



## Village of Poplar Grove

### Petty Cash Policy

#### 1. Purpose

The purpose of this Petty Cash Policy is to establish clear guidelines for the use, control, documentation, and replenishment of petty cash funds for the Village of Poplar Grove. This policy ensures accountability, transparency, and compliance with generally accepted accounting principles and applicable laws.

#### 2. Policy Statement

Petty cash funds are to be used only for small, incidental Village expenses when payment by check, credit card, or other approved payment method is impractical. Petty cash is not intended to bypass established purchasing or approval procedures.

#### 3. Authorization

The Village President authorizes the establishment of a petty cash fund in the amount of Two Hundred Dollars (\$200.00). The petty cash fund shall be maintained at a constant balance of \$200.00 at all times.

The petty cash fund shall be maintained in a secured petty cash drawer or locked container under the supervision of the Village President or designee.

#### 4. Supervision

The petty cash Village Collector shall be responsible for:

1. Safekeeping of the petty cash fund
2. Ensuring petty cash is stored in a locked container with limited access
3. Verifying that all disbursements are properly documented
4. Maintaining an accurate petty cash log
5. Submitting petty cash replenishment requests
6. Counting and reconciling the petty cash drawer at least once per month and after any petty cash disbursement

Any discrepancies identified during a count shall be documented and reported immediately to the Treasurer or Village President.

#### 5. Allowable Uses

Petty cash may be used for:

1. Minor office supplies

2. Small operational expenses
3. Emergency or incidental purchases necessary for Village operations

Petty cash shall not be used for:

1. Payroll, wages, or stipends
2. Travel advances
3. Personal expenses
4. Alcohol or prohibited items
5. Purchases that can reasonably be paid through normal purchasing procedures.

#### **6. Transaction Limits**

The maximum amount that may be disbursed from petty cash for a single transaction shall not exceed Fifty Dollars (\$50.00) unless otherwise authorized by the Village President.

Multiple transactions shall not be used to circumvent the maximum transaction limit.

#### **7. Documentation Requirements**

Each petty cash disbursement must include:

1. An original receipt
2. Date of purchase
3. Description of the expense
4. Amount disbursed
5. Department or purpose
6. Signature of the employee receiving funds

#### **8. Replenishment**

Petty cash funds shall be replenished as needed by submitting:

1. A completed petty cash reimbursement (cash request) form
2. Supporting receipts totaling the replenishment amount

The petty cash reimbursement request form must be signed by the supervisor and approved by at least two (2) of the following officials: the Village Collector, Village Treasurer, and Village President.

Replenishment requests shall be processed through the normal accounts payable system to restore the petty cash fund to \$200.00.

#### **9. Audits and Reconciliation**

Petty cash shall be reconciled monthly by the Village Treasurer.

At all times, the total of cash on hand plus receipts shall equal \$200.00.

The fund shall be subject to random audits by the Treasurer or Village President.

**10. Shortages and Overages**

If the petty cash balance does not equal the authorized balance of \$200.00, the discrepancy must be documented immediately.

1. The shortage or overage amount shall be recorded.
2. An explanation of the discrepancy shall be documented.
3. Corrective action taken shall be recorded.
4. The discrepancy must be reported immediately to the Village Treasurer or Village President.
5. Documentation of the discrepancy shall be retained with the petty cash records.

**11. Policy Violations**

Failure to comply with this policy may result in disciplinary action, up to and including termination, and possible restitution or legal action.

**12. Policy Review**

This policy shall be reviewed periodically and updated as necessary by the Village President.

**13. Effective Date**

This Petty Cash Policy shall take effect upon approval.

**Adopted**

Adopted by the Village Board of the Village of Poplar Grove

Resolution/Ordinance No. \_\_\_\_\_

Dated: \_\_\_\_\_

Village President: \_\_\_\_\_

Village Collector: \_\_\_\_\_

Village Treasurer: \_\_\_\_\_