



Administrative Policies and Procedures

Policy Title: Petty Cash Funds	Policy Number: 502
Effective: 8/07	
Supersedes: APR #502, dated 9/92, 1/93	
Approval: <i>Roger W. Frasen</i>	Page 1 of 2

1. Purpose

To establish rules and procedures for the use and handling of petty cash.

2. Policy

2.1 The limit for a single petty cash transaction is \$50.00 per person. The maximum petty cash fund per service unit will be \$500. The Service Area Administrator and the Chief Financial Officer must approve all petty cash funds.

3. Procedures

3.1 When money is paid from a Petty Cash Fund, a receipt shall be completed, signed, and counter-signed by the person receiving the cash (see example below, generic receipts are acceptable).

01-01-07
CITY OF ANN ARBOR
PETTY CASH RECEIPT

1631

Received from: Jane Doe *Joe* \$ 10.00

FOR: Office Supplies

Charge to Account: 0010 018 1000 1000

Fund Agency Organization Job Object

Received by: Joe Schmoie *J.S.*

AA-16 (10/94)

- 3.2 As each payment is made, the paid receipt shall be placed in the petty cash box along with the remaining money. The petty cash box should always contain paid receipts and money equal to the total amount of the petty cash fund.
- 3.3 If the petty cash amount is short and the error cannot be located, the shortage should be entered on a receipt and as a miscellaneous payment. Overages and shortages are to be reported to a supervisor immediately.
- 3.4 When the fund is close to depletion and reimbursement is necessary, the petty cash custodian must enter a payment voucher for the amount of the receipts and a check will be issued to the custodian to replenish the petty cash fund.