

# ACTIVITY FUND PROCEDURE MANUAL

## SECTION 8 PETTY CASH

### 8.1 GENERAL POLICIES

A. A petty cash account may be established at the discretion of the principal and/or athletic director for the cash purchase of small miscellaneous items.

B. Each petty cash account cannot exceed:

Secondary schools -- \$50

Elementary schools-- \$25

C. It is the principal and/or athletic director's responsibility to ensure the maximum protection of these funds.

D. Disbursements from petty cash should not exceed \$5.00 for any individual purchase.

E. Employee or other checks should not be cashed from petty cash funds.

### 8.2 OPERATING PROCEDURES

A. The petty cash account is established at the beginning of each year by issuing a check in the desired amount payable to petty cash followed by the name of the fund sponsor. For example: Petty Cash - Jane Doe. The sponsor shall then endorse the check and cash it at the bank.

B. Cash disbursements may be made from the petty cash account not to exceed \$5. Original invoices or other suitable documentation must be obtained for all petty cash expenditures. Please make sure purchases are tax exempt.

C. Replenishment of the petty cash account shall be made once the cash balance falls below a manageable level such as \$10. A requisition should be entered to initiate a purchase order to increase the cash to the amount originally approved and set up.

Example:	Actual cash on hand	\$10
	Amount to be replenished	\$40
	Original petty cash amount	\$50

D. The original invoices or other suitable documentation supporting the petty cash disbursements (totaling \$40 per the above example) should be attached to the pink copy of the purchase order to authorize the issuance of the check.

E. When recording the check issued to replenish petty cash in the General Ledger, the individual school or student account should be charged for their expenditures.

F. At the close of each school year, the petty cash on hand should be receipted and deposited into the Activity Fund bank account. The receipt is coded to the Petty Cash account, which should be -0- after closing.