

Nebraska Department of Transportation  
**Standard Petty Cash Fund Policy**  
Revised 05-17-2023

*The Standard Petty Cash Fund Policy has been created to provide guidelines for the appropriate establishment, change, termination, use, and accountability of such funds. Neb. Rev. Statute Section 81-104.01 R.R.S. 1986 allows the Department of Transportation to establish petty cash funds of not less than \$25 nor more than \$300. Funds have been established within various districts and various divisions of the Department.*

**Definition**

There are two types of standard petty cash funds. One is the *regular or replenishment fund*, which is used to make small or emergency purchases which cannot be made with the procurement card or is impractical to use a purchase order. The other is the *cash only fund*, which is used to make change when individuals make purchases from the Department of Transportation.

**Roles and Responsibilities**

There are three specific roles with different responsibilities for maintaining the petty cash funds.

1. Petty Cash Coordinator (Controller Division)
  - a. Responsible for custodian applications involving the establishment, change, and termination of petty cash funds.
  - b. Ensures all applications are properly prepared and approved by Chief Financial Officer.
  - c. Submits applications to AS-Accounting for approval.
  - d. Maintains files of approved custodian applications.
  - e. Maintains updated list showing fund custodians, type of fund, and dollar value.
  - f. Reminds custodians to replenish funds before fiscal year end.
  - g. Contact person for all petty cash fund questions.
  
2. Petty Cash Custodian
  - a. Maintains the fund in a safe and secure manner.
  - b. Keeps the petty cash fund separate from all other funds.
  - c. Ensures that each transaction is a valid purchase.
  - d. Ensures there is proper documentation to support each transaction/expenditure.
  - e. Maintains all documentation for each transaction/expenditure.
  - f. Ensures all documentation is properly coded and signed.
  - g. Prepares proper documentation for replenishment.
  - h. Replenishes the fund quarterly and prior to June 30 each year.
  - i. Ensures the fund is properly balanced at all times.

- j. Reports any missing funds immediately to supervisor, Petty Cash Coordinator and Accounting & Finance Manager.
3. Controller Division Accounting Section-Replenish Funds
- a. Processes replenishment requests in a timely manner.
  - b. Reviews all coding.
  - c. Verifies attached documentation supports amounts requested.
  - d. Contacts Petty Cash Custodian if questions arise with regard to coding, supporting documentation, amounts requested, etc.
  - e. Authorizes petty cash documents in RPS and OnBase, interfaces to NIS to issue replenishment check.

### **Policies and Procedures**

1. The petty cash fund is a fund established for a designated amount from which payments and/or reimbursements for small dollar expenses may be made. At all times, the cash on hand plus the reimbursed receipts should equal the designated amount of the petty cash fund.
2. A receipt documenting the purchase is required for any reimbursement and/or payment. **All reimbursement requests must be made within 60 days of purchase.**
3. Acceptable receipts are an **original** cash register receipt, or a handwritten receipt marked paid (for example: parking meter reimbursement) and need to contain the following:
  - a. Date of purchase.
  - b. Name of vendor.
  - c. Amount paid.
  - d. Description of the goods or service purchased.
    - i. Parking receipts require a name/description of meeting or function attended requiring parking expense.
  - e. Signature and date of the individual requesting the reimbursement (indicating receipt of goods).
  - f. Petty Cash Custodian's signature and date documenting approval of the expenditure and reimbursement to the requestor.
  - g. Appropriate coding (activity, account code, additional coding as required).
  - h. Custodians should not honor requests for reimbursement unless the receipt contains all of the above criteria.
4. Receipts should be for Department purchases only. Personal items should not be mixed with Department purchases.
5. Petty Cash funds are subject to unannounced cash counts by Auditor of Public Accounts personnel and the Department's auditors. Custodians should require proper identification before the fund is released.
6. Petty Cash funds should be replenished each quarter. Petty Cash funds must be at the maximum balance at the beginning of each fiscal year.
7. Reimbursement of sales tax on purchases made from petty cash is acceptable.

8. Reimbursement for gasoline, diesel fuel, propane, and other fluids purchased will be allowable only on an emergency basis.
9. The following items will **not be reimbursed** from Petty Cash: *This list is not all-inclusive.*
  - a. Items on statewide contracts (i.e. office and janitorial supplies).
  - b. Travel, excluding parking fees.
  - c. Lodging
  - d. Alcohol
  - e. Tobacco
  - f. Entertainment
  - g. Memberships
  - h. Professional Services
  - i. Payments to individuals for personal services rendered.
  - j. Payments on account.
  - k. Office parties, gifts, holiday decorations, flowers and center pieces, greeting cards.
  - l. IOU's
  - m. Loans or cash advances.
  - n. Cashing of personal checks.
  - o. Computer hardware and/or software products.
  - p. Office equipment (i.e., calculators, staplers, tape dispensers).
  - q. Office and/or break room fixtures (i.e., coffee pots, toasters, refrigerators, microwaves, pictures, lamps).
  - r. Items of a personal nature (i.e., caps, gloves, sunglasses, hand cleaner, kleenex, aspirin).
  - s. Any item(s) considered to be an inappropriate use of state funds.
  - t. Food items, meals or drinks with the exception of Employee Recognition Events.
    - i. See Employee Recognition Guidelines.
  - u. Single purchases in excess of \$50.00
    - i. Under certain circumstances, the Controller Division may make an exception to this rule. Requests for reimbursements over \$50.00 will be explained in writing (email) and approved by the individual's supervisor, division head, or district engineer and the Controller Division Accounting & Finance Manager.
    - ii. Copies of the approvals must be included with the petty cash receipt.

#### **Employee Recognition Guidelines-Additional Requirements**

1. Employee Recognition purchases are limited to gift items and ceremonies associated with the performance of the Agency or Local Employee Recognition Program.
2. The amount of reimbursement from petty cash on any ceremony expense (including food, beverages, tableware, etc.) shall not exceed \$5.00 per person attending the ceremony.

3. Requests for reimbursements for single purchases over \$50.00 will be explained in writing (email) and approved by the requestor's supervisor, division head or district engineer and the Controller Division Accounting & Finance Manager. Copies of the approvals must be included with the petty cash receipt.
4. Employee Recognition Ceremony expenses require additional supporting documentation; a copy of the approved food request, as well as a copy of the sign-in sheet from the ceremony.
5. All petty cash reimbursements that include Employee Recognition receipts will be routed to Human Resources before routing to Controller Division.

### **Balancing the Petty Cash Fund**

It is recommended that Petty Cash Funds are balanced frequently to maintain accuracy. At all times, the cash on hand plus the receipt documents must equal the authorized amount of the fund. Remember, **the custodian is responsible for all shortages**. Overages and shortages should be reported immediately to the individual's supervisor, Controller Division Petty Cash Coordinator, and the Accounting & Finance Manager.

Petty cash receipts and monies should not be co-mingled with any other receipts or monies.

### **Replenishment**

Custodians are recommended to replenish their Petty Cash Funds quarterly or whenever it is determined that the balance is too low to accommodate additional transactions. All petty cash funds must be replenished at the end of each fiscal year.

To receive a check for replenishing the fund, the Custodian must complete a Petty Cash Reimbursement Form (DOR Form 14). Each receipt should be listed on the form with the appropriate coding. All supporting documentation for each receipt should be attached. The form will be signed by the Custodian and the authorized approver.

The completed form and all supporting documentation should be submitted to Controller Division Accounting Section for processing. The Accounting Section will review the documentation and authorize the document in RPS and OnBase. The check prepared by AS-Accounting will be returned to the Custodian who will cash the check and replenish the fund.

**Establishing/Changing/Terminating a Fund**

1. Established to accommodate minor purchases (reimbursement fund) or to make change for receipt of cash (change fund).
  
2. Changes to funds may occur for the following reasons:
  - a. Change in Custodian.
  - b. Increase or decrease in petty cash fund amount.
  - c. Use of fund changes.
  - d. Location change.
  
3. Termination of the fund, when the fund is no longer required.

If and when it becomes necessary to establish, change, or terminate a petty cash fund, please contact the Petty Cash Coordinator in the Controller Division Accounting Section for the appropriate form.

**Records Retention**

The Petty Cash Fund Custodians must maintain all supporting documentation prior to the time replenishment takes place. If copies of supporting documentation are kept on file, and replenishment has occurred, the copies may be destroyed at the discretion of the Petty Cash Custodian. All original supporting documentation regarding replenishment will be maintained by the Controller Division electronically for no less than 20 years.

The Petty Cash Fund Coordinator must maintain a current and accurate list of all Petty Cash Custodians, by location and authorized amount of fund. All petty cash fund applications must be maintained for 3 years after fund termination.

Developed and  
Administered by: Teri King  
Accounting & Finance Manager

Date: May 17, 2023

Approved by: Jilly Kothree  
Chief Financial Officer

Date: May 17, 2023