


Title:	<b>Petty Cash Management</b>
Procedure #:	<b>40-FIN-06-01</b>
Policy Reference:	40-FIN-06 Petty Cash
Legal Reference:	R.C. 126.21(A)(6); OBM's "The FIN Source" – "OAKS FIN Process Manual" - "Accounts Payable" - "Petty Cash Accounts Overview" - "Steps for Petty Cash Accounts"
Effective Date:	July 15, 2024
Approved:	Kevin L. Miller, Director 
Origin:	Division of Fiscal Management
Supersedes:	40-FIN-06-01 (03/25/24)
History:	40-FIN-05-01 (07/04/22, 10/26/20, 11/06/17, 08/29/16, 12/07/15, 09/15/14)
Review/ Implementation	Begin Review – 09/08/25 Implement Revisions By – 03/09/26

## I. PURPOSE

The purpose of this procedure is to provide direction for the administration and management of OOD's Petty Cash Account in accordance with appropriate federal (e.g., Code of Federal Regulations [C.F.R.]) and state law (i.e., Ohio Revised Code [R.C.], Ohio Administrative Code [Ohio Adm.Code]), Governor directives and executive orders, other governing agency (e.g., DAS, OBM) policy or guidance, and/or the Director expectations.

## II. APPLICABILITY

This procedure applies to all OOD employees.

## III. DEFINITIONS

Refer to "Petty Cash" (40-FIN-06) for definitions.

## IV. PROCEDURES

### A. General

1. All employees shall review and follow guidance in "Petty Cash" policy (40-FIN-06) prior to continuing with direction in this procedure.
2. All OOD policies, procedures, and associated attachments can be found by accessing the "[Policies](#)" webpage and searching for the policy name or number.

### B. Petty Cash Account Establishment/Increase and Maintenance

1. Refer to Section B. of OOD's "Petty Cash" policy (40-FIN-06).

### C. Security

1. Refer to Section C. of OOD's "Petty Cash" policy (40-FIN-06).

#### D. Petty Cash Account Use

1. Employees shall not use personal reward cards to accrue points (i.e., rewards) for personal use when making purchases for which they will be reimbursed by the State.
2. OOD's Petty Cash Account may be used for routine, small incidental purchases/expenses reimbursable to employees (e.g., parking).
  - a. Questions about whether an expense is reimbursable from the account shall be directed to the Petty Cash Custodian, Alternate, or DFM, Finance Supervisor.
3. Checks written from the Petty Cash Checking Account require two (2) signatures, one of which must be the Custodian or the Alternate.
  - a. The 2<sup>nd</sup> signature on the check can be anyone listed as a signatory(s) on the Petty Cash Checking Account.
    - i. The total number of signatories on the account shall not exceed four (4).
4. Under no circumstance shall the total disbursements from the Petty Cash Account be larger than OBM's authorized amount for the account.
5. Allowable Purchases/Expenses
  - a. OBM has sole responsibility for approving petty cash purchases exceeding \$100.
    - i. The CFO may request an exception from OBM for a one-time or an on-going purchase/expense.
      - a) If approved, evidence of OBM's approval must be attached to the comments section of the replenishment voucher in OAKS FIN.
  - b. In certain situations, as determined by DFM, a detailed, written explanation may need to be attached to a receipt or may act as a receipt, if no receipt is available.
    - i. If needed, the explanation shall include requirements for receipts (refer to Section D.8.a.i), and a description and purpose of the purchase. In addition, if for a fuel purchase, the reason that the fuel card was not used (e.g., card not working).
    - ii. The receipt and/or written explanation must be submitted, via email, to the Custodian (or Alternate in their absence).
      - a) If supervisory approval is needed, forward the email to them for a response which shall then be forwarded to the Custodian (or Alternate in their absence).
  - c. Purchases/expenses, as described below, must be below \$100, non-recurring and adhere to all appropriate petty cash and purchasing guidance (refer to "Purchasing" [40-FIN-01] and subsequent procedures).
    - i. Parking and toll reimbursement is allowed as long as there are no other related travel expenses.



- a) Parking or toll reimbursement from petty cash (i.e., cash on-hand) is limited to \$20.00 per day per expense.
    - b) If there is no receipt, contact the Finance Supervisor.
  - ii. Witness and subpoena fees paid from petty cash must comply with IRS 1099 rules and reporting thresholds (i.e., annually must be under \$600).
  - iii. Small, emergency gasoline purchases only if the Fleet Card was not working or was unavailable.
    - a) The license plate number must be on the receipt and if applicable, the personal credit card number must be redacted.
      - 1) The reason for the purchase (e.g., fuel card not working) shall be written on the receipt and initialed by the purchaser. If there is no room on the receipt, an explanation must be attached.
6. Advanced Payment for Legal Fees
- a. If there is any reason for advanced payment of a petty cash expense, contact the Finance Supervisor or Petty Cash Coordinator (PCC).
7. Non-allowable expenditures are as follows:
- a. recurring expenses (e.g., utility and telephone payments);
  - b. items available from state term contracts or state resources (e.g., OPI, CRP, OSS OOD);
  - c. payments between state agencies;
  - d. grievance settlements;
  - e. 1099 reportable expenses (including any services or non-material purchases);
  - f. purchases exceeding \$100.00;
  - g. travel expenses except for parking and tolls;
  - h. gratuities;
  - i. medical testing;
  - j. case service purchases (e.g., licenses, exam fees); and
  - k. account codes that begin with 51.
8. Requesting Reimbursement
- a. An employee shall complete a ["Request for Petty Cash Reimbursement" \(40-FIN-06-01.A\)](#) and attach any itemized receipt(s) and/or a detailed, written explanation(s), if required (refer to Section D.5.b), and submit to their supervisor for approval.



- i. The receipt(s) must be itemized and show the supplier's name, address, receipt of payment, date and description of item purchased.
    - ii. If a receipt (e.g., a simple cash register receipt, receipt for parking) lacks detailed information (see 8.a.i. above), the employee must provide the details on the receipt or attached to the receipt.
  - b. Upon approval of the supervisor, the employee shall submit the "Request for Petty Cash Reimbursement" (40-FIN-06-01.A) with attached documentation and required signatures, via email to [oodpettycash@ood.ohio.gov](mailto:oodpettycash@ood.ohio.gov), which will be monitored by the Custodian (or Alternate in their absence).
    - i. Requests for employee reimbursements should be submitted within 30 calendar days of the receipt or invoice date.
    - ii. A request submitted between 31 and 60 days must include an explanation of why it was not submitted within 30 days and the appropriate acknowledgement initialed on the request.
    - iii. A request submitted after 60 days shall not be paid.
9. Processing Reimbursement
  - a. At the beginning of each month, the Custodian (or Alternate in their absence), shall begin a new "[Petty Cash Distribution Register](#)" (40-FIN-06-01.B) and maintain previous months' registers in the "Petty Cash" folder.
  - b. The Custodian (or Alternate in their absence) shall complete the items below upon receipt of the "Request for Petty Cash Reimbursement" (40-FIN-06-01.A).
    - i. Review the request and attached documentation for accuracy and completeness.
    - ii. Determine the appropriate method of reimbursement (i.e., cash or check).
      - a) Reimbursements under \$50.00 may be made in cash, however if the reimbursement reaches or exceeds \$50.00, it shall be made by check.
    - iii. Record the expenditure/reimbursement in the petty cash register (explained in Section E.).
    - iv. Place the reimbursement in a sealed envelope with the name of the employee and date of the request labeled on the outside of the envelope and notify the requestor that their reimbursement is ready for pick-up at 150 East Campus View Blvd., 3<sup>rd</sup> floor.
    - v. Fill out the recipient's name and date of the request on the "Petty Cash Distribution Register" (40-FIN-06-01.B).
    - vi. Place the envelope into the lock box where it will be maintained until the individual picks up the reimbursement.
      - a) When the individual picks up their reimbursement, obtain their signature and date on the "Petty Cash Distribution Register" (40-FIN-06-01.B) to document they received their reimbursement.

vii. Maintain all documentation for the reconciliation.

E. Oversight, Reconciliation, Replenishment and Reporting

1. The Finance Supervisor shall be responsible for the oversight of the Petty Cash Account. In their absence, the Finance Manager shall assume this duty.
2. The Custodian (or Alternate in their absence) shall be responsible for maintaining the petty cash register.
  - a. Transactions for the checking account and cash on-hand shall be maintained on separate tabs in the register.
  - b. The register shall be maintained in the "Petty Cash" folder and shall be secured by either a password or restricted access to the folder.
3. Cash On-hand
  - a. The Custodian (or Alternate in their absence) shall be responsible for maintaining the locked box and is personally liable for any missing cash.
  - b. The Custodian (or Alternate in their absence) shall replenish cash on-hand by writing a check for "cash" from the Petty Cash Checking Account when the available balance is less than \$25.00.
    - i. The amount of cash on hand shall not exceed \$150 and therefore the amount of the check shall be the difference between \$150 and whatever the amount of cash on-hand is at the time.
4. In order to replenish the Petty Cash Account, the Custodian (or Alternate in their absence) shall ensure the following occurs:
  - a. Reconcile the account to the dollar amount which was established with OBM utilizing petty cash reconciliation document.
    - i. The Custodian or Alternate shall never perform the monthly reconciliation. A DFM designee or the Finance Supervisor, shall be responsible for completing the reconciliation of the Petty Cash Account.
  - b. The cash on-hand must be counted by someone other than the Custodian or Alternate; however, they may observe the cash on-hand count and sign the "Count Sheet" as the verifier.
    - i. If the remainder of the reconciliation will not be completed on the same day as the cash on-hand count, the "Count" sheet shall be printed and signatures and dates shall be affixed (scanned and shredded).
    - ii. No disbursements shall be made until the reconciliation is complete.
  - c. The petty cash register, online petty cash account statements, and the "Count Sheet" shall be utilized by the reconciler to complete various sheets (i.e., tabs) in the petty cash reconciliation document.

- i. The petty cash reconciliation document shall be maintained in the “Petty Cash” folder.
  - ii. Entries made in various sheets (i.e., tabs) within the petty cash reconciliation document will auto populate the “Reconciliation” sheet in the document.
  - iii. Upon completion of the petty cash reconciliation, the reconciler shall convert all the sheets in the document to PDF and obtain the appropriate electronic signatures on the “Reconciliation” and “Count” sheets. Note: The “Count Sheet” may have already been printed and signatures affixed if the cash on-hand count was completed on a different day than the rest of the reconciliation.
    - a) The Custodian (or Alternate in their absence) shall electronically sign and date the “Reconciliation” sheet to indicate that the information on all sheets of the document is true and accurate.
    - b) The Finance Supervisor shall then review the petty cash reconciliation document in its entirety and indicate approval through their electronic signature and date on the “Reconciliation” sheet.
  - iv. The Finance Supervisor shall report any discrepancies to the Finance Manager and CFO who will report to the Assistant Director.
  - v. Copies shall be retained electronically in the “Petty Cash” folder.
- d. Complete OBM’s [“Agency Petty Cash Reimbursement” \(OBM-0315\)](#) form and attach all required documentation. Note: Once you access the form link, the form can be found under the “State Accounting Petty Cash” section.
- i. Replenishment of the Petty Cash Account shall be requested:
    - a) A minimum of once per quarter (no later than the last business day); or prior to a replenishment request to OBM,
    - b) If the petty cash checking account balance is down to one-third of the amount established with OBM.
  - e. Submit the “Agency Petty Cash Reimbursement” form (OBM-0315) and required documentation to Ohio Shared Services in order for a voucher to be created in OAKS FIN.
    - i. An electronic copy of the form shall be placed in the “Petty Cash” folder.
    - ii. Once approved, funds shall be deposited into OOD’s Petty Cash Checking Account.
    - iii. Upon receipt of the funds into the Petty Cash Checking Account the Custodian (or Alternate in their absence) shall, if required, write a check to “Cash” in the amount needed to restore the cash on-hand.
    - iv. The Custodian (or Alternate in their absence) shall update the petty cash register for these transactions.



5. Quarterly Reporting

- a. The Custodian (or Alternate in their absence) shall be responsible for completing OBM's ["Petty Cash Account Quarterly Report" \(OBM 7275\)](#).
- b. The Petty Cash Coordinator (PCC) shall review and affix their signature.
- c. Once the PCC has signed the report it shall be submitted to OBM, via email at [obmpettycash@obm.ohio.gov](mailto:obmpettycash@obm.ohio.gov) by the 15<sup>th</sup> of the month following the end of the quarter.

F. Audits

1. Petty Cash Accounts are subject to audit at any time by OBM (i.e., State Accounting, Office of Internal Audit) or other state entities with audit authority (e.g., State Auditor).
2. The DFM, Monitoring and Compliance Unit (MCU) shall be responsible for establishing an audit schedule to ensure that the Petty Cash Account is audited at least once each fiscal year preferably around the same time of the year as the last audit.
3. MCU shall perform an audit immediately whenever there is a change in staffing with anyone who has access to the Petty Cash Account (e.g., Custodian, Alternate, Finance Supervisor), regardless of when the account was last audited.

G. Irregularity or Unauthorized Use

1. Any apparent or suspected irregularity, including unauthorized use, discovered through reviews, reconciliations, and/or audits, shall be handled as stated below.
  - a. If an overage (e.g., interest earned, extra cash) is discovered at any time, the person who made the discovery shall inform the PCC.
    - i. The overage shall be returned to the fund from which it was drawn.
  - b. If a shortage is discovered and the cause of the discrepancy cannot be determined, the final responsibility is with the Custodian or the Alternate, if the shortage is determined to have happened during one of their absences.
    - i. Dependent on whom is determined responsible, it may result in them having to personally replace the funds if no other solution can be found.
    - ii. A shortage shall immediately be reported to the PCC the CFO, who shall notify the Assistant Director, and OBM State Petty Cash Administrator, via email, at [obmpettycash@obm.ohio.gov](mailto:obmpettycash@obm.ohio.gov).
2. If the irregularity is a result of apparent or suspected theft or loss it must be immediately reported to the PCC, the CFO, who shall notify the Director, and OBM State Petty Cash Administrator, via email, at [obmpettycash@obm.ohio.gov](mailto:obmpettycash@obm.ohio.gov).
  - a. The State Highway Patrol (SHP) shall also be requested to investigate.
    - i. OBM will not accept replenishment vouchers for any theft amount unless an SHP response is attached.

## H. Records Retention

1. DFM shall maintain all records associated with the Petty Cash Account as specified by the appropriate retention schedule.

## FORMS AND ATTACHMENTS

- 40-FIN-06-01.A "Request for Petty Cash"
- 40-FIN-06-01.B "Petty Cash Distribution Register"
- Advance of Petty Cash Funds (OBM-4511)
- Agency Petty Cash Reimbursement (OBM-0315)
- Petty Cash Account Quarterly Report (OBM-7275)

## RESOURCES

- OBM FIN Process Manual - [http://finsource.ohio.gov/oaksfinprocessmanual/ap/#t=petty\\_cash\\_accounts\\_overview.htm](http://finsource.ohio.gov/oaksfinprocessmanual/ap/#t=petty_cash_accounts_overview.htm)
- 40-FIN-06 Petty Cash
- 40-FIN-01 Purchasing
- 50-LR-15 Discipline Policy, 50-LR-15.A Discipline Grid

## REVIEW

It is the responsibility of the Deputy Director, or designee, to review this procedure, on or before, the date listed in the header and if applicable, make any necessary revisions. The Deputy Director or designee shall document the review as required in "Policy and Procedure Process" (10-ADM-01).