

FINANCE

Accounting

School Board Petty Cash Funds

This regulation supersedes Regulation 5210.7

I. PURPOSE

To establish procedures for the administration of appropriated petty cash funds within Fairfax County Public Schools.

II. SUMMARY OF CHANGES SINCE LAST PUBLICATION

- A. In sections IV.B.1. and IV.B.2., the language has been revised.
- B. Web site links in sections V.B.1., V.C.1., VI.D.1., VI.F.1.b., VI.F.1.c. have been updated.
- C. In sections V.B.2., VI.C.6., VI.D.1.b.(1)., VI.D.3., and VI.D.4., references to accounts payable section have been changed to accounting operations section.
- D. In section V.E.3., reference to Department of Defense Regulation 1330.17, Armed Services Commissary Operations; Enclosure 3-2 Purchase Restrictions, has been updated.
- E. In sections VI.F.1., VI.F.2., VI.G.2., and VII.A., references to general accounting section has been changed to financial reporting and compliance section.
- F. Section VI.F.2. has changed authority from the director, Office of Finance, to comptroller, Office of the Comptroller.
- G. Existing references have been updated and an additional reference has been added.

III. AUTHORITY

Title 22.1, Chapter 8, Section 22.1-123 of the Code of Virginia, as amended, authorizes local school boards to establish petty cash funds needed to help program managers in making purchases. Petty cash funds shall be established at dollar levels consistent with the users' needs. However, a petty cash fund may not exceed \$2,000.

IV. PROCEDURES FOR ESTABLISHING FUNDS

A. Written Request

A program manager may request authorization to establish a School Board petty cash fund by submitting a written request to the chief financial officer, Department of Financial Services, setting forth the need in terms of dollar amounts and estimated recurring

monthly expenditures.

B. Bank Account

1. The petty cash fund custodian shall open a bank account with a banking institution under the FCPS banking services contract with a Virginia qualified public depository. The bank shall not assess service charges.
2. The petty cash fund custodian shall title the checking account as follows:

Fairfax County School Board
Office or Department Name
Petty Cash Fund

3. Serially numbered checks shall be used and may be obtained from the banking facility. The check should display "Void after 180 days." Charges for checks are authorized expenditures from the petty cash fund.

V. RESPONSIBILITIES

Program managers shall have supervisory responsibility over the administration of petty cash funds established for support of their programs. The following specific responsibilities are assigned.

A. Appointment of Custodians

1. The program manager shall appoint, in writing, a petty cash fund custodian and an assistant custodian. Custodians do not have the authority to appoint assistant custodians.
2. The program manager shall notify the chief financial officer, Department of Financial Services, of the appointments in writing. A copy shall be retained in the permanent records of the petty cash fund.

B. Signature Cards

1. Program managers shall obtain and authenticate signatures from the fund custodian using form FS-126, Signature Authorization Card, to ensure that only authorized personnel can sign checks. This form is available at the link below. This link is available only through computers within the internal FCPS network (FCPSnet):
http://fcpsnet.fcps.edu/it/offices/eis/doc_mgmt/information/fs126.pdf
2. Approved signature cards bearing the signatures of both the custodian and the assistant custodian shall be maintained on file in the accounting operations section, Office of the Comptroller, Department of Financial Services.

C. Approval of Petty Cash Requests

1. Program managers or their designees shall approve form FS-70, Petty Cash Request. This form is available at the link below. This link is available only through computers within the internal FCPS network (FCPSnet): http://fcpsnet.fcps.edu/it/offices/eis/doc_mgmt/information/fs70.pdf.
2. Custodians and assistant custodians are not authorized to approve form FS-70.

D. Administration of the Fund

The petty cash custodian is responsible for the safeguarding and accounting of petty cash funds. Custodians are responsible for ensuring that proper documentation and approval are obtained prior to disbursement. Program managers are responsible for ensuring that petty cash reimbursements are made in accordance with this regulation.

E. Disbursement of Funds Is Prohibited Under the Following Circumstances:

1. For transactions that are not supported by a properly completed and authenticated form FS-70 with documentary support, for example, itemized invoice, sales receipt, or cash register tape.
2. For credit card receipts that are not itemized for specific purchases.
3. For commissary and military base receipts. (Reference the Department of Defense Regulation 1330.17-R, Armed Services Commissary Operations; enclosure 3.2 Purchase Restrictions.)
4. Travel-related expenditures.
5. Purchases for personal items.
6. Purchases for the personal benefit of staff members, for example, flowers, gifts, gift cards, food, movie or sporting event tickets, etc.
7. Payment or contribution for appreciation or celebration events, such as birthdays, weddings, promotions, baby showers, or retirement.
8. FCPS employee traffic tickets.
9. Rental fees for facilities or equipment.
10. Any other purchases that are deemed inappropriate use of School Board funds.

VI. OPERATING PROCEDURES

A. Recordkeeping

1. School Board petty cash fund records shall be maintained in the office where the petty cash fund is located.
2. All transactions shall be recorded and properly documented. Copies of the completed form FS-70, invoices, sales tickets, cash register tapes, order forms (if an

invoice is not available), and subscription shall be retained.

3. Checks drawn against the fund shall be identified on the check stub or check control register, showing the check number, date, payee, and amount. All deposits and account adjustments shall be entered on a timely basis. A current balance shall be kept in the checkbook and accounting records.
4. Voided checks shall be retained for audit review. If signed, the signature should be mutilated.
5. Checks that have not been negotiated within 180 days of issuance shall be voided and added back into the fund balance.

B. Cash on Hand

The amount of cash on hand shall not exceed \$75. Cash may be obtained by cashing a check payable to the custodian. Cashing a check for change is not considered an expenditure.

C. Expenditures

1. A disbursement shall not be made before a form FS-70 is approved by a program manager or a designee.
2. Expenditures may be made by check or in cash and shall be either a reimbursement, an advance of funds to an individual, or a payment to a vendor.
3. Petty cash custodians shall establish individual purchase limits not to exceed \$500.
4. Sales tax paid to vendors will not be reimbursed. For exceptions refer to the latest version of Regulation 5320, Sales and Use Tax.
5. Expenditures shall be supported by a properly completed and approved form FS-70 and accompanied by original invoices, sales receipts, cash register tapes, etc. The custodian must cancel all original documents submitted for reimbursement by stamping or writing "Paid" on each receipt or invoice after payment.
6. If a receipt is lost, an affidavit approved by the program manager shall be submitted to the accounting operations section as supporting documentation.
7. When a prepayment is required with an order, a copy of the order form and a copy of the check issued shall be substituted for the invoice.

D. Replenishment

1. Replenishment of the fund shall be requested at the end of each month, or more frequently if desired, by submitting form FS-187, Payment Request Form. This form is available online at the link below. This link is available only through computers within the internal FCPS network (FCPSnet): <http://www.fcps.edu/it/forms/fs187.pdf>.
 - a. Summarize expenditures by vendor, item description, dollar amount, and budget code to be charged.

- b. Prepare three copies.
 - (1) The original, with original supporting documentation attached, shall be routed through the program manager for review and approval. Forward approved requests to the accounting operations section, Office of the Comptroller, Department of Financial Services.
 - (2) The second copy, with copies of supporting documentation, shall be retained in the custodian's files.
 - (3) The third copy, without documentation, shall be forwarded to the person who accounts for appropriated funds allocated to the program manager.
2. The petty cash reimbursement request shall be signed by the custodian or assistant custodian and the program manager.
3. The accounting operations section, Office of the Comptroller, Department of Financial Services, shall review the reimbursement request for correctness and process the voucher for payment.
4. Reimbursement shall be made by the accounting operations section via ACH direct deposit to the petty cash bank account. An email will be sent to the custodian notifying him or her of the deposit.

E. Fund Control

1. Monthly bank statements shall be reconciled in accordance with instructions contained on the back of the bank statement or by using the approved accounting software.
2. Deposit slips, canceled checks, and other bank documents shall be filed with the appropriate bank statements.
3. A detailed list of outstanding checks and calculation of the bank balance shall be retained for audit review.
4. Cash on hand and documents supporting expenditures shall be safeguarded at all times.

F. Reporting

1. The schedule of monthly due dates is distributed to each custodian at the beginning of each fiscal year. On a monthly basis, the petty cash custodian shall forward to the financial reporting and compliance section, Office of the Comptroller, Department of Financial Services:
 - a. A copy of the bank statement.
 - b. The Petty Cash Report (the form is available online at the link below). This link is available only through computers within the internal FCPS network (FCPSnet):
<http://fcpsnet.fcps.edu/fs/forms/comptroller/pettypashtemplate.xls>.

- c. Reconciliation of the book balance to the bank balance (the Petty Cash Bank Reconciliation form is available online at the link below). This link is available only through computers within the internal FCPS network (FCPSnet):
<http://fcpsnet.fcps.edu/fs/forms/comptroller/pettycashbankreceipt.xls>.
2. The financial reporting and compliance section, Office of the Comptroller, Department of Financial Services, shall consolidate these reports and present a single report to the comptroller, Office of the Comptroller, for approval.

G. Audit

1. All petty cash funds shall be subject to an audit every three years and shall be subject to unannounced cash counts (including review of paid vouchers and verification of bank balances) at any time.
2. The financial reporting and compliance section, Office of the Comptroller, Department of Financial Services, shall maintain a current list of authorized petty cash funds to include the dollar limit and the names of the custodian and assistant custodian for each fund.

VII. PROCEDURES FOR CLOSING FUNDS

A. Written Notification

The program manager shall submit a memorandum to the financial reporting and compliance section, Office of the Comptroller, Department of Financial Services, stating that the petty cash fund will be closed. All reimbursement requests must be processed, and the account balance needs to be at the authorized level before closing. A check for the authorized total of the fund, payable to Fairfax County Public Schools, shall be submitted with the memorandum.

B. Closing the Checking Account

The program manager shall be responsible for closing the bank account, voiding the remaining checks, and reconciling the final bank statement.

C. Record Retention

All records shall be retained by the program manager for audit and maintained in accordance with the approved records retention schedule.

Legal references: Code of Virginia, Title 22.1, Chapter 8, Section 22.1-123
Department of Defense Regulation 1330.17, Armed Services Commissary Operations