



## Town of Hollis, New Hampshire PETTY CASH POLICY

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It is the policy of the Town of Hollis that any on-site petty cash funds be properly safeguarded and disbursements are properly controlled. The purpose of this policy is to define the basic controls and operating procedures of petty cash.

Petty cash is an allotment of cash that is kept on site for efficient payment of incidental business expenses. Specifically, the making of change to a customer or reimbursement of small amounts for items purchased by employees for business purposes only. The petty cash fund will be maintained with a fixed balance. The amount in the fund may not exceed the set balance. The petty cash fund balances by department are:

- Town Hall           \$500
- Police               \$500
- Dumps               \$300
- DPW                 \$50
- Communications \$400

The following controls over the petty cash fund will be maintained:

- The petty cash fund will be stored in a locked storage area.
- One individual will have the responsibility for custodianship and disbursement.
- Petty cash will not be used to cash checks.
- Petty cash will not be for personal use even if the intent is to reimburse petty cash.
- Petty cash and funds from miscellaneous cash receipts will not be commingled.
- Petty cash will be audited in connection with the reimbursement process.
- Violation of any of these controls may lead to disciplinary action, including termination of employment.

Request for disbursement from a petty cash fund is made in writing and must be accompanied by approved receipts for reimbursement.

The Department Head will authorize the check request for reimbursing petty cash which will be supported by adequate documentation.

1) If the requestor requires cash in advance:

- a) They must sign a receipt voucher and the custodian disburses the cash.
- b) The requestor will submit a receipt supporting the disbursement, along with any remaining cash to the custodian.
- c) The custodian will return a receipt to the requestor with the notation "cash/receipt received" and updated amount disbursed.



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- 2) If using personal funds for business use, the requestor prepares a written request for disbursement and attaches receipt for goods/service purchased along with an explanation for the purchase.
  
- 3) To reconcile petty cash:
  - Make sure that a receipt supporting the use of cash is attached to the written request for disbursement.
  - Count all money remaining in the petty cash fund.
  - Add up all receipts to determine how much money has been disbursed.
  - Compare total of the receipts and the remaining cash to opening balance, and report overages and shortages to the Finance Officer.
  - Prepare a check request for the amount needed to bring the fund back to the opening balance. This must contain General Ledger account numbers for each disbursement and the supporting receipts will accompany the request. A copy of the cash to receipt reconciliation must also be included (a reconciliation template will be provided).

**Adopted by:**

**Date:**

*Michael Redden*  
*Paul Anthony*  
*Duffy*  
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5-27-2020  
5/20/2020  
5/21/2020  
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