signed *Petty Cash Checking Account Voucher Form (ACC-F002)*) will be returned for completion.

Petty cash reimbursement requests will be reimbursed by Accounts Payable within ten (10) working days of receipt of a complete and appropriate requisition package.

## SUMMER DEPOSITS

Sites that submit requisitions during the summer can have their checks deposited by Accounting Services. **Be sure to attach a deposit slip to the requisition.** Requisitions without an attached deposit slip will be paid and the check will be held in Accounting Services until the beginning of the school year. Alternatively, Accounting Services will transfer all reimbursements directly into the petty cash account if the site/department holds its account at Bank of America.

## COMBINING (OR COMMINGLING) FUNDS

**DO NOT DEPOSIT ANY OTHER FUNDS INTO THE PETTY CASH ACCOUNT!**

**Do not combine Petty Cash Funds with any other funds, such as student body funds or donations.**

**The only deposit into this account should be the reimbursement received from Accounts Payable.**

## CHANGE IN PRINCIPAL/SITE MANAGER ASSIGNMENT

If the principal's or site manager's assignment changes, the Petty Cash Fund must be transferred or closed. This can be accomplished by one of the following methods:

1. If the successor is a current District employee and is willing to assume the checking account as is, a new signature card and contract will be required. Refer to *Request for Petty Cash Checking Account Form (ACC-F001)*. **However, before assuming the account, the successor should ensure that all funds are accounted for in the account.** Please contact General Accounting for assistance in this process.
2. If there is no successor or the successor is not known, the checking account must be closed. Refer to *Petty Cash – Close Checking Account and CAL-Card Account (ACC-W021)*.

## CHANGING AUTHORIZED SIGNORS

If you have a Bank of America Petty Cash Fund account, contact General Accounting. They will provide you with a signature card which may be used to change authorized signors on the account.

Return the completed card to General Accounting, Box 802A, who will submit it to Bank of America.

A sample signature card is included in the forms section of this manual.

If the petty cash account is held at another bank, contact the branch for instructions.

## INCREASING THE IMPREST AMOUNT

From time to time, sites/departments may find that they are depleting and reimbursing their account frequently. In this case, an increase in the imprest amount may be practical.

There are several criteria that must be met in order to increase a petty cash imprest amount:

1. Complete and accurate reconciliation for the past twelve (12) months;
2. Frequent reimbursements – at least one per month in the past twelve (12) months; and
3. Total dollar amounts of reimbursements over the past twelve (12) months

\$500 imprest amount	\$4,000 total reimbursement
\$1,000 imprest amount	\$8,000 total reimbursement
\$2,000 imprest amount	\$16,000 total reimbursement

Submit a request from the principal/site manager stating the desire to increase the petty cash account. General Accounting will review the request and an answer in writing will be given within 14 working days.

## **CLOSING A PETTY CASH FUND ACCOUNT**

The closure of a petty cash account requires the following steps:  
(Refer to *Petty Cash – Close Checking Account and CAL-Card Account (ACC-W021)*)

1. Request reimbursement from Accounts Payable for the checks awaiting reimbursement.
2. After the reimbursement has been deposited, a check will need to be written to “Sacramento City Unified School District” returning the entire imprest amount.
3. Contact the bank and request closure of the account. **Ensure that all outstanding checks have cleared the account before finalizing the account closure.**

## **ONCE A PETTY CASH ACCOUNT HAS BEEN CLOSED, IT CANNOT BE REOPENED WITHIN THE SAME SCHOOL YEAR.**

### **DEFINITIONS**

Imprest Amount – Amount of money that was issued by the District to open the account PLUS any increases.

Deposit In Transit – Deposit that has been recorded in the checkbook but not posted at the bank OR has been posted at the bank and not yet recorded in the checkbook.

Reconciling Month – Month that is being reconciled.

Reconciling Item – Any adjustment to the bank statement’s ending balance or the ending month’s balance in the checkbook.

Reconciled Balance – Balance resulting from any adjustments.

### **PETTY CASH FUND QUESTIONS**

To set up a fund - contact Accounting Services Director at 643-7837

For payment and monthly audit questions - contact Accounts Payable Lead at 643-7889

For appropriateness of purchases – contact Purchasing Manager at 277-6662

For account reconciliation – contact assigned Accounting Specialist at 643-7885 option 2

For reimbursement questions – contact assigned Accounts Payable technician at 643-7885 option 1

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## TIPS FOR SUCCESS

Reconcile your petty cash account EVERY MONTH! If you get behind in reconciling this account, you can lose the petty cash fund privilege.

When reconciling your account, remember to use the END OF THE MONTH bank balance and the reconciling month's check register balance.

Have your account reimbursed at least once monthly. You may need to do it more often, depending on how often you use the account. **Do not wait until you are out of money to request reimbursement.**

After you complete a monthly reconciliation, prepare a Y-Requisition for checks that have not been processed for reimbursement (these are usually the checks listed in the Reimbursement in Transit section of the reconciliation). This will ensure that your account is reimbursed at least monthly.

When requesting reimbursement of the account, input the check number and amount in the description section of the Y-Requisition. You may input the description and additional information in the notepad section of the Y-Requisition. This may help research any problems in the account at a later date.

Remember to check for budget availability before approving expenditures.

Remember that the Principal or Site Manager is in charge of the account, should know where the records are kept, and should review the reimbursements and monthly reconciliation.

## THINGS TO AVOID

Do not make any deposits into the account, other than the reimbursement to the account from Accounts Payable. Remember that no other funds may be commingled with the Petty Cash Fund.

Do not use the account for anything other than purchases or reimbursements for supplies (4000 series Object Codes) and postage (5911 Object Code). Travel claims and other non-supply items must not be paid from the petty cash account. Refer to the Disallowed Uses on page 3 of this manual.

Do not purchase items that are more than \$100 each or \$250 in total from the account, and do not reimburse purchases greater than \$100 each or \$250 in total from the account.

Supplemental Guidelines  
**For**  
**PETTY CASH CAL-CARD SYSTEM**

**GENERAL INFORMATION**

Use for Official District Business Only  
Assigned Limit for “single purchases” and “monthly purchases”  
Assigned merchant category  
Adhere to District purchasing procedures and policies  
Single transaction shall not be split into a series of transactions to exceed limits of \$100.00 per single item or \$250.00 for a total transaction  
Privileges will be revoked for any procedural violations

**PROHIBITED CARD TRANSACTIONS**

(Please refer to page 3 Disallowed Uses for Additional Prohibited Card Transactions)

Cash Advances  
Fixed asset purchases (including all equipment)  
Furniture  
Televisions, VCRs, DVRs, A/V Equipment, Computers and Peripherals  
Cellular phones and pagers  
Alcoholic beverages  
Tobacco Products  
Travel, lodging, meals, airline tickets, gas  
Maintenance agreements and service agreements  
Personal items and services  
Printing services  
Rental agreements  
Lease/purchase agreements  
Restaurants

**LOST OR STOLEN CARDS**

Report immediately  
Call U.S. Bank at (800) 344-5696  
Available 7 days a week, 24 hours a day  
Provide following information:  
    Cardholder’s complete name  
    Account number  
    Circumstances surrounding the loss of the card  
    Any purchase(s) made on the day the card was lost or stolen  
    Details of the last purchase amount and location  
Contact Purchasing Services at 277-6662

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## DISPUTES

Contact Purchasing Services for CAL-Card disputes

## ADDITIONAL CARDS/CHANGES/CANCELLATIONS

Contact Purchasing Services for CAL-Card Purchasing Request form for new additions  
Contact Purchasing Services for Amend or Cancel Form CAL-Card  
Cardholder shall sign cardholder agreement form prior to card issuance

## CARDHOLDER PROCEDURES

- Cardholder may place orders by phone, facsimile, mail, online, or walk-in
- Provide clear and specific shipping and mailing instructions to vendor
- Vendor provides itemized receipt/draft copy with following information:
  - Vendor name and address
  - Description of items purchased
  - Quantity
  - Itemized pricing
  - Sales tax
  - Shipping charges, where applicable
  - Grand total
  - Work order number and site, where applicable
- If receipt/draft copy is lost, cardholder must request duplicate; otherwise transaction is revoked
- Record transactions using Monthly CAL-Card/Petty Cash Transaction Log (ACC-F007)
  - Add corresponding item number on receipt
  - Attach receipts
  - Put smaller size receipts on 8-1/2 x 11 sheet or in an envelope and attach to log
- U.S. Bank Statement of Account Reconciliation
  - Cardholder will receive Statement of Account
  - Cardholder reviews statement for accuracy and reconciliation against receipts/draft copies
  - If there are no discrepancies, cardholder signs and dates reverse side of statement
  - Attach Monthly Cal-Card/Petty Cash Transaction Log (ACC-F007) with corresponding receipts
  - Receipts/draft copies placed in order as listed on statement
  - Cardholder resolves discrepancies/disputes directly with vendor and/or U.S. Bank immediately
  - Cardholder forwards all documents to Approving Official within 3 days of receipt of statement

## APPROVING OFFICIAL PROCEDURES

- Receive the following statement:

Approving Official Monthly Account Summary from US Bank

- Reconciliation

Compare *Monthly CAL-Card/Petty Cash Transaction Log (ACC-F007)* and Cardholder Statement of Account with Approving Official Account Summary

Review charges for appropriateness

Be sure all receipt/draft copies are included with Monthly Cal-Card Transaction Log

Approve, initial and date Monthly Cal-Card Transaction Log and bank statement

Forward entire package to Accounts Payable (retaining a copy) within 3 days of receipt of cardholder statements

Assign an alternate when absent

- Change in Approving Official

When transferring or separating from SCUSD, contact Purchasing Services to inactivate card

Submit request changes to Purchasing Services

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**FORMS USED  
FOR PETTY CASH FUND**

Request for Petty Cash Checking Account Form (ACC-F001) – Available on the Intranet under Accounting Services Documents

Bank of America Bank-Depositor Agreement – Available upon request, contact Accounting Services

Bank of America Signature Cards – Available upon request, contact Accounting Services

Petty Cash Reconciliation (ACC-F006) – Available on the Intranet under Accounting Services Documents

Petty Cash Checking Account Voucher Form (ACC-F002) – Available on the Intranet under Accounting Services Documents

Petty Cash – Process Y-Requisition to Replenish Checking Accounts & Pay CAL-Card Accounts (ACC-W035) – Available on the Intranet under Accounting Services Documents

Monthly CAL-Card/Petty Cash Transaction Log (ACC-F007) – Available on the Intranet under Accounting Services Documents