

Process steps

Title:	Documentation of petty cash funds
Related to:	DHS OHA-040-017-02
Effective date:	02/02/2020

Purpose

This document provides a step-by-step explanation for the use and recording of a petty cash fund within the programs of DHS and OHA. Petty cash funds shall be used for emergency purchases when normal purchasing processes are not feasible.

Process Steps

1. The manager or designee with delegated signature authority grants the requestor authorization to use petty cash prior to purchases.
2. The requestor presents itemized requests to the custodian with a description of the business purpose and estimated cost for each item using the advance form MSC 0184 or the reimbursement form MSC 0185.
3. To ensure proper segregation of duties:
 - a. Employees may not approve their own purchases.
 - b. Custodians are strictly prohibited from making petty cash purchases.
4. Manager or designee are responsible for ensuring the proposed purchase is an appropriate and legal use of public funds.
5. Only the custodian or alternate custodian accesses and disburses cash from the petty cash fund to the requestor.
 - a. Petty cash requests cannot be used for any unauthorized disbursement or transaction as stipulated by DHS|OHA-040-017.
 - b. **Individual purchases may not exceed \$25.**
 - A. Multiple purchases from the same vendor within 5 days are considered one purchase. An exception may be made when the clients are taken to the same restaurant within 5 days.
 - B. Expenditures exceeding \$25 will be processed by the Office of Financial Services (OFS) Accounts Payable Unit via a TRIPS claim for travel related expenditures or a reimbursement claim for miscellaneous purchases.
6. If the requestor does not have the personal funds to pay for the purchase and get reimbursed after, they may request a petty cash advance by completing the top half of form MSC 0184.
 - a. Form includes a list of items authorized for purchase, business purpose and the estimated cost of each.
 - b. Form is signed and dated by the requestor, the manager or designee with appropriate delegated expenditure authority, and the custodian.

7. The custodian disburses the cash and places form MSC 0184 in the petty cash box for reconciliation.
8. The requestor returns remaining funds and original sales record to the custodian **within 2 business days** of the issuance of the advance.
9. The custodian retrieves the relative petty cash advance form from the petty cash box and completes the bottom half of the form.
 - a. The custodian and requestor sign and date the form.
 - b. The petty cash advance form must have the receipts attached to be used for back-up for the petty cash ledger.
10. The manager will consult with the Human Resources representative to ensure that appropriate action is taken in the event an employee fails to submit the appropriate documentation supporting the use of the petty cash funds as required.
11. Requestors are limited to one outstanding petty cash advance at a time.
12. If the requestor purchased the pre-approved expenditure and needs to be reimbursed, they complete a petty cash reimbursement request form MSC 0185. Ideally the expenditure reimbursement request will be within the same month of purchase.
13. The manager or designee who pre-authorized the purchase signs and dates the form.
14. The requestor signs and dates the form and attaches **original** sales receipts.
 - a. If the reimbursement is travel related and is \$25 or greater, the requestor enters a TRIPS claim.
 - b. If the reimbursement is not travel related and is \$25 or greater, form MSC 1297b is completed and sent to OFS.Invoices@dhsosha.state.or.us for warrant or direct deposit reimbursement.
15. The custodian verifies the form MSC0185 is completed in entirety including manager signature and attached original receipts and disburses the cash to the requestor. Custodians are strictly prohibited from disbursing petty cash if the original sales receipt is not submitted with the signed petty cash reimbursement form.
16. If the requestor is unable to furnish a detailed original receipt, they will provide a signed memo of affidavit to the manager acknowledging that it was lost. The manager must also sign the memo acknowledging acceptance of affidavit.
 - a. The notes will include date of purchase, a description of item(s) purchased, the name of store where purchased and amount of each item purchased.
 - b. The manager or designee may authorize reimbursement to the purchaser by providing a written certification attesting that the item(s) was purchased and received.
 - c. The written certification is attached to the petty cash reimbursement request form MSC 0185.
 - d. OFS will notify the program manager and controller of frequent occurrences of lost or misplaced sales records.
17. The requestor signs the form acknowledging that they received the reimbursement.
18. The custodian immediately logs all transactions on the petty cash ledger MSC 0188.

References

[ORS 293.180](#) Agency Petty Cash Fund
[ORS 297.120](#) Division of Audits investigation of state agency loss of public funds or property
[OAM 10.20.00.PO](#) Internal Control – Cash
[DAS 107-001-020](#) Public Records Management - Records Retention Schedule

Forms referenced

MSC 0184 Petty Cash Advance Request
MSC 0185 Petty Cash Reimbursement Request
MSC 0186 Change of Petty Cash Custodian
MSC 0187 Request to Establish Petty Cash Fund
MSC 0187b Receipt of Petty Cash Funds
MSC 0286 Delegated Signature Authorization
MSC 1297b Miscellaneous Expense Reimbursement
MSC 0188 Petty Cash Ledger

Related policies

[DHS|OHA-040-010](#) Delegation of Expenditure Decision Authority
[DHS|OHA-040-010-01](#) Exercising Expenditure Decision Authority
[DHS|OHA-040-010-02](#) Inappropriate Actions
[DHS|OHA 040-013](#) Receipting of Checks and Other Negotiable Instruments
[DHS|OHA 040-017](#) Petty Cash Funds Policy
[DHS|OHA-040-017-01](#) Establishment or Changes of Petty Cash Fund
[DHS|OHA-040-017-03](#) Reconciliation and Replenishment of Petty Cash Fund
[DHS|OHA-040-017-04](#) Internal Controls for Petty Cash Fund

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