

# **Starr Library**

## **PETTY CASH FUND POLICY**

### **Introduction**

A *Petty Cash Fund* should be established and maintained for Starr Library for the purchase of materials, supplies or services under conditions requiring immediate payment. The use of petty cash should be limited to reimbursement for small expenses, generally not to exceed \$100, such as kitchen, office, and program supplies, postage, etc.

The amount of the petty cash fund will not exceed \$400.00.

One employee shall be assigned responsibility for the fund. The Board of Trustees should approve the custodian. The custodian will be responsible for the security of the funds and the control of disbursements.

### **Guidelines**

To ensure that these funds are properly managed, the following guidelines shall be followed:

1. Receipts plus cash-on-hand must always total the authorized fund amount.
2. All disbursements from such funds are to be supported by receipted bills or other evidence documenting the expenditure. Where possible, the library's tax exemption certificate should be used when making purchases.
3. Payments may be made from petty cash for materials, supplies, or services requiring immediate payment, but it is not to be used for frequently purchased items.
4. The custodian should maintain a Petty Cash Log including receipts for each disbursement. All disbursements should state business purpose, reimbursee and date.
5. The custodian should replenish the fund when the cash balance is low.
6. Prior to replenishing the fund, the custodian should make sure that cash on-hand plus receipts equals the original balance of the fund.
7. The Director should approve the replenishment request.
8. The Director should perform unannounced petty cash audits.
9. Petty cash funds should be maintained in a secure area such as a locked cabinet or small safe.
10. Under no circumstances should the petty cash fund be used to advance monies to employees in the form of loans.

*(Adapted from Harvard Financial Administration Risk Management and Audit Services)*

Adopted and approved by the Starr Library Board of Trustees.

Dated: October 26, 2023