


<b>CHAPTER</b> Fiscal Management	<b>CHAPTER</b> 06	<b>SECTION</b> 002	<b>SUBJECT</b> 25
<b>SECTION</b> Accounting		<b>DESCRIPTION</b> Petty Cash Fund and Checking Account	
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**APPLICATION:**

<input checked="" type="checkbox"/> CMH Staff	<input type="checkbox"/> Board Members	<input type="checkbox"/> Provider Network	<input checked="" type="checkbox"/> Employment Services Providers
<input type="checkbox"/> Employment Services Provider Agencies	<input checked="" type="checkbox"/> Independent Contractors	<input checked="" type="checkbox"/> Students	<input checked="" type="checkbox"/> Interns
<input checked="" type="checkbox"/> Volunteers			

**POLICY:**

Lapeer County Community Mental Health (LCCMH) uses established Petty Cash Funds for small purchases that are required each month.

**STANDARDS:**

- A. The agency attempts to avoid the cost of processing checks to local vendors or staff for expense reimbursements. Petty Cash funds are designated for official Agency uses only.
- B. Petty Cash funds are utilized for reimbursement only. The total cash and invoices/receipts should equal Petty Cash fund balance.

**PROCEDURES:**

- A. There is \$1,000 available in the checkbook for the Assertive Community Treatment Program checking account, payable to the custodian of the petty cash fund (ACT supervisor or designee) for ACT program use.
- B. As necessary, checks can be written to restore the fund. The established balance, the total of approved vouchers paid by the fund but not yet reimbursed

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to the fund, plus cash remaining in the fund should equal the established fund. When paid, approved vouchers will be placed in an envelope and turned into Accounts Payable to go through the regular audit process.

C. Petty Cash can be used to receive ready cash to make a miscellaneous, day to day purchase or reimbursement for a purchase previously approved by a Supervisor.

1. Receiving ready cash to make a miscellaneous purchase:

a. Staff need to complete Agency Form #205, Petty Cash Request. This form is submitted to Accounts Payable Staff, who in turn provides the requesting staff with sufficient funds to make the purchase. After the purchase has been made, the requesting staff will submit the receipt and any change to the Accounts Payable Staff.

2. Reimbursement for a purchase previously approved by a Supervisor:

a. When a staff makes an approved purchase using their own funds, they are eligible for reimbursement. The staff must complete Agency Form #205, Petty Cash Request with the corresponding receipt and submit to Accounts Payable staff. The receipt must have the Supervisor's signature. Accounts Payable staff will reimburse the staff for their approved purchase.

D. Accounts Payable staff processes and replenishes the Petty Cash fund as needed through the bi-weekly audit process.

E. Petty Cash funds are kept in a locked location. Only designated persons have access to the Petty Cash funds.

**REFERENCE:**

LCCMH Form #205 Petty Cash Request

EM:js

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This policy supersedes  
#06/96031 dated 06/25/1996.  
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