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OAS HEADQUARTERS PETTY CASH PROCEDURES

Department of Financial and Administrative Management Services

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1. Definition and Purpose

The petty cash is an imprest fund available to Departments and Offices of the GS/OAS at Headquarters and managed by a designated custodian for the purpose of providing a quick method of payment for official minor expenses in cases when payment by check or electronic means is impractical. Petty cash is not to be used for recurring office expenses for which Purchase Orders can be created.

2. Delegation of Authority

The Director (the Treasurer) of the Department of Financial and Administrative Management Services ("DFAMS"), by delegation of the Secretary for Administration and Finance, is responsible for the setup, regulation, and control of the petty cash funds of the General Secretariat, and designates in writing the custodians to whom petty cash funds are entrusted. The Petty Cash custodians are recommended to the Treasurer in writing by the Director of the area requesting the petty cash. If a custodian has to be changed, the Director of that area must write to DFAMS requesting approval for the new custodian. Only departments that have proven the unavoidable need to have a Petty Cash fund for functioning will be provided a petty cash fund.

A petty cash fund custodian may temporarily delegate custodial responsibility to another staff member with the approval of that area's Director. This delegation and its approval must be done in writing and signed by the two staff members involved in the transfer of custodianship and a notification of this delegation must be sent promptly to DFAMS.

3. Petty Cash Fund Limit

The amount for each Petty Cash fund will be determined by DFAMS on a case-by-case basis taking into consideration the recommendation of the Department Director requesting the petty cash fund. After the amount is determined, it must be approved by the Treasurer in writing. In any case, the petty cash amount at Headquarters shall not exceed the limit of \$2,000 US Dollars.

4. Establishing a Petty Cash Fund

Once the request to establish a petty cash fund has been approved, DFAMS will establish the fund by recording a receivable/asset in OASES and providing a check in the name of the custodian.

5. Authorized Uses of the Petty Cash Fund

The Petty Cash funds may be used for expenditures not exceeding \$100 U.S. dollars per disbursement such as:

- a) Taxi fares;
- b) Minor office and material supplies;
- c) Publications.

6. Prohibitions

The Petty Cash funds may not be used for expenditures such as:

- a) Advances to a staff member, other than for purposes stated above;
- b) Cashing of personal checks or other negotiable instruments;
- c) Purchase of money orders or traveler checks;
- d) Purchase of equipment or furniture;
- e) Hospitality or representation expenses;

7. Disbursements

A Petty Cash Voucher Form 420 must be approved in advance by the Director of the Department/Unit/Office for any expenditure to be disbursed with petty cash funds. The approving officer must ensure and certify that there are sufficient funds available in the budgetary account(s) to which the expenditure will be ultimately charged before approving the petty cash disbursement. The Secretariat understands that emergency/unplanned expenses may occur but reiterates that petty cash expenses should be planned and authorized ahead of time.

If an individual prefers not to use personal funds to be reimbursed by the Petty Cash fund after the expense is incurred, the custodian may advance cash against a temporary receipt for the estimated cost. After the purchase, any unused money shall accompany the Petty Cash Voucher Form 420 so that the advance has to be liquidated by the custodian.

Immediately after a disbursement is made with petty cash funds, the person requesting funds from the petty cash must provide to the custodian original receipts, sales slips, invoices or adequate supporting documents, and account(s) that should be charged with the expenditure. Please note that the following documentation will be required and must be provided as acceptable proof of payment:

- In the case of taxi fares, the slip/receipt must show the name of the passenger, date, point of origin and destination of the ride, and fare paid;
- If expense was paid by check: A copy of the cashed check (front and back) from the bank issuer;
- If payment by credit card: A copy of the credit card slip/receipt showing the name of the card holder, amount, and transaction authorization number. If name is not present in the credit card slip, a copy of the credit card statement only showing the line with the charge on the statement, the last 4 digits of the credit card, and the name of the cardholder. DFAMS does not require the full credit card number or full credit card statement; only the section pertinent to the transaction being reimbursed.

8. Safekeeping and Audits

The Petty Cash fund shall be supported at all times by receipts and/or cash on hand. Each custodian shall be personally accountable and responsible for the petty cash fund in his/her custody. Those funds shall be kept in a safety box in the custodian's office and shall never be

comingled with the custodian's personal cash. During non-working hours, the funds are to be kept in a locked and secured place where access is limited to the custodian.

Periodic unannounced reviews or counts of petty cash funds may be made by the internal and/or external auditors or by a DFAMS' representative.

9. Responsibility and Disciplinary Actions

Adjustments for shortages in the petty cash fund shall be the custodian's responsibility. A significant shortage in the assigned petty cash may result in the replacement of the custodian, as well as the application of disciplinary action. If money is stolen from the Petty Cash Fund, the custodian must immediately notify the corresponding authorities and inform DFAMS.

10. Replenishing the Petty Cash Fund

A petty cash custodian must have a supplier in OASES before requesting petty cash replenishment. Once petty cash has been depleted up to 70% of the original amount, the custodian is responsible to request replenishment by completing a Petty Cash Replenishment Form 400. The Replenishment Form needs to be reviewed and approved by the Financial/Administrative Officer/AMS ensuring that expenses are within the provisions allowed under these procedures. The Department/Office creates a requisition in OASES to replenish the petty cash fund, using the name of the custodian of the petty cash fund as the supplier. The requisition will only have one distribution line charging expense account Petty Cash 50928 for the total of the expenses reported on the Replenishment Form 400.

Once the purchase order is approved, the Department/Office will send to DFAMS via OASES Customer Service request a completed Petty Cash Replenishing Form 400 with itemized expenses descriptions along with supporting documentation in the amount of the petty cash funds spent. In addition, DFAMS will require all original receipts, invoices, slips and any appropriate proof of payment when processing petty cash replenishments, as referenced in Section 6 above.

DFAMS will create an invoice in OASES and match it to the purchase order for payment. Subsequently, DFAMS will issue a check in the name of the custodian for the amount of the invoices and receipts to replenish the petty cash fund. The replenishment check should be cashed by the custodian and held in the petty cash safe box.

In accordance with the Year End Closing Procedures, the custodian will be responsible to report any expenses regardless of the amount by the end of each year to ensure that all expenses are recorded in the proper fiscal year.

11. Increasing/Decreasing the Petty Cash Fund

DFAMS may increase the petty cash fund at the request of the Department/Office's Director. If the request is approved, DFAMS will increase the fund by issuing a check to the custodian for the amount of the increase and record additional amount on the receivable/asset account.

If DFAMS decides to decrease the petty cash fund of a Department/Office, it will request in writing that the custodian returns the funds to the Cash Management Unit in DFAMS and the corresponding receivable/asset account will be adjusted accordingly.

12. Closing a Petty Cash Fund or Replacing a Custodian

In the event that a custodian is to be replaced, the custodian must submit cash on hand to DFAMS and any outstanding originals receipts for petty cash disbursements with the Replenishment Form 400 including account to be charged for the settlement of the petty cash fund. DFAMS will then establish a new fund for the new custodian, if applicable.