



STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS

APPLICABILITY
DEPARTMENT WIDE

REVISION DATE
11/11/22

PAGE NUMBER
1 of 6

NUMBER
DOC 205.000

POLICY

TITLE

PETTY CASH PROCEDURES

REVIEW/REVISION HISTORY:

Effective: 1/15/97
Revised: 1/7/00
Revised: 6/6/06
Reviewed: 5/21/07
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Revised: 7/23/10
Revised: 7/2/12
Revised: 6/1/14
Revised: 11/11/22

SUMMARY OF REVISION/REVIEW:

Major changes to include updated terminology and reorganization of information. Read carefully!


APPROVED:

Signature on file

CHERYL STRANGE, Secretary
Department of Corrections

10/17/22

Date Signed

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REFERENCES:


DOC 100.100 is hereby incorporated in this policy; [RCW 42.26](#); DOC 200.050 Purchasing; DOC 200.900 Travel Regulations; DOC 210.025 Gate Money/Transportation Funds/Pre-paid Phone Calls; [State Administrative and Accounting Manual \(SAAM\) 85.50.50-70](#)

POLICY:

- I. Petty cash accounts are only authorized for the General Fund (001), the Correctional Industries Revolving Fund (401), and the Washington State Combined Fund Drive Account (525).
- II. The Department will maintain and manage petty cash funds:
 - A. In a centralized petty cash checking account in an institution insured by the Federal Deposit Insurance Corporation (FDIC), and
 - B. Using the Accounting for Local Funds (ALF) enterprise accounting system.
 1. Correctional Industries may maintain their petty cash account in a separate checking account that is not maintained in ALF.

DIRECTIVE:

- I. General Requirements
 - A. Changes to the Department's authorized petty cash amount will be initiated by the Comptroller/designee, who will:
 1. Complete and submit [SF A-37 Application and Authorization for Petty Cash Advance](#) to the Office of Financial Management (OFM),
 2. If approved, initiate a payment request for deposit in the centralized petty cash account, and
 3. Consult with the Internal Control Officer to determine if control system changes are necessary.
 - B. The Assistant Comptroller and the Regional Business Manager/designee for facilities/offices will appoint a petty cash/change fund custodian and a backup custodian using DOC 06-027 Petty Cash/Change Fund Custodian Authorization.
 1. A new authorization form must be completed any time the primary and/or backup custodian changes.

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- C. Change funds are authorized by the Regional Business Manager when it is determined a minimum amount of cash and coin must be maintained.
- D. Internal control procedures for petty cash will be maintained in the Business Services SharePoint site.

II. Responsibilities

- A. The Trust Accounting Manager will develop and maintain written cash management processes approved by the Internal Control Officer that include controls designed to safeguard cash and properly document financial transactions.
- B. Local Business Managers are responsible for internal control integrity at their location and will ensure employees managing cash are properly trained and use approved cash management processes provided by the Trust Accounting Manager.
- C. The Disbursements and Cash Receipts Manager/designee will:
 - 1. Review petty cash activity monthly to ensure consistency with this policy and to verify the authorized level of petty cash is still appropriate.
 - a. Discrepancies will be documented in writing to the Comptroller and Internal Control Officer and will be addressed with the transaction's originator(s).
 - 2. At a minimum, reimburse petty cash to the authorized amount by the close of each fiscal month. Petty cash must be reimbursed in full by June 30.
- D. The Financial Coordination Unit will post petty cash reimbursements to the ALF system on the date the Electronic Funds Transfer (EFT) is deposited to the petty cash account.
- E. Locations maintaining change funds will record change fund receipts and disbursements in the ALF system by the fiscal month close date.

III. Authorized Uses of Petty Cash

- A. Authorized uses of petty cash include:
 - 1. Local market purchases of supplies, materials, and minor repairs, if the:
 - a. Purchase meets requirements established in DOC 200.050 Purchasing, and

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b. Items purchased cannot be expediently paid for through regular warrant payment procedures or use of the purchasing card.


2. Rail, common carrier air, and bus charges, where carriers require payment at the time of delivery.
3. Postage due on mail when it can be determined that the state will benefit from accepting delivery.
4. Other approved purchases for Department operational support in emergency situations as defined by the Assistant Comptroller and Regional Business Managers for facilities/offices.
5. A petty cash check may be issued as a travel advance when the need for an advance cannot be anticipated in time to use regular travel advance procedures per DOC 200.900 Travel Regulations.
6. Net salaries and wages due for a pay period.
7. Release funds issued per DOC 210.025 Gate Money/Transportation Funds/Pre-paid Phone Calls.

B. Petty cash may not be used for:

1. Cashing personal and/or payroll checks, warrants, or notes of personal indebtedness,
2. Advances of an employee's payroll before the scheduled payday, or
3. Reimbursing any travel expenses (e.g., parking fees, private vehicle mileage).

IV. Disbursements


- A. All disbursements will be documented and supported by receipts or vouchers bearing the payee's signature.
- B. Employees will use DOC 06-068 Petty Cash Approval to request a petty cash check. Supporting documentation will be maintained with the form to document the disbursement.
- C. Petty cash checks require the signatures of 2 authorized employees appointed by the Assistant Comptroller or the Regional Business Managers for facilities/offices.

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1. A current bank signature card will be maintained in the Legal Financial Obligation Unit for employees appointed to sign checks.
- D. The petty cash/change fund custodian for locations with authorized petty cash will maintain a check register in the ALF system detailing the checks issued. The Financial Coordination Unit will post all deposits to the centralized petty cash account.
- E. When using a change fund, a log will be maintained per the cash management processes to document:
1. Location of the account
 2. Change fund custodian
 3. Date of transaction
 4. Receipt/disbursement number
 5. Purpose of transaction
 6. Beginning balance
 7. Receipts
 8. Withdrawals
 9. Ending balance
- V. Reconciliation
- A. The Disbursements and Cash Receipts Manager/designee will:
1. Review petty cash activity monthly to ensure consistency with this policy and to verify the authorized level of petty cash is still appropriate.
 2. At a minimum, reimburse petty cash to the authorized amount by the close of each fiscal month. Petty cash must be reimbursed in full by June 30
- B. The Local Business Manager/designee will reconcile the petty cash change fund at least monthly.
- C. The Local Business Manager will reconcile the petty cash change fund if there is a change in the custodian responsibilities.
- D. The Financial Coordination Unit will reconcile the centralized petty cash account to the bank statement within 30 days of the close of each month and reconciliation must be approved by the Financial Coordination Unit Manager.

DEFINITIONS:

Words/terms appearing in this policy may be defined in the glossary section of the Policy Manual.

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ATTACHMENTS:

None

DOC FORMS:

DOC 06-027 Petty Cash/Change Fund Custodian Authorization

DOC 06-068 Petty Cash Approval