



Manage Petty Cash

Learner Name: _____

Learning Event Date: _____



Fleet & Family Readiness Training
5720 Integrity Drive
Millington TN 38055
<https://g2.cnic.navy.mil/TSCNICHQ/N9/N94/N947>

Revised July 2015



Table of Contents

- When to Take Action.....4
- The Role of a Petty Cash Fund Custodian4
- Guidelines for Managing Petty Cash Fund.....5
- Procedure: Purchaser Obtains Petty Cash Funds in Advance of Purchase.....9
- Procedure: Purchaser Receives Reimbursement from Petty Cash Fund.....11
- Procedure: Petty Cash Fund Custodian Obtains Petty Cash Fund Reimbursement.....12
- Procedure for Verifying Petty Cash Fund.....14
- Final Checklist.....15
- List of Appendixes16
- Appendix A: Petty Cash Fund Designation Letter – Example.....17
- Appendix B: Tax Exempt Letter – Example18
- Appendix C: Petty Cash Request Form – Blank.....19
- Appendix D: Petty Cash Journal – Blank20
- Appendix E: Petty Cash Request Form – Example21
- Appendix F: Petty Cash Voucher – Blank22
- Appendix G: Petty Cash Voucher – Example.....23
- Appendix H: Petty Cash Journal – Example.....24
- Appendix I: Surprise Cash Verification Sheet and Voucher List – Example25

When to Take Action

- Authorizing a new Petty Cash Fund
- Designating a Petty Cash Fund Custodian
- The Program has a need to use petty cash
- There is a need to train new Employees on the use of petty cash
- Undergoing a fiscal oversight or internal control review inspection
- Establishing a Petty Cash Fund in the local currency of a foreign country
- There is a need to periodically make small, cash purchases in support of the Program.

The Role of a Petty Cash Fund Custodian

- A Petty Cash Fund Custodian is responsible for properly and accurately administering and maintaining the Petty Cash Fund.
- The Supervisor of the Petty Cash Fund Custodian has the responsibility to ensure the accurate management of this collateral duty and ensure local policies and procedures are up-to-date and correctly followed.

Guidelines for Managing Petty Cash Fund

Establishing the Petty Cash Fund

- The Regional Commander or Installation Commanding Officer (CO) will authorize in writing the establishment of a Petty Cash Fund and the amount of the fund. The Division or Department head will then designate in writing the individual Custodian(s) and the amount of each fund. Authorization letters will clearly state the amount of the fund and the Custodian's responsibility and accountability for funds in their possession. The original letter of designation will remain with the issuing office. The Petty Cash Fund Custodian will retain a copy of the letter. An example of the *Petty Cash Fund Designation Letter* is located in Appendix A.
- The NAF Fund Custodian will determine the amount of the fund for each Petty Cash Fund Custodian based on operational needs and anticipated emergency purchases for a one-month period.
- The Business Office issues sequentially numbered vouchers to individual Petty Cash Fund Custodians, and maintains an accountability record for all vouchers issued. Though not required by policy, it is recommended that the status of all vouchers be documented in a log or journal.
- Only one person has control of, and is responsible for, each Petty Cash Fund.
- *Petty Cash Vouchers* must be stored in a secure place with access limited solely to the Petty Cash Fund Custodian.

Using the Petty Cash Fund

- Petty cash expenditures are authorized for small transactions up to \$150 for any one transaction (up to \$500 for emergency situations). Check local Standard Operating Procedures (SOP) for further limitations on single transaction limits.

NOTE: *While there is no policy definition of an emergency, clearly defined conditions or reasons should be recorded on the Petty Cash Voucher to support the emergency situation, such as mission essential reasons, a need to purchase over a holiday or weekend, etc.*

- Splitting purchases to circumvent the single transaction limitation is prohibited.
- Purchasing necessary operating supplies with an authorized NAF purchase card rather than using Petty Cash is the preferred and more efficient purchasing method.
- Vouchers documenting purchases made with petty cash will be dated, signed, and accurately expensed to the appropriate Cost Center.

- Present your Department sales tax exempt document to vendors to avoid paying the state sales tax. This document containing the Tax Identification Number identifies the Department's exemption from paying sales tax. This document may be obtained in the Business Office or from the Central Cashier. An example of the *Tax Exempt Letter* is shown in Appendix B. Every effort should be made to avoid paying sales taxes. Sales taxes can only be reimbursed in emergencies or when purchases are required outside of normal working hours. In the event sales taxes are paid, a memo supporting such may be required. Consult local procedures for guidance.
- The *Purchase Request* or *Petty Cash Request Form*, see example in Appendix C, will detail the following:
 - Description or purpose of item
 - Estimated amount – if an advance
 - Purpose
 - Cost center and G/L account
 - Actual amount
 - Signature of Department Supervisor and Requestor

Record your Region or Installation form and process: _____

- Petty cash cannot be used:
 - To cash checks
 - For payment of sales tax
 - To pay staff member's wages, bonuses, or awards
 - To pay an entertainer's fee
 - To pay costs associated with personnel services, travel expenses, business meals, etc.
 - To pay vendors for invoices submitted directly to a Department where a purchase order was issued
- Petty cash may be used for:
 - Equipment repairs
 - Supply items for special events
 - Tolls and parking fees
 - Food and food service supplies

Tracking and Replenishing the Petty Cash Fund

- Replenish the Petty Cash Fund at the end of each accounting month, or more frequently as needed. Regardless of the amount disbursed, the *Petty Cash Journal*, such as the example displayed here, with all paid *Petty Cash Vouchers*, will be submitted to the Business Office for verification and replenishment of the fund. An example of the *Petty Cash Journal* is located in Appendix D. Check your Region or Installation SOP for further guidance.
- The amount of the Petty Cash Fund must remain constant at all times. For instance, the amount of the petty cash on-hand and the sum of the *Petty Cash Vouchers* for the petty cash expended to date must equal the total petty cash that has been assigned to the Petty Cash Custodian. Any overages or shortages must be reported to a Supervisor immediately.
- In the event that Petty Cash Funds are temporarily turned over to another person, a Letter of Designation will be drafted and signed by the interim Custodian. The transferred funds will be verified and documented by the off-going Custodian and the interim Custodian. A written memo or voucher for the dollar amount received is signed by both parties. The original memo or voucher remains in the possession of the interim Custodian; and a copy is retained by the off-going Custodian.
- The Petty Cash Fund is audited on a surprise basis, at least quarterly. Discrepancies are investigated and can result in disciplinary action.
- Refer to the Region or Installation SOP to obtain an increase or decrease in the authorized amount of the Petty Cash Fund.

Possible Problems and Preventive Action Tips

- Consider suspicious and investigate any cash receipt that does not show a printed store or vendor name.
- Contact the vendor named on the receipt to determine the authenticity of any unusual looking receipts or questionable purchases.
- Review similar looking receipts to determine if the documents are being reused or copied. Original receipts are required.
- All receipts considered for reimbursement using Petty Cash should display the date of purchase. If a receipt does not display the date of purchase, review the *Petty Cash Journal* or supporting documents from the previous period(s) to confirm that the expense has not already been reimbursed.
- In circumstances where receipts are not provided by the vendor, such as parking fees, or when a receipt is lost by the Purchaser, a memo is required that explains the circumstances of the expense and validity of the payment. This memo will be signed by the Supervisor and the Purchaser.
- The Petty Cash Fund Custodian will mark all receipts PAID to preclude re-use on subsequent reimbursements.
- Borrowing from the Petty Cash Fund or any personal use of petty cash constitutes theft. This is strictly prohibited and can result in severe disciplinary action. A surprise cash audit should be conducted if this practice is suspected.
- Personal funds are not to be stored with the Petty Cash Fund.

Procedure: Purchaser Obtains Petty Cash Funds in Advance of Purchase

1. A *Petty Cash Request Form* or local *Purchase Request* is used for purchases to be made with petty cash. An example of this form is located in Appendix E. Check local SOP whether written Supervisory approval is required to make a purchase.
2. The Petty Cash Fund Custodian fills out the *Petty Cash Voucher*. The Petty Cash Fund Custodian signs as the approving authority and the person receiving the funds signs as the receiver. The amount of money advanced to the Purchaser is written on the voucher.

NOTE: *The Petty Cash Voucher is a controlled and permanent document. The same document used to advance funds will be used to document the final amount of the purchase.*

The form is titled "N9 PETTY CASH REQUEST" and includes the following handwritten information:

- Date: March 21, 2014
- Request Petty Cash in the amount of: \$15.00 Fifteen and 00/100
- for the purpose of: Park Admission Fee
- This is to be charged to account
- Cost Center: 387 Outdoor Recreation
- GL Acct #: 701000
- UFM Eligible? Yes No
- Requestor: Brad Joseph
- Department Supervisor: Jodi Majors
- Both of these signatures are necessary for consideration of petty cash request.
- Footer: Petty cash must be utilized and the receipts returned to the petty cash custodian within 3 working days.

3. Purchaser obtains the needed funds from the Petty Cash Fund Custodian. The Petty Cash Fund Custodian retains the *Petty Cash Voucher*.
4. Purchaser makes the purchase and obtains a receipt. The receipt must show:
 - Description of item
 - Date of purchase
 - Place of purchase/merchant name
 - Itemized amount

- Purchaser presents items purchased and receipt(s) to an Authorized Receiving Agent. For effective control purposes, the Authorized Receiving Agent must be someone other than the Petty Cash Fund Custodian and the Purchaser.

NOTE: *The Authorized Receiving Agent signs, dates, and records/stamps the receipt as follows: Received, Found Satisfactory, and Accepted.*

- Purchaser takes the receipt with Receiving Agent documentation to the Petty Cash Fund Custodian. The Custodian and Purchaser complete the *Petty Cash Voucher*. A blank and example voucher are located at Appendixes F and G.

PETTY CASH VOUCHER		32399
AMOUNT	\$15.00 Fifteen and 00/100	DATE 3/21/14
FOR	Admission to Olympic National Park	
CHARGE TO	Outdoor Rec 387	Supplier 701
RECEIVED BY	Brad Joseph	APPROVED BY Joe Smith

NOTE: *If funds advanced are different than the amount of the actual purchase, the Petty Cash Fund Custodian will line through the original amount on the voucher. The actual amount is then written on the voucher. Both the Petty Cash Fund Custodian and the Purchaser will confirm the actual amount by initialing the correction and the newly entered amount.*

- Petty Cash Fund Custodian attaches receipt(s) and *Purchase Request* or *Petty Cash Request Form*, as required by local SOP, to the permanent *Petty Cash Voucher*. All vouchers, receipts, and purchasing approval documents are retained by the Petty Cash Fund Custodian until they are submitted with a request for reimbursement.

Procedure: Purchaser Receives Reimbursement from Petty Cash Fund

1. For purchases made off-site or outside of normal working hours, such as at picnics, special events or tours, an approving official may give verbal authorization to the Purchaser to make the needed purchase and to later obtain reimbursement from the Petty Cash Fund later.
2. Prior to obtaining reimbursement, and preferably by the next business day, the Purchaser obtains written approval for the purchase. Depending on local policy, a *Purchase Request* or *Petty Cash Request Form* may be required. The request is prepared and signed by the approving official.
3. Purchaser presents items purchased and receipt(s) to an Authorized Receiving Agent.

NOTE: *The Authorized Receiving Agent signs, dates, and records/stamps the receipt as follows: Received, Found Satisfactory, and Accepted.*

The receipt must show:

- Item description
 - Date of purchase
 - Place of purchase/merchant name
 - Itemized amount
4. Purchaser takes approved *Purchase Request* or *Petty Cash Request Form* and documented receipt(s) to the Petty Cash Fund Custodian. A permanent *Petty Cash Voucher* is prepared by the Custodian.

NOTE: *Petty Cash Fund Custodian should ensure that the Purchase Request provides an adequate description of item(s) purchased and the Program where the item(s) will be used so the Accounting Clerk is able to expense the amount to the appropriate Cost Center and Account Number.*

5. Petty Cash Fund Custodian attaches receipt(s) and *Purchase Request* or *Petty Cash Request Form* to the *Petty Cash Voucher*.

Procedure: Petty Cash Fund Custodian Obtains Petty Cash Fund Reimbursement

1. Petty Cash Fund Custodian requests Petty Cash Fund reimbursement on the last business day of each accounting period and other times as necessary.
2. Petty Cash Fund Custodian completes the *Petty Cash Journal* or local reimbursement form to include (at a minimum) the date, voucher numbers, cost center and account number, and amount of each voucher. List all vouchers in numerical order. An example *Petty Cash Journal* is located in Appendix H.
3. Ensure the correct receipt and purchase document is attached to each *Petty Cash Voucher*.
4. Turn in all vouchers, receipts, and supporting documents to the Business Office, according to local policy. The Petty Cash Fund Custodian should make a copy of the *Petty Cash Journal* or reimbursement form for their records.
5. The Business Office, generally the Accounts Payable Technician, will verify and/or complete the following on each voucher for:
 - Completeness
 - Accuracy
 - Authorized for purchase with Petty Cash
 - Confirm receipt(s) are attached to each *Petty Cash Voucher*
 - Confirm approval signatures and accounting information
6. The Accounts Payable Technician double-checks the totals and drafts a check, payable to the Petty Cash Fund Custodian, by name, to replenish the fund to the authorized amount.

NOTE: *The Petty Cash Fund will be reviewed and reimbursed each month when the expenditures exceed \$100.00. When expenditures are less than \$100.00, Petty Cash reimbursement is only required during the month that total expenditures exceed \$100.00, but not reviewed and reimbursed less than once per quarter.*

CNICINST 1710.3, OPERATION OF MORALE, WELFARE AND RECREATION PROGRAMS, 14 JUN 2013.

Procedure for Verifying Petty Cash Fund

1. Verify the *Petty Cash Fund Designation Letter* and the amount for which the Petty Cash Fund was authorized.
2. Ensure the Petty Cash Fund(s) is secure and intact.
3. Ensure the fund is kept in a cash box within a locked safe.
4. Conduct cash count in accordance with surprise cash count procedures.
 - Verify all temporary and permanent vouchers for accuracy and completeness.
 - Verify the total amount of both temporary and permanent vouchers and that available cash equals total amount of Petty Cash Fund authorized.
 - Document and investigate discrepancies.
5. A cash audit is conducted to verify the Petty Cash Fund. An example *Surprise Cash Verification Sheet and Voucher List* is located in Appendix I. The first page presents the verification of cash counted in the fund. The second page shows a list of permanent or completed vouchers and temporary vouchers. Temporary vouchers document that cash has been advanced to the requesting individuals for the amounts and purposes shown.

NOTE: *The forms and procedures used to verify or audit a Petty Cash Fund may vary by Region or Installation. Consult the Business Office, local SOP and the Cash Handling Procedures – Surprise Cash Count for additional guidance.*

Final Checklist

Checklist of Petty Cash Fund Actions:

- ✓ *The amount of the Petty Cash Fund does not exceed one month's requirements.*
- ✓ *All disbursements, including petty cash reimbursement requests, are properly supported and contain the original signatures of the Petty Cash Fund Custodian, the Purchaser, and the Authorized Receiving Agent.*
- ✓ *There is a process in place to replenish the Petty Cash Fund at the end of each accounting month or more frequently as needed.*
- ✓ *The Petty Cash Fund is administered and maintained in accordance with CNICINST 7000.3, ACCOUNTING PROCEDURES FOR NAVY NON-APPROPRIATED FUNDS, 1 AUG 2012*

List of Appendixes

Appendix A: Petty Cash Fund Designation Letter – Example

Appendix B: Tax Exempt Letter – Example

Appendix C: Petty Cash Request Form – Blank

Appendix D: Petty Cash Journal – Blank

Appendix E: Petty Cash Request Form – Example

Appendix F: Petty Cash Voucher – Blank

Appendix G: Petty Cash Voucher – Example

Appendix H: Petty Cash Journal – Example

Appendix I: Surprise Cash Verification Sheet and Voucher List – Example

Appendix A: Petty Cash Fund Designation Letter – Example



MWR MID-ATLANTIC REGION
Naval Air Station Oceana
875 D Ave
Virginia Beach, VA 23460

May 29, 2013

FROM: Alma C. Sessoms, MWR Business Manager

TO: Lisa McCumber, Fitness Manager

SUBJ: **PETTY CASH FUND SUB-CUSTODIAN**

Ref: (a) DOD Financial Management Regulation Vol. 13
(b) RAMCAS Accounting Handbook
(c) Accounting Procedures for Navy Nonappropriated Funds (CNICINST 7000.3)

In compliance with reference (a) through (c), you are hereby designated as Petty Cash Fund Sub-custodian for Dam Neck Gym of the MWR Department/NGIS, Mid Atlantic Region in the amount of **\$500.00**. This memo supersedes any previous authorizations.

Alma C. Sessoms

PETTY CASH FUND CUSTODIAN

My signature, below verifies that I have counted and verified the assigned Petty Cash Fund in the amount of **\$500.00** on this date: 1 June 2013. I have read FRSCSOP 08-001A and received a copy, which documents my responsibilities and the required procedures for handling government funds. Petty cash Fund must be kept in and MWR/NGIS authorized safe and/or cash register at all times. Employees may not borrow money from my petty cash fund, or substitute a personal check for money from the fund. All employees are responsible for the safety and security of their assigned cash funds at all times, and are subject to a surprise cash count at any time. Petty cash funds may not be removed from the MWR /NGIS facility at any time, for any reason. Employees who do not adhere to the procedures for proper handling of MWR/NGIS government funds shall be subject to corrective and/or disciplinary action, to include possible discharge, depending on the severity of the offense.

6/1/2013

DATE

Lisa McCumber

SUB CUSTODIAN

Appendix B: Tax Exempt Letter – Example



COMMUNITY PROGRAMS NAVY REGION NORTHWEST

TAX EXEMPT STATUS

In accordance with Title 4 of the United States Code, Section 107, the Morale, Welfare and Recreation Department, Naval Submarine Base Bangor, is an instrumentality of the United States Government and exempt from sales taxes.

The following information should be submitted to the Internal Revenue Service.

US NAVY SUBMARINE BASE
MORALE, WELFARE AND RECREATION
C/O CSSO FINANCE
BLDG 2720
NSB BANGOR
SILVERDALE, WA 98315

Tax Identification Number (TIN) #: 91-098XXXX

PURCHASED FROM:

VENDOR: _____

ADDRESS: _____

CITY/STATE/ZIP: _____


DOLLAR AMOUNT: _____

CONTRACT #: _____


DATE: _____

NAF Fund Custodian Approval

Appendix C: Petty Cash Request Form – Blank

	Date: _____
N9 PETTY CASH REQUEST	
Request Petty Cash in the amount of _____	
for the purpose of _____	
This is to be charged to account	
Cost Center	G/L Acct #
UFM Eligible?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Requestor: _____	
Department Supervisor: _____	
Both of these signatures are necessary for consideration of petty cash request.	
Petty cash must be utilized and the receipts returned to the petty cash custodian within 3 working days.	

Appendix E: Petty Cash Request Form – Example

	Date: <u>March 21, 2014</u>
N9 PETTY CASH REQUEST	
Request Petty Cash in the amount of <u>\$15.00 Fifteen and 00/100</u>	
for the purpose of <u>Park Admission Fee</u>	
This is to be charged to account	
Cost Center <u>387</u> <u>Outdoor Recreation</u>	G/L Acct. # <u>701000</u>
UFM Eligible? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requestor: <u>Brad Joseph</u>	
Department Supervisor: <u>Jodi Majors</u>	
Both of these signatures are necessary for consideration of petty cash request.	
Petty cash must be utilized and the receipts returned to the petty cash custodian within 3 working days.	

Appendix F: Petty Cash Voucher – Blank

Petty Cash Voucher

No FY14- 0328

Amount (Print out in words)

Date

For

Charge To

Received By (Sign & Print)

Approved By (Sign & Print)

JEBLC-09-03-jMd13

Appendix G: Petty Cash Voucher - Example

PETTY CASH VOUCHER 32399

AMOUNT	DATE
\$15.00 Fifteen and 00/100	3/21/14
FOR Admission to Olympic National Park	
CHARGE TO Outdoor Rec 387 Supplier 701	
RECEIVED BY Brad Joseph	APPROVED BY Joe Smith

Appendix I: Surprise Cash Verification Sheet and Voucher List – Example

SURPRISE CASH VERIFICATION SHEET

COMMAND NAME: NAVBASE Port Readiness

CUSTODIAN'S NAME: Joe Smith
(PRINT CLEARLY)

FUND TYPE/TITLE: Petty Cash Fund
(Change Fund or Petty Cash)

LOCATION: South Gym, Bldg. 220 **SAFE NUMBER:** FS #2
(Building and Room Number) (Safe/Drawer/Box and Number)

CURRENCY	Units	Value	Total
\$100.00	X	\$100.00 =	\$0.00
50.00	X	50.00 =	\$0.00
20.00	37 X	20.00 =	\$740.00
10.00	X	10.00 =	\$0.00
5.00	X	5.00 =	\$0.00
2.00	X	2.00 =	\$0.00
1.00	54 X	1.00 =	\$54.00
TOTAL CURRENCY COUNTED			<u>\$794.00</u>
ROLLED COINS	Rolls	Value	Total
\$1.00	X	\$25.00 =	\$0.00
.50	X	10.00 =	\$0.00
.25	X	10.00 =	\$0.00
.10	X	5.00 =	\$0.00
.05	X	2.00 =	\$0.00
.01	2 X	.50 =	\$1.00
TOTAL ROLLED COINS COUNTED			<u>\$1.00</u>
LOOSE COINS	Number	Value	Total
\$1.00	X	\$1.00 =	\$0.00
.50	X	.50 =	\$0.00
.25	52 X	.25 =	\$13.00
.10	35 X	.10 =	\$3.50
.05	20 X	.05 =	\$1.00
.01	28 X	.01 =	\$0.28
TOTAL LOOSE COINS COUNTED			<u>\$17.78</u>
TOTAL OF ALL CURRENCY AND COINS COUNTED			<u>\$812.78</u>

OTHER ITEMS COUNTED (As listed on Pages 2a/2b)

CHECKS and MONEY ORDERS	\$	
VOUCHERS PAID	<u>\$687.22</u>	
OTHER	Check Request	
TOTAL OTHER ITEMS		<u>\$687.22</u>
GRAND TOTAL OF ALL CASH ITEMS COUNTED		<u>\$812.78</u>
AMOUNT AUTHORIZED		<u>\$ 1,500.00</u>
DIFFERENCE (Overage or Shortage)		<u>\$ -</u>

I CERTIFY THAT AT 0906 HOURS ON THIS DATE 3/24/2014 THE ABOVE CASH AND CASH ITEMS WERE COUNTED IN MY PRESENCE AND THAT THE ABOVE CASH AND CASH ITEMS WERE RETURNED TO ME INTACT. I FURTHER STATE THAT THE ABOVE CASH AND CASH ITEMS REPRESENT ALL MONIES ENTRUSTED TO ME FOR WHICH I AM ACCOUNTABLE.

Custodian's <u>Joe Smith</u> Signature	Auditor's <u>Debbie Gonzales</u> Signature
---	---

