

Process steps

Title:	ODHS OHA 040-017-03 Reconciliation and Replenishment of Petty Cash
Related to:	ODHS OHA 040-017 Petty Cash Funds Policy
Effective date:	07/10/2023

Purpose

This document provides a step-by-step explanation on reconciling and replenishing a petty cash fund within the programs of Oregon Department of Human Services (ODHS) and Oregon Health Authority (OHA).

Process Steps

1. The custodian immediately records petty cash advance and disbursement transactions in the MSC 0188 Petty Cash Ledger following the process outlined in ODHS|OHA-040-017-02.
2. The custodian files all documentation including original receipts, petty cash advance, and petty cash disbursement forms with the petty cash.
3. The petty cash fund and ledger are reconciled by the custodian at the end of each month, by the 15th of the following month. If there is no activity or replenishment needed, there should be a written statement on the ledger "No purchases were made during the period reflected".
4. The manager or designee with delegated signature authority reviews the completed ledger and back-up documentation.
5. The manager counts the petty cash on hand and examines all documentation supporting the amounts disbursed against the petty cash ledger to confirm:
 - a. Total currency and sales records equal the amount of the fund.
 - b. Disbursements were properly authorized and conform to ODHSOHA-040-017.
 - c. All transactions have been recorded on the petty cash ledger.
 - d. The amount in the cash on hand balance column on the cash ledger equals the actual amount of cash on hand counted.
 - e. Advances are documented, monitored, and not past due.
 - f. Cash overages and shortages are properly documented.
 - A. Each cash overage or shortage is individually itemized and clearly identified on the petty cash ledger. They should not be netted together.
 - B. The Office of Financial Services (OFS) records all overages or shortages as an increase or decrease to Other Fund Revenue in accordance with ODHSOHA-040-013.
6. In the event of a cash shortage of \$25 or more, the manager immediately prepares a report explaining the shortage in accordance with Oregon Revised Statutes (ORS) 297.110, 297.120 and ODHSOHA-040-013.
7. The manager sends the report to the Controller by the close of the business day on the day the shortage is discovered.

8. The manager signs and dates the ledger after verifying the accuracy of the reconciliation and e-mails the reconciled ledger to OFS.PettyCash@odhsoha.oregon.gov, including PDF copies of all supporting documents. The signature acknowledges that all purchases were pre-approved, authorized for purchase or reimbursement, and valid purchases according to ODHSOHA-040-017. Petty cash ledgers must be submitted to OFS timely. Multiple late submissions may result in removal of petty cash fund.
9. OFS creates a warrant to the custodian after ensuring that the replenishment amount requested plus the cash remaining on hand equals the amount authorized for the petty cash fund and all transactions are valid according to ODHSOHA-040-017.
10. OFS returns the petty cash ledger for correction if, but not limited to:
 - a. The amount requested exceeds the maximum amount authorized in the petty cash fund.
 - b. The proper documents appointing the current petty cash custodian have not been received.
 - c. A transaction violates agency or state policies and statutes.
11. OFS sends copies of all documentation showing any unauthorized use, irregularity, or improper accounting to the Office of Human Resources for appropriate action. Managers will be held accountable up to and including dismissal for any petty cash transaction that violates agency or state policies and statutes.
12. Any time a new primary custodian is appointed, the new custodian shall complete form MSC 0186 within 2 business days and reconcile the petty cash fund. The cash on hand plus receipts should be equal to the established petty cash fund balance.
13. If replenishment of petty cash is needed before the end of the month, a mid-month reconciliation and replenishment request can be initiated following the same process as the end of month. An end of month reconciliation is still required.

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 0188 Petty Cash Ledger](#)

[MSC 0286 Delegated Signature Authorization](#)

Related policies

[ODHS|OHA-040-010 Delegation of Expenditure Decision Authority](#)

[ODHS|OHA-040-010-01 Exercising Expenditure Decision Authority](#)

[ODHS|OHA-040-010-02 Inappropriate Actions](#)

[ODHS|OHA 040-013 Receipting of Checks and Other Negotiable Instruments](#)

[ODHS|OHA 040-017 Petty Cash Funds Policy](#)

[ODHS|OHA-040-017-01 Establishment or Changes to Petty Cash Fund](#)

[ODHS|OHA-040-017-02 Documentation of Petty Cash Fund](#)

[ODHS|OHA-040-017-04 Internal Controls for Petty Cash Fund](#)

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