

Adopted: 9-18-19

Revised:

NORTH METRO FLEX ACADEMY

POLICY No. 7.3.3

PETTY CASH FUND

I. PURPOSE

The purpose of this policy is to provide guidelines and procedures for establishment and use of a petty cash fund for North Metro Flex Academy (NMFA) in order to expedite reimbursement for certain out-of-pocket expenditures and reduce the volume of check requests that require approval.

II. POLICY STATEMENT

NMFA will have an imprest fund system for petty cash to be used for reimbursement of acceptable expenditures up to \$100.00 for each occurrence. The approved amount of the petty cash fund shall be \$500.00.

III. IMPLEMENTATION

- A. The NMFA office manager is designated as the custodian of the petty cash fund and is personally responsible for the fund safekeeping and disbursement according to law.
 1. Petty cash is transferred from the general fund and currency is in the form of coins and bills, not a separate checking account.
 2. Petty cash will be kept in a metal lock box that is maintained in a locked desk, locked cabinet, or locked safe to which access is limited.
 3. Petty cash is not to be intermingled or deposited with any other receipts, funds or cash-on-hand.

- B. The petty cash fund will generally use the reimbursement method whereas an individual purchases an authorized item with personal funds, provides the original detailed vendor receipt to the petty cash custodian, and is then reimbursed from the petty cash fund. Advances on the fund may be made for board members and employees to attend meetings outside of the school district.
 1. Acceptable petty cash fund expenditures include activity such as student refunds, postage, reimbursement for employee classroom supplies, emergency purchases and meeting expenses. Mileage reimbursements will not be made from this fund.
 2. The custodian of the petty cash fund should obtain approval from the school principal when in doubt as to the legality, propriety or eligibility of an expenditure.

- C. Unacceptable petty cash fund expenditures include transactions in excess of \$100.00, check cashing, loans, payments to individuals for services, the reimbursement of sales tax and salaries or personal expenses of an officer or employee.

- D. To replenish the petty cash fund, a claim itemizing all disbursements must be presented to the NMFA Board of Directors at its next scheduled meeting after the disbursements are made.
 - 1. If the Board approves the claim, the fund's custodian will be given a check to replenish the fund.
 - 2. If the Board fails to approve the claim in full, the fund's custodian is personally responsible for the difference.
 - 3. When replenishing petty cash funds, the total of the original receipts maintained by the custodian must match the amount of the replenishing check.

- E. Reconciliations of the petty cash fund will be done by the school principal or someone other than the person approving disbursements from the fund.
 - 1. At any time, the amount of cash on hand plus the receipts (plus any outstanding advances if the advance method of disbursement is used) shall equal the amount of the approved petty cash fund.
 - 2. The original receipts must be maintained and filed as supporting documentation.
 - 3. Internal audits of the petty cash fund will be conducted throughout the year by the Finance Department.

- F. Periodically, the Board will review the petty cash fund policy to determine whether the fund is still necessary.

Legal Reference: Minn. Stat. §123B.11 (Imprest Cash Funds)