

# **Racine County Financial Policies Cash Funds**

These policies are in place to safeguard the County's cash assets and to provide management and all employees guidelines of controls to assist them in fulfilling their fiduciary responsibility to the County. It is the employee's responsibility to be familiar with these policies and procedures and to ensure that they are being followed.

## **Location and Security of Funds**

All cash funds must be kept in a secure (locked) location at all times. It is the responsibility of the department/custodian to ensure that the funds are secure. Access should be limited to the custodian and their designee only.

Funds must remain on County premises at all times. Funds cannot be kept in a vehicle or with an employee's personal belongings (such as a purse or laptop case).

It is best practice to maintain cash drawer funds in a secure cash register that requires a login to access the drawer. Each employee authorized to have access should have an individual login.

## **Internal Controls and Responsibilities for Cash Handling**

Departments must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components a majority of the time: collecting, depositing, disbursement, and reconciling.

All cash must be safeguarded by using a cash drawer, safe or other secure place until deposited with the bank or Treasurer's Office. Departmental procedures must assure accountability for county funds at all times.

Departments that do not have adequate protection for overnight storage of cash funds must make deposits daily.

Deposits that fall over/short must be recorded and investigated immediately and resolved to the extent possible.

Department management should review receipting, reconciling, and depositing transactions on a regular basis for fraud or any suspicious activity.

## Racine County Policies and Procedures Cash Funds

### **Use of Funds**

Use of petty cash funds must follow all County procurement ordinances (see appendix). Racine County policy allows the use of petty cash for small business-related purchases. Petty cash **cannot** be used for travel (including mileage reimbursements), employee advances, or to cash personal checks. Individual petty cash transactions cannot exceed \$150.

All disbursements from the petty cash fund must be documented on a Racine County Petty Cash Receipt form and include supporting documentation (such as a 3<sup>rd</sup> party receipt or invoice). The Petty Cash Receipt form must be filled in completely and signed by both the cash recipient and the petty cash custodian.

Cash drawer funds are to be used for providing change for any counter transactions within a department. These funds are not to be used in place of petty cash funds and cannot be used for travel, employee advances, or reimbursements.

### **Establishing a New Petty Cash or Cash Drawer Fund**

Departments that need a petty cash or cash drawer fund to support operations must provide the Finance Department with a completed Cash Fund Request. Subsequent to opening an account, departments may request an increase or decrease of their fund by providing a reason for the change.

The department must also designate an employee as custodian of the fund. The custodian must sign an acknowledgment stating the amount, purpose, and their accountability for the funds.

### **Reconciliation of Funds**

It is recommended that custodians reconcile and replenish petty cash funds when approximately 50% of the funds have been expended. Reconciliations should be done at least quarterly by the custodian.

Finance will review the frequency of replenishments annually to determine whether a fund needs to be increased, decreased, or closed.

It is recommended that cash drawers be reconciled daily at the close of business and all funds in excess of the established amount be deposited in whole daily.

Reconciliations are **required** at fiscal yearend for both petty cash and cash drawer funds. The reconciliations should be submitted to Finance Department by January 31<sup>st</sup>. This ensures that all expenditures and revenues are recorded in the proper fiscal year for reporting.

## Racine County Policies and Procedures Cash Funds

### **Over/Short Funds**

If during reconciliation, a cash fund is noted to be over or short of the established balance, this amount is **required** to be reported to Finance and recorded to the department's short and over account via the replenishment voucher (for petty cash funds) or the deposit form (for cash drawers). The object account for over/short accounts is 7065 and each department has an account setup available for their use. Please contact Finance if you need assistance recording these amounts.

### **Replenishment of Funds**

Once reconciled, a Petty Cash Replenishment Voucher shall be submitted to Finance with all appropriate documentation.

Required documentation includes: a reconciliation showing the cash-on-hand, receipts in transit, and current request; copies of all petty cash receipt forms and related receipts/invoices. Check requests must be signed by an authorized department signer (same as all other County voucher requests).

### **Changing the Custodian on Record**

All changes to the petty cash custodian on record must be communicated to Finance department as soon as they occur.

A reconciliation of petty cash funds must be made whenever there is a change in custodian. Both the old and new custodian should sign off on the reconciliation. If the department's need for the fund still exists, a new custodian must be designated.

### **Change Funds (Cash Drawers)**

Change funds or cash drawers are handled differently than regular petty cash funds. Since change funds are never closed out or replenished it is very important that the department keeps an accurate account of the funds. A custodian must be designated for these funds as well and any changes promptly communicated to the Finance Department.

### **Closing a Petty Cash or Cash Drawer**

When a petty cash fund or cash drawer is no longer needed and is being closed, a final reconciliation must be performed and all related receipts or invoices need to be forwarded to Finance Department to be recorded. Any unused funds must be forwarded to the Treasurer's office for deposit. Please contact Finance Department for the appropriate deposit account. Finance is not permitted to accept cash.

## Racine County Policies and Procedures Cash Funds

### **Internal Audits**

At least annually, Finance Department staff will perform an unscheduled audit of all petty cash funds and all cash drawers. Any noted policy and procedure violations will be documented as a finding and communicated to the appropriate department head with recommendations for correction. If a fund is found to have significant findings, more frequent audits may occur. If findings are not timely resolved or continue, the funds are subject to closure.

The Finance Department may make an annual report to the Finance and Human Resources Committee of the County Board. This report can include a listing of all petty cash funds and cash drawers and the results of all audits.

### **Forms**

All forms related to petty cash and cash drawer funds are provided on the Racine County employee website under Finance Forms.

August 12, 2003

ORDINANCE NO. 2003-80

**ORDINANCE BY THE FINANCE AND HUMAN RESOURCES COMMITTEE  
AMENDING SECTIONS 7-231 AND 7-232 OF THE RACINE COUNTY CODE OF  
ORDINANCES RELATING TO PETTY CASH**

To the Honorable Members of the Racine County Board of Supervisors:

The Racine County Board of Supervisors do ordain as follows:

**Part 1**

Section 7-231 of the Racine County Code of Ordinances relating to the establishment of petty cash accounts is hereby amended to read as follows:

**Sec. 7-231. Petty cash accounts; establishment of account.**

The finance director shall establish such petty cash accounts as he or she may determine to be in the best interests of the county. Petty cash accounts shall be in a specific amount not in excess of ~~one~~ two thousand dollars (~~\$1,000.00~~) (\$2,000.00) and shall be listed by the finance director in an appropriate manner to advise the finance committee of the board of supervisors of the existence and amount of each account not less often than annually. Procurements made with funds from a petty cash account do not require purchase orders and do not require any bidding procedure.

**Part 2**

Section 7-232(a) of the Racine County Code of Ordinances relating to petty cash limitations is hereby amended to read as follows:

**Sec. 7-232. Same-Limitations.**

(a) Expenditures of funds from the petty cash accounts are limited to purchases of ~~fifty~~ one hundred fifty dollars (~~\$50.00~~) (\$150.00) or less.

Respectfully submitted,

1st Reading \_\_\_\_\_

**FINANCE AND HUMAN RESOURCES  
COMMITTEE**

2nd Reading \_\_\_\_\_

BOARD ACTION

\_\_\_\_\_  
Robin J. Vos, Chairman

Adopted \_\_\_\_\_

For \_\_\_\_\_

Against \_\_\_\_\_

Absent \_\_\_\_\_

\_\_\_\_\_  
Russell A. Clark, Vice-Chairman

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VOTE REQUIRED: Majority

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Pamela Zenner-Richards, Secretary

Prepared by:  
Corporation Counsel

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Robert N. Miller