PETTY CASH PROCEDURE

1.0 PURPOSE

The purpose of this procedure is to provide guidelines for establishing and maintaining petty cash funds and to identify acceptable petty cash transactions.

2.0 SCOPE

All District departments, personnel and officers of the Board of Directors are governed by this procedure.

3.0 PROCEDURE

It is the intent of the District to provide limited petty cash resources as a means of immediate payment for items specified in Attachment #1 of this procedure.

4.0 DEFINITIONS - AS USED IN THIS PROCEDURE

Petty Cash Fund: A petty cash fund is an imprest cash fund authorized to a specific location, limited to a specific amount and assigned to a specific administrator and custodian.

Petty Cash Custodian: The petty cash custodian is the person officially responsible for the protection and use of the fund. The custodian is the cashier of the fund. This responsibility cannot be delegated.
Petty Cash Administrator: Administrators of petty cash funds should be limited to the following positions:

* Transportation/Maintenance Superintendents
* Training/Education Center Administrator
* Purchasing Manager
* Director of Treasury/Chief Financial Officer

Petty Cash Reimbursement Form: The petty cash reimbursement form (see attachment #2) is the official document by which expenditures are replenished. Original receipts must be attached and all forms must be approved by employee's supervisor prior to reimbursement.

Petty Cash Fund Reimbursement Envelope: The petty cash fund reimbursement envelope (see attachment #3) is form by which the Custodian requests replenishment for expenditures. The form records each expenditure and formalizes a fund cash count. The original petty cash reimbursement forms and the attached original receipts are contained inside the envelope to substantiate all expenses.

Petty Cash Fund Authorization Form: The petty cash fund authorization form is the official authorizing document (see attachment #4) that initiates a Petty Cash Fund or documents custodial or fund level changes.

5.0 PROCEDURE SPECIFICATIONS

5.1 ESTABLISHING A FUND

5.1.1. To establish a petty cash fund, a written request justifying the need and the fund amount must be submitted to the Director of Treasury.

5.1.2. Upon review by the Director of Treasury, the request will forwarded to the Chief Financial Officer for final approval.

5.1.3. A security investigation will be performed by the Security Department on all custodians of funds greater than $500.00.

5.1.4. Upon successful completion of the security investigation, the Director of Treasury will forward a Petty Cash Authorization form (see attachment #4) to the designated Administrator for completion. This form will designate the following:
* Amount of Fund
* Location of Fund and Departments it will support
* Administrator and Custodian of Fund
* Estimated Usage

Upon return and completion of this form, the Director of Treasury will sign and forward the form to the Treasury Petty Cash Coordinator to obtain additional approvals.

5.1.5. The Treasury Petty Cash coordinator upon obtaining all approval signatures will retain a copy of the authorized form for Treasury's files. The coordinator will request a check and attaches the original copy of the fund authorization form to the check request to Accounts Payable. The coordinator will ensure that the petty cash fund is appropriately set up in the General Ledger and will notate the GL # on the Fund authorization form (section E). The check will be made payable as follows:

Custodian's Name - AC Transit Petty Cash Custodian.

The Treasury Petty Cash Coordinator will deliver the check and a current copy of this procedure, to the custodian. The custodian will cash the check and verify the funds before use.

5.1.6. The Treasury coordinator will review the current procedure with the custodian and will ensure the custodian:

* Maintains the cash fund in a locked secure area.
* Provides any additional training or support the custodian may need to establish the fund.
* Forwards all fund reimbursements to the Treasury coordinator for review and approval prior to replenishment.

5.2 PETTY CASH TRANSACTION LIMITATIONS AND APPROVAL REQUIREMENTS

5.2.1. Petty Cash transactions are limited to the following items only:

* Reimbursement of the following District employee Class B License Renewal:
  * Bus Drivers
  * Instructors
  * Road Supervisors
  * Maintenance (mechanics)
  * Stores
* Reimbursement of Bridge Tolls/Telephone-calls and Bart tickets for business purposes only.
* Reimbursement of Office supplies (inclusive of Board members) not available through in-house supply.
* Reimbursement of Emergency parts that are not immediately available through the warehouse or special requisition (see 5.2.2).
* Reimbursement of meal expenses for Board of Director meetings and other official business meetings. All of these reimbursements require written approval from the appropriate Department's Assistant General Manager (AGM) or Assistant to the General Manager and the District General Manager.

5.2.2. All Petty Cash transactions are limited to $99.99 or less, except for emergency parts, which are limited to $175.00 or less.

5.2.3 All Petty Cash transactions should be approved by the employee's department manager and/or Superintendent or Assistant Superintendent prior to incurring the expense.

5.2.4 All Petty Cash transactions for emergency parts must be approved by division AGM.

5.2.5 All reimbursements for Board member supplies must be approved in writing by a Board Officer.

5.3 PETTY CASH REIMBURSEMENT TRANSACTIONS

5.3.1 All Petty Cash reimbursement transactions require a Petty Cash Reimbursement Form (see Attachment #2) and the original receipt.

5.3.2 The Petty Cash Reimbursement Form must bear the original signature of the approving manager. The requesting and approving person cannot be the same.

5.3.3 The reimbursement form should be properly filled out to include:

* Date of Transaction
* Employee name and badge #
* Organization department number to be charged
* Expense account number that specifically classifies the charge. Grant order number or equipment number should be included if applicable.
* Amount of transaction
* Description of Purpose – sufficient description to
allow the Petty Cash custodian to identify the purpose and validity of the transaction to substantiate account number coding.

* Employee's approving manager's signature.

5.3.4. Failure to comply with the above documentation requirements will result in non-reimbursement.

5.4 PETTY CASH SECURITY

5.4.1. All petty cash funds must be retained in a secure environment. All funds must be locked and access limited to the custodian and administrator only.

5.4.2. The Petty Cash custodian and administrator are responsible for maintaining complete records of all fund disbursements, cash counts and replenishments.

5.4.3. All petty cash funds are subject to audit without notice by:

* Treasury Coordinator or Designee
* Internal Audit

5.4.4. Whenever a change of a custodian occurs for a particular petty cash fund, the new custodian's name and signature must be placed on file with the Treasurer's office prior to the official change, via the Petty Cash Authorization Form (see Attachment #4). Depending on the petty cash fund level, the necessary security investigation will have to be performed before the new custodian can assume the responsibility.

5.5 PETTY CASH FUND REIMBURSEMENTS

5.5.1. The Petty Cash custodian and the administrator are responsible for the monthly replenishment of petty cash funds.

5.5.2. All fund reimbursements are to be listed on the Petty Cash Fund Reimbursement Envelope (see Attachment #3). Each disbursement should be listed individually.

5.5.3. All reimbursements listed are to be placed inside the envelope.

5.5.4. The Petty Cash fund is to be reconciled as stated on envelope (see Attachment #4) indicating:
1) Cash On Hand +
2) Replenishment +
3) Disbursements -
4) Approved Fund Level =
5) Difference (1+2-3=4)*

* any overage/shortage is to be reported to CFO and Treasurer immediately.

5.5.5. Petty Cash custodian and administrator are to sign the envelope and forward to the Treasury coordinator for review and approval.

5.5.6. Treasury Coordinator will make a copy of the face of the envelope and deliver the original reimbursement to Accounts Payable for check issuance. The coordinator will retain a copy of approved envelope in the Treasury Petty Cash file by fund.

6.0 RESPONSIBILITY AND AUTHORITY

6.1 It is the responsibility of the Petty Cash Administrator to ensure all transactions are in compliance with the District's procedure.

6.2 It is the responsibility of the Treasury Petty Cash Coordinator to review all reimbursements for compliance.

6.3 A list of all non-compliant items will be forwarded to appropriate AGM for resolution. Direct reimbursement from the employee will be requested. Non-compliance with the District's procedure may cause a petty cash fund to be permanently closed.

6.4 All non-compliant issues will be included in a monthly report prepared by the Treasury Petty Cash Coordinator for senior management review.
**Attachment #1**  
(Administrative Regulation No. 344)  
**Petty Cash Reimbursement Guidelines**

* All petty cash reimbursements **require** the use of the Petty Cash Reimbursement Form (the form is available through the printing department - form #IH#660426).

* All petty cash reimbursement forms must bear the **original** approval signature (i.e. department manager). The requesting and approving individual **cannot** be the same.

* **Original** receipts must be attached to every Petty Cash Form.

* **All** transactions must be equal to or less than $99.99, except for **emergency** parts which are limited to $175.00 or **less**.

<table>
<thead>
<tr>
<th>Authorized Petty Cash Transactions</th>
<th>Required Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Class B License Renewal.</td>
<td>Authorized Petty Cash Reimbursement form and a copy of the License fee.</td>
</tr>
<tr>
<td>Bridge Tolls, telephone calls and the purchase of Bart tickets for District business <strong>only</strong>.</td>
<td>Authorized Petty Cash Reimbursement Form and a bridge toll receipt, copy of phone bill, or a memo from division AGM authorizing the expenditure.</td>
</tr>
<tr>
<td>Office Supplies (inclusive of supplies for Board members) not available through company supply order.</td>
<td>Authorized Petty Cash Reimbursement Form and original receipt. Reimbursement for Board member supplies require a Board Officer signature.</td>
</tr>
<tr>
<td>Emergency parts that aren't available through the spare parts inventory system (warehouse).</td>
<td>Authorized Petty Cash Reimbursement form, original receipt and AGM Approval.</td>
</tr>
<tr>
<td>Meal expenses for Board meetings and other official business meetings</td>
<td>Authorized Petty Cash Reimbursement form and original receipt. The authorization must include BOTH the department AGM AND District General Manager signatures or Board officer.</td>
</tr>
</tbody>
</table>
Attachment #2

Alameda Contra-Costa Transit District
Petty Cash Reimbursement Form

Date: ____________________ 19__

Received From ____________________ Amount: $ _______ (original receipt attached)

Employee Signature ____________________ Badge # _______ Dollars

Description of Purpose: __________________________________________

______________________________________________________________

Charge:

□ Org. No. ___________________________________________ Manager Name (Print)

□ Account ________________________________

□ G.O. # ________________________________ Manager's Signature

□ Equip. No. ________________________________
<table>
<thead>
<tr>
<th>Custodian Signature</th>
<th>Badge #</th>
<th>Treasury Review</th>
<th>Date</th>
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<tbody>
<tr>
<td>Administrator Signature</td>
<td>Badge #</td>
<td>Treasury Review</td>
<td>Date</td>
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<thead>
<tr>
<th>Date</th>
<th>Paid to Badge #</th>
<th>Description</th>
<th>A/P Only</th>
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| Total Paid Out | 8 |
| Cash On Hand   | 9 |
| TTL Reimbursement Checks Outstanding | 10 |
| Subtotal (Should = Fund Balance) | 11 |
| Fund Balance   | 12 |
| Cash (Over) Short (5-4) | 13 |
| Total of Reimbursement Requested | 14 |

1. Building location or mailing address if location is off-site.
2. Name of custodian (please print).
3. Complete these blanks for each petty cash reimbursement.
4. Total of all amount reimbursed.
5. Total cash count remaining in fund.
6. Total of checks requested but not yet received.
7. Authorized imprest balance of fund.
8. All overages/shortages should be listed and petty cash form should be used to charge appropriate account (must have administrator's approval).
9. Must equal 8, all overages/shortages should be documented on a Petty Cash Reimbursement form and reported on line 13.
10. Signature of Petty Cash Custodian and badge number.
11. Petty Cash Administrator signature and badge.
12. Treasury coordinators signature and date.
13. Accounts Payable use only.
(Check One)

____ Original Request
____ Change of Custodian

ALAMEDA CONTRA COSTA TRANSIT DISTRICT
PETTY CASH FUND AUTHORIZATION

A. Fund Level

A petty cash fund is requested in the amount of $_________. * Funds in excess of $ 500.00 require a Security Background Investigation.

B. Fund Location

Fund Administrator:_________________________ Badge #:________________
Custodian Name:___________________________ Badge #:________________
Fund Address:________________________________________________________
Phone #:_________________ Department name/#:__________________________
Custodian's Manager:_________________________ Phone #:________________

C. Reason for Fund

Number of employees expected to utilize the fund:________________________
Nearest known petty cash fund:__________________________________________
Reason for fund:______________________________________________________

Estimated usage per month: $________________

D. Fund Approval (all signatures required)

Petty Cash Custodian: ___________ Date:________________
Custodian's Manager: ___________ Date:________________
Fund Administrator: ___________ Date:________________
Treasurer: ___________ Date:________________
Chief Financial Officer: ___________ Date:________________
Corporate Security*: ___________ Date:________________

(* only if fund is $ 500.00 or greater)

E. Accounting Use - Only

Initial Check #:_________ Amount:$_________ Check Date:_________
Petty Cash GL#:_________ Treasury Coordinator:________________

Signature