***[HOSPITAL NAME]***

**ADMINISTRATIVE POLICY**

CATEGORY: Finance **CODE: B-15**

SUBJECT: Petty Cash **EFFECTIVE:**

**COORDINATOR: Business Manager**

Petty cash funds are established to expedite the payment of selected operating expenses by using cash rather than writing a check. The size of the petty cash fund should be kept to a minimum, normally no greater than\_\_\_\_\_\_\_\_\_\_\_\_\_ *[amount set by Hospital’s ADCOM or Board]*.

The only petty cash fund authorized at *[Hospital Name]* will be kept and administered by the Business Manager or designated employee. Petty cash will be kept in a secured file or safe at all times. Petty cash will be used in accordance with Hospital purchasing guidelines (Policy B-11). Any item that is not an acceptable purchase will not be reimbursed.

Receipts for the funds should be provided within 5 business days. If not, the employee will be charged as a payroll advance for the petty cash amount.

The Business Manager will administer the petty cash fund in accordance with the following procedure (B-15.1).

The following are **unauthorized** uses of petty cash:

1. Payroll Expenditures: Any cost incurred as a result of services rendered by a Hospital employee should not be reimbursed through petty cash.
2. Procurement: Petty cash should not be used to circumvent normal procurement channels; however Petty cash can be used for small purchases of no more than \_\_\_\_\_\_\_\_\_ *(amount set by ADCOM).*

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***[HOSPITAL NAME]***

**ADMINISTRATIVE PROCEDURE**

CATEGORY: Finance **CODE: B-15.1**

SUBJECT: Petty Cash Procedure **EFFECTIVE:**

**COORDINATOR: Business Manager**

The use of Petty Cash should be in accordance with policy B-15.

|  |  |
| --- | --- |
| **Initiator of Action** | **Action** |
| Employee or recipient of cash | The recipient of petty cash will sign a petty cash voucher listing the date, the amount received, and the purpose for the issuance of cash. This voucher will be kept in the petty cash file in lieu of the cash dispersed.  After the recipient makes a transaction, she/he should return any change to the Business Manager along with a receipt. This receipt should be attached to the voucher. Either the receipt or the voucher should provide a description of the purchase, the purpose and the appropriate fund/cost-center. (Note: Only original receipts should be accepted; however, if the original is lost, a signed memo endorsed by a supervisor or authorized individual explaining the transaction may replace the original document.) |
| Senior Accountant | Ensure at all times the sum of the cash in the petty cash fund plus the total of the unreimbursed vouchers plus the total of the receipts will equal the authorized amount for the petty cash fund. |
| Business Manager | Occasionally conduct surprise audit and Petty Cash counts to ensure that the balance and records are being maintained correctly. |
| Cashier | The petty cash fund can be replenished by submitting the receipts and attached vouchers to the Hospital cashier for entry into the General Ledger as expense and replenishment of the Petty Cash fund. |