**NEED FOR THIS POLICY**

Petty cash funds provide a convenient way to pay for small expenses, but keeping cash in any unsecured area entails risk of misuse or theft This policy is designed to mitigate these risks.

1. **Policy**
   1. This policy establishes the proper uses and administration of petty cash funds When other disbursement methods cannot be used, petty cash funds can provide cash to cover minor expenses such as postage or office supplies, generally not to exceed $20.
   2. Petty Cash is usually the mechanism of last resort to access cash for payments when other disbursement methods are impractical or cannot be used. Petty cash funds are not generally used as an operating fund, i.e., to pay invoices for goods or services.
   3. The RCFL petty cash “box” will also serve as the receptacle for daily cash receipts to the library for library fines, fax/copy charges, etc.
   4. The Director will be the custodian of the Petty Cash box, and will document all transactions.
   5. The Treasurer will replenish petty cash should the balance drop to less than $50.
   6. The Treasurer will deposit cash receipts when the petty cash on hand exceeds $200, or at a minimum, monthly.
   7. A chain of custody will be assured by following the outlined procedure below.
2. **Procedure**
   1. The Director will maintain a spreadsheet detailing each cash transaction. (Note that cash in is recorded as positive numbers, and cash out is recorded as negative numbers.)
   2. The Director will reconcile the petty cash account weekly, and report any discrepancies to the Treasurer.
   3. The Director will prepare periodic for month-end bank deposits by:
      1. Counting all cash on hand
      2. Comparing counted cash with calculated cash, and noting any difference. If this is not $00.00, reconciliation should be attempted to find the error.
      3. A nominal amount of cash, presently $50.00, should be retained in the cash box as the petty cash bank.
      4. The remaining cash should be placed in the bank deposit bag with a printout of the spreadsheet, after first placing her initials where indicated on the sheet.
   4. The Treasurer will complete the bank deposit by:
      1. Counting the cash in the bank bag in the presence of the Director.
      2. Placing her initials on the worksheet.
      3. Make the deposit at the local bank branch, and receive a receipt.