



CITY OF HOUSTON

Administrative Procedure

Subject: **Petty Cash**

A.P. No:

5-3

Effective Date:

March 8, 2013

1. AUTHORITY

1.1 Article VI, Section 7a, City Charter of the City of Houston.

2. OBJECTIVES

2.1 To establish procedures that support responsible management of City funds.

3. SCOPE

3.1 This Administrative Procedure applies to all City employees. All petty cash funds shall be governed by this Procedure, the City's procurement policy and procedures, the ordinances of the City of Houston, and the laws of the State of Texas.

4. DEFINITIONS

Approving Authority (or Designee) – The individual responsible for authorizing the establishment of a Fund within a department, increasing the Fund, designating and replacing the Petty Cash Fund Custodian, reconciling the Fund, and closing out the Petty Cash Fund. The term "Approving Authority" refers to any of the following or their designees:

- Mayor of the City of Houston
- Mayor's Chief(s) of Staff
- Elected officials
- Department directors, and
- Division heads of the Mayor's Office.

Back-up Custodian – An employee designated by the Approving Authority to substitute for the Petty Cash Custodian.

Cash Receipts and Disbursements Journal (Journal) – A journal that must be maintained in tandem with each Fund. It shall be used to record each transaction made with the Fund.

Fund – City monies that are issued to a designated custodian. A Fund shall be used for payments of City business-related expenditures which, with limited exception, do not exceed petty cash limits.

Approved:

Date Approved:

03/08/2013

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Requests Authority – The employee(s) designated by the Approving Authority to authorize requests for petty cash use. Typically, the Requests Authority approving such a request will be in the requesting employee’s line of command and will be at least at a pay grade 22 for civilian personnel or a first line supervisor equivalent for classified employees.

Disbursements Authority – The employee(s) designated by the Approving Authority to authorize disbursements from Petty Cash. Typically, this will be a supervisor/manager of the Petty Cash Fund Custodian. This individual must be someone other than the Requests Authority.

Petty Cash Fund Custodian (Fund Custodian) – An individual designated by the Approving Authority to administer and control the Petty Cash Fund.

Quarterly Verification of Fund Balance – At established quarterly intervals, an individual appointed by the Approving Authority witnesses and attests to the accuracy of the Fund balance. The verifying employee reports the results of his/her review through the Approving Authority to the City Controller.

5. RESPONSIBILITIES

5.1 Approving Authority is responsible for:

- 5.1.1 Determining the number of Funds needed and the dollar amount of each Fund;
- 5.1.2 Designating a Fund Custodian to administer and control the Fund and a Back-up Custodian to handle Fund transactions in the Fund Custodian’s absence;
- 5.1.3 Designating the Requests Authority and the Disbursements Authority;
- 5.1.4 Designating the employee responsible for witnessing the accuracy of the Fund balance on a quarterly basis. This individual may not be the Fund Custodian, the Back-up Custodian, the Requests Authority, the Disbursements Authority or the Custodian’s supervisor;
- 5.1.5 Periodically designating an employee to conduct unannounced audits of Funds to ensure integrity and accuracy;
- 5.1.6 Ensuring that any and all discrepancies in, or findings related to, a Fund are resolved, if necessary, by filing a complaint with the police department and/or taking appropriate disciplinary action ;
- 5.1.7 Ensuring that disbursements from a Fund are made in accordance with these policies and procedures; and
- 5.1.8 Being accountable for improper disbursements.

5.2 The City Controller is responsible for:

- 5.2.1 Approving requests for establishing/increasing Funds;
- 5.2.2 Processing requests for establishing, increasing, replenishing, and closing out a Fund; and
- 5.2.3 Conducting both announced and unannounced audits of Funds.

5.3 The Fund Custodian is responsible for:

- 5.3.1 Maintaining the journal;
- 5.3.2 Processing authorized disbursements;

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- 5.3.3 Initiating requests to replenish and/or increase the Fund not more than once each week;
 - 5.3.4 Maintaining adequate security over the Fund;
 - 5.3.5 Replacing any shortages not reported in a police report or resolved through disciplinary action; and
 - 5.3.6 Reporting losses or thefts through the Approving Authority to the City Controller. If the loss is due to theft, the Fund Custodian shall notify the police department to investigate and the procedures outlined in §7.6 shall be followed.
- 5.4 Mayor or Mayor's Designee(s): The Mayor or the Mayor's designee(s) must approve in writing any deviations from this Administrative Procedure. A written copy of any deviation must be sent to the Director of Finance and to the City Controller.
- 5.5 Fund Custodian Supervisor is responsible for:
- 5.5.1 Ensuring each Fund has a Fund Custodian and Back-up Custodian assigned at all times; and
 - 5.5.2 Ensuring each Fund Custodian and Back-up Custodian has received the appropriate training to responsibly maintain the assigned Fund and has read and acknowledges this Administrative Procedure.

6. FUND POLICY

6.1 Allowable Purchases

- 6.1.1 Funds may be used to purchase any item or service not prohibited by this procedure, another procedure or policy approved by the Mayor or department director, or an ordinance of the City.

6.2 Prohibited Purchases

- 6.2.1 The Fund is not to be used for any of the following:
 - 6.2.1.1 Cashing personal checks.
 - 6.2.1.2 Loans to employees or others.
 - 6.2.1.3 Personal expenditures (e.g. plants, office decorations, etc.).
 - 6.2.1.4 Payroll advances to employees.
 - 6.2.1.5 Reimbursements of state sales tax for any purchase (the sales tax exemption certificate should be presented to the vendor when petty cash is used to pay for goods or services).
 - 6.2.1.6 Making change for transactions involving cash sales or where cash is received.
 - 6.2.1.7 Other inappropriate purposes established by the Approving Authority.
 - 6.2.1.8 Employee travel or wages except (a) emergency travel advances for police officers, (b) local parking fees, and (c) mileage reimbursement for occasional use of private vehicles. Employees whose job assignments routinely require use of a private vehicle shall maintain a log as described in Administrative Procedure 2-5.

- 6.2.1.9 Items purchased on a routine, repetitive basis by the requesting party unless authorized by the Approving Authority.
- 6.2.1.10 Food and beverages of any kind. The Mayor's Office may make exception to this rule at its discretion.
- 6.2.1.11 Entertainment of any kind.

6.3 The maximum amount that shall be withdrawn from a Fund for a single transaction is \$100.00.

6.3.1 Purchases shall not be divided or spread out to avoid exceeding the Fund withdrawal limit.

6.3.2 Exceptions to the Fund limit include:

- 6.3.2.1 Freight charges;
- 6.3.2.2 Out of contract towing fees when the contracted towing company is unable to perform the task;
- 6.3.2.3 Emergency travel advances for police officers and litigation fees; and
- 6.3.2.4 Meals – limited to classified employees working emergency scenes for several consecutive hours.

6.4 The Approving Authority determines the number of Funds needed and the place(s) where the Funds are to be located and designates the Fund Custodian, the Back-up Custodian, the Requests Authority, and the Disbursements Authority.

6.5 Each Petty Cash Custodian, Back-up Custodian, Requests Authority and Disbursements Authority shall complete and sign a copy of form PC-4 (Acknowledgement of Receipt of Administrative Procedures 5-2 and A.P. 5-3), and forward them to the Controller's Office immediately after the role has been assigned.

7. PROCEDURES

7.1 Security over the Fund must be maintained at all times. The Fund is not to be removed from its designated location and under no circumstances may it be taken home by the custodian or any other employee.

7.2 Supporting Documentation for Fund Purchases: All disbursements, with the exception of coin meter parking and parking in non-attended lots, must be supported by original receipts. If the receipt is lost, a duplicate receipt from the vendor along with a statement from the employee explaining the loss will be accepted.

7.2.1 Reimbursement for Coin Meter Parking or Non-Attended Parking Lot Expenses: To be reimbursed for coin meter parking expenses, the employee shall state on form PC-7 (Petty Cash Advance/Reimbursement Transaction) the address of the site visited and the approximate location of the meter or non-attended parking lot used.

7.3 Fund Establishment or Increase:

7.3.1 If a Fund is being established, the Fund Custodian shall obtain a vendor number by submitting a Vendor Master Form to the Administration & Regulatory Affairs

Department. This form may be downloaded at:

http://choice.cityofhouston.net/spd/forms/vendor_master_form.doc.

7.3.2 When establishing or increasing a Fund, the Fund Custodian must complete the following forms to initiate the process:

7.3.2.1 A form PC-1, a form PC-3 and a CoH Account Request Form must be completed and sent to Accounts Payable Section.

7.3.2.2 Ensure that the department's Accounts Payable Section

7.3.2.2.1 Creates a form AP-2 (FV60 Miscellaneous Invoice/FV65).

7.3.2.2.2 Enters a vendor (KR) invoice and use the general ledger (GL) account number established by ERP to apply a debit to that account.

7.3.2.2.3 Forwards all forms to the Controller's Office, Accounts Payable Section.

7.3.3 If a new Fund is being established, the request is reviewed by the Controller's Office and, if the Fund is approved, a general ledger account number is established.

7.3.4 If an increase in an existing fund is being requested, the Controller's Office reviews the request to determine if additional funds are warranted.

7.3.5 The Controller's Office reviews and processes the KR, issues a check and notifies the department's Accounts Payable Section that the check is ready to be picked up.

7.3.6 The Fund Custodian cashes the check, places the cash in the Fund and records the cash received in the Journal.

7.4 Fund Disbursement

7.4.1 Employee Advance:

7.4.1.1 Complete form PC-7 (Petty Cash Advance/Reimbursement Transaction) indicating the amount requested.

7.4.1.2 Submit the signed form PC-7 to the Fund Custodian and obtain cash advance.

7.4.1.3 Purchase the good(s) and/or service(s). Funds shall not be used for goods purchased on a continual basis by the requesting party.

7.4.1.4 Return the purchase receipt to the Fund Custodian within three business days of receiving an advance. If item(s) purchased costs less than the advance received, return excess monies to the Fund Custodian. If item(s) purchased costs more than the advance received, obtain additional reimbursement, not to exceed the Fund limit.

7.4.2 Employee Reimbursement in Lieu of Advance:

7.4.2.1 When practicable, obtain verbal approval for the purchase of item(s) from the Requests Authority.

7.4.2.2 Purchase item(s).

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7.4.2.3 Complete form PC-7 (Petty Cash Advance/Reimbursement Transaction) and obtain the signatures of the Requests Authority and the Disbursements Authority.

7.4.2.4 Present the signed PC-7 form and supporting receipt(s) for item(s) purchased to the Fund Custodian and obtain reimbursement.

The Fund Custodian records all disbursements in the Journal.

7.5 Fund Replenishment

7.5.1 The Fund Custodian completes form PC-2 (Petty Cash Fund Reconciliation) and attaches the supporting receipts. The Fund Custodian keeps a duplicate file of all approved PC-2 forms and supporting receipts for monitoring purposes.

7.5.2 The Fund Custodian forwards these documents to the Disbursements Authority for review and approval and then to the department's Accounts Payable Section.

7.5.3 The department's Accounts Payable Section prepares a payment voucher for the total of all purchases made and forwards the payment voucher, the PC-2 form and the supporting receipts to the Operations Section of the Controller's Office.

7.5.4 The Controller's Office reviews the entered payment voucher or processes the voucher by recording the expenditures to the appropriate organization and expenditure accounts then issues a warrant in the name of the Fund Custodian for the amount of the voucher.

7.5.5 The Controller's Office notifies the department's Accounts Payable Section that the check is ready to be picked up at the Controller's Office.

7.5.6 The Fund Custodian cashes the check, replenishes the Fund, and records the cash received in the Cash Receipts and Disbursements Journal.

These procedures shall also be followed at the end of each fiscal year so that expenses incurred during the current fiscal year are properly accounted for in that fiscal year.

7.6 Fund Theft

7.6.1 When a theft of \$50 or more has occurred, the Approving Authority shall notify the Police Department. The following procedures shall be adhered to:

7.6.1.1 The Fund Custodian completes form PC-2 and gives it to the employee designated by the Approving Authority to verify the Fund balance.

7.6.1.2 The verifying employee determines the accuracy of the form PC-2, reviews the journal for accuracy and completeness, fills out form PC-6 (Petty Cash Verification) and forwards the original forms to the Approving Authority for review.

7.6.1.3 The Approving Authority designates an employee other than the Fund Custodian, the Back-up Custodian(s), the Requests Authority, the Disbursements Authority or the Fund Custodian's supervisor to review the internal controls and report findings and recommendations for improvements to the Approving Authority.

7.6.1.4 The Approving Authority submits a copy of the police report and a report on the department's internal controls over the Fund to the

Controller's Office. At a minimum, the department's report shall address the questions included in the internal controls questionnaire (Attachment I).

- 7.6.1.5 The Internal Audit Division will initiate an independent review of internal controls, including any improved security protocols implemented as a result of the theft. The findings will then be reviewed to determine whether internal controls are adequate to replenish the fund and recommend additional improvements.

When the Controller's Office determines adequate internal controls are in place, the procedures outlined in §7.5 (Fund Replenishment) shall be followed to replenish the fund.

7.7 Establishing a New Fund Custodian

- 7.7.1 The Approving Authority designates a new Fund Custodian.
- 7.7.2 The former Fund Custodian reconciles the Fund and completes forms PC-2, PC-5 (Change of Petty Cash Fund Custodian) and CoH Account Request Form. The Fund Custodian must also be updated in SAP.
- 7.7.3 The new Fund Custodian verifies the accuracy of the completed PC-2. If accurate, the new Custodian forwards all forms from §7.7.2 to the department's Accounts Payable Section, who will then forward it to the Controller's Office, Financial Reporting Division for processing.
- 7.7.4 The former Fund Custodian transfers the Fund and all related records to the new Fund Custodian.

7.8 Transferring Fund Custody to Back-up Custodian

- 7.8.1 If the unavailability of the Fund Custodian is known in advance, the Fund Custodian reconciles the Fund and completes form PC-2. The Back-up Custodian verifies the accuracy of the PC-2 form prepared by the Fund Custodian. If accurate, the Back-up Custodian signs the PC-2 form and takes over the Fund and all related records.
- 7.8.2 If the unavailability of the Fund Custodian is not known in advance, the Approving Authority designates someone other than the Back-up Custodian, the Requests Authority, the Disbursements Authority and the Fund Custodian's supervisor to reconcile the Fund and complete form PC-2. The Backup Custodian verifies the accuracy of the PC-2 form. If accurate, the Back-up Custodian signs the PC-2 form and becomes responsible for the Fund and all related records.
- 7.8.3 A reconciliation of the Fund and the completed form PC-2, including the appropriate verification and signatures, are required when the Fund is transferred to the Fund Custodian from the Back-up Custodian.

7.9 Quarterly Verification of Fund

- 7.9.1 The accuracy of the Fund must be verified on a quarterly basis. The Approving Authority designates an employee other than the Fund Custodian, the Back-up Custodian(s), the Requests Authority, the Disbursements Authority or the Fund Custodian's supervisor to verify the accuracy of the Fund. The following procedure shall be adhered to in conducting a quarterly verification:

- 7.9.1.1 The Fund Custodian completes form PC-2 and gives it to the verifying employee.
- 7.9.1.2 The verifying employee determines the accuracy of form PC-2, reviews the Journal for accuracy and completeness, fills out form PC-6 and forwards the completed original forms to the Approving Authority for review. The Approving Authority forwards the forms to the General Accounting Section of the Controller's Office no later than fifteen (15) working days after the end of the Quarter and sends copies to: The Custodian, the Custodian's supervisor and the department's/office's administrative file section.
- 7.9.1.3 The Controller's Office uses the form to reconcile it with the system records. Any discrepancies are subject to investigation by the City Auditor and related findings and recommendations reported to the Controller who, in turn, notifies the Approving Authority.
- 7.9.1.4 The Approving Authority takes all necessary measures to implement the recommendations and notifies the Controller's Office of actions taken.
- 7.9.1.5 Failure to submit a quarterly verification on a timely basis for two consecutive quarters in accordance with the stated policies and procedures may give the Controller reason to prompt an audit and close the fund without advance notification.

7.10 Other Fund Verifications

- 7.10.1 Periodic announced and unannounced verifications of the Fund must be conducted by the department and/or the City Auditor to ensure the integrity and accuracy of the Fund.
 - 7.10.1.1 At the department's discretion, the Approving Authority will designate an employee other than the Fund Custodian, the Back-up Custodian(s), the Requests Authority, the Disbursements Authority or the Fund Custodian's supervisor to conduct unannounced verifications.
 - 7.10.1.2 Periodically, the Controller's Office will conduct announced or unannounced verifications of the Fund. The Custodian shall cooperate fully with the verification(s).

7.11 Fund Closeout

- 7.11.1 Complete form PC-2 (Petty Cash Fund Reconciliation). Obtain the signature of the Disbursements Authority.
- 7.11.2 Prepare form PC-8 (Request to Close a Petty Cash Fund) including the signature of the Approving Authority.
- 7.11.3 The Fund Custodian prepares a cash receipt documenting the account closure. The department's Accounts Payable Section shall facilitate this by supplying the deposit slip so the Fund may be deposited into the department's bank account.
- 7.11.4 The Fund Custodian forwards the deposit slip, copy of cash receipt, form PC-2, form PC-8 and any other supporting documentation to the Controller's Office via the department's Accounts Payable Section. The department's Accounts Payable Section shall prepare a voucher, with the notation: "Return of Petty Cash Fund."

7.11.5 The Controller's Office verifies the accuracy of the PC-2 form and the supporting documentation and closes the Fund account.

8. CONFLICT AND REPEAL

8.1 This Administrative Procedure supersedes Administrative Procedure 5-3, Revised Petty Cash Fund Policy and Procedures, signed May 25, 1995, which shall be of no further force or effect.

9. ATTACHMENTS

- 9.1 Attachment A PC-1 Request for Petty Cash Funds
- 9.2 Attachment B PC-2 Petty Cash Fund Reconciliation
- 9.3 Attachment C PC-3 Acknowledgement of Receipt of Petty Cash Funds
- 9.4 Attachment D PC-4 Acknowledgement of Receipt of A.P. 5-2 & 5-3
- 9.5 Attachment E PC-5 Change of the Petty Cash Fund Custodian
- 9.6 Attachment F PC-6 Petty Cash Verification Form
- 9.7 Attachment G PC-7 Petty Cash Advance/Reimbursement Transaction Form
- 9.8 Attachment H PC-8 Request to Close Petty Cash Fund
- 9.9 Attachment I Petty Cash Internal Control Questionnaire
- 9.10 Attachment J AP-2 FV60 Miscellaneous Invoice / FV65 – Sample
- 9.11 Attachment K CoH Account Request Form

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Attachment A
PC-1
Request for Petty Cash Funds

Request for Petty Cash Funds

- 1. Department: _____
- 2. Division: _____
- 3. Fund Location: _____
- 4. If this is a new Fund, please indicate the amount requested:
\$ _____ (_____ Dollars).
- 4. If this is an increase to an existing Fund, please indicate the amount requested:
\$ _____ (_____ Dollars).
- 5. Purpose for the Fund or the increase to the Fund:

- 6. Intermediate Authorities Approving Disbursements from Petty Cash:
Name: _____ Signature: _____
Name: _____ Signature: _____
- 7. Signed by:
 - a. Petty Cash Custodian: _____
Signature: _____
Date: _____ Phone: _____
 - b. Approving Authority: _____
Signature: _____
Date: _____ Phone: _____

Attachment B
PC-2
Petty Cash Fund Reconciliation

Account # _____

Petty Cash Fund Reconciliation

Period: _____ Through _____ Department: _____
 Custodian: _____
 Location: _____ Phone: _____

<u>Coins</u>	<u>Amount</u>
Pennies	\$ _____
Nickels	\$ _____
Dimes	\$ _____
Quarters	\$ _____
Other	\$ _____
Total Coins	\$ _____

<u>Currency</u>	<u>Amount</u>	<u>Amount</u>
Ones	\$ _____	
Fives	\$ _____	
Tens	\$ _____	
Twenties	\$ _____	
Other	\$ _____	
Total Currency	\$ _____	
Total Currency		\$ _____
Amount of Disbursements Supported by Receipts per Attached Schedule		\$ _____
Amount of Outstanding Petty Cash Advances		\$ _____
Vouchers in-Transit		\$ _____
Total Coins, Currency, Disbursements and Vouchers In-Transit		\$ _____
Less: Established Amount of Petty Cash Fund		(\$ _____)
Difference*		\$ _____

Petty Cash Custodian	Date	Reviewed and Approved	Date

*Please Explain Any Differences:

Attachment C
PC-3
Acknowledgement of Receipt of Petty Cash
Funds

Account # _____

**Acknowledgement of Receipt
Of Petty Cash Funds**

I hereby certify that I have received \$_____ (_____)
_____) dollars and 00/00 from
the City Controller for the establishment (or an increase) of a Petty Cash Fund.

I understand that I am responsible for safeguarding this money and for processing requests for
reimbursements in accordance with Administrative Procedure 5-3, Petty Cash.

Petty Cash Fund Custodian:

Name: _____

Signature: _____

Department: _____

Division: _____

Date: _____

Attachment D
PC-4
Acknowledgement of Receipt of
A.P. 5-2 & 5-3

Account # _____

Acknowledgement of Receipt of
Administrative Procedures 5-2 & 5-3

Acknowledgement

I have received, read and understand Administrative procedure 5-3 (Petty Cash Fund Policy and Procedures) and I am responsible for adhering to these procedures.

I further certify that I have received, read and understand Administrative Procedure 5-2 (Procurement Procedures).

I also understand that I must keep apprized as to any amendments made to these polices.

Function: Petty Cash Custodian, Backup Petty Cash Custodian, Requests Authority, Disbursements Authority (Circle One).

Name: _____

Signature: _____

Department: _____

Division: _____

Date: _____

Attachment E
PC-5
Change of the Petty Cash
Fund Custodian

**Change of the Petty Cash
Fund Custodian**

1. Transferring Custodian:

I hereby certify that:

- a. I have truthfully reconciled the Petty Cash Fund on ___/___/___, as demonstrated on the attached Petty Cash Fund Reconciliation Form (PC-2).
- b. I have transferred \$_____ in cash to the new Custodian:

(Insert Name of New Custodian)

(Signature of Transferring Custodian) (Date)

2. Receiving Custodian:

I hereby certify that:

- a. I have reviewed and verified the Petty Cash Fund Reconciliation Form (PC-2), prepared by: _____ and found the reconciliation to be correct.
(Insert Name of New Custodian)
- b. I received \$_____ in cash on the date specified below, next to my signature.
- c. I acknowledge my responsibility to safeguard the Petty Cash Fund and to process authorized requests for reimbursements in accordance with said procedures.

(Insert Name of New Custodian)

(Signature of Transferring Custodian) (Date)

3. Approved by:

(Approving Authority) (Date)

Attachment F
PC-6
Petty Cash Verification Form

Attachment G
PC-7
Petty Cash Advance/Reimbursement
Transaction Form

Attachment H
PC-8
Request to Close Petty Cash Fund

Account # _____

Request to Close Petty Cash Fund

Department: _____ Division: _____

Custodian: _____ Phone: _____

Location of Fund: _____

Amount of Fund: _____

It is hereby requested that this Petty Cash Fund be closed for the following reason:

Attached are the final PC-2 (Reconciliation of Petty Cash Fund), the voucher closing the Fund and a copy of the deposit slip showing the amount of cash which was deposited from the Fund.

Petty Cash Fund Custodian

Date

Approving Authority

Date

**Attachment I
Petty Cash Internal
Control Questionnaire**

Petty Cash Internal Control Questionnaire

Department: _____ Fund No. _____

Custodian: _____ Account No. _____

Amount of Fund \$ _____

Questions

1. Access to Petty Cash Funds

a. Does the custodian have sole access to the fund at all times? **YES / NO**

b. If not, list the names of others who have simultaneous access to the fund:

c. Is the cash locked in a safe or other secured area when not in use? **YES / NO**

d. List the names of all designated backup (alternate) custodians:

e. What are the procedures for allowing a backup custodian access to the fund or otherwise accessing the fund if petty cash is needed in an emergency and the custodian is not available?

f. Do the procedures described in 1.e. above coincide with the procedures for the formal transfer of the fund as detailed in Administrative Procedure 5-3, Section 13? **YES / NO**

g. List the name or name(s) of the "Requests Authority":

- h. Are the signature(s) on the form PC-7 of the "Request Authority" per 1.g above verified before a disbursement is made from the fund? **YES / NO**

If so, what is the procedure for this verification?

- i. List the name or names of the "Disbursements Authority":

- j. Are the signature(s) on the form PC-7 of the "Disbursement Authority" per 1.i. above verified before a disbursement is made from the fund? **YES / NO**

If so, what is the procedure for this verification?

- k. Do any employees hold more than one position within the petty cash operation (such as being both the Custodian and the Requesting Authority or being named as both a Disbursement Authority and a Requesting Authority)? **YES / NO**

- l. If the answer to question 1.k. above is yes, are there internal procedures in place to prohibit an employee from signing the PC-7 in both capacities? **YES / NO**

2. Disbursements from the Petty Cash Fund.

- a. Is a PC-7 (Advance/Reimbursement) form used for all disbursements from the petty cash fund? **YES / NO**

- b. Are all five appropriate signatures present on the PC-7 form (Requests Authority, Disbursements Authority, Fund Custodian and Receiving Employee) before a disbursement is made from the petty cash fund? **YES / NO**

- c. For cash advances from petty cash, are all of the five appropriate signatures obtained prior to the cash advance? **YES / NO**

- d. Are all cash advances from petty cash cleared within one day of expenditure? **YES / NO**

- e. Are there internal departmental procedures in place to control or restrict the accumulation of multiple advances outstanding to the same individual? **YES / NO**

- f. Are only original receipts (no photocopies, faxes, etc.) accepted for the disbursement of petty cash? **YES / NO**
- g. Are receipts and invoices canceled (marked paid) to prevent duplicate payments? **YES / NO**
- h. Is the fund used to reimburse an employee for any of the types of expenditures prohibited by Section 7 of AP 5-3? **YES / NO**
- i. Are all PC-7s required to be completed in ink? **YES / NO**
- j. Are expenditures for over \$100 from the petty cash fund prohibited? **YES / NO**
- k. Does the custodian maintain a Cash Receipts and Disbursements Ledger as required by Section 10 of AP 5-3 and reconcile it periodically to the petty cash balance on hand? **YES / NO**

3. Verification of the Petty Cash Fund

- a. Are quarterly verifications, as required by Section 14 of AP 5-3, performed on the fund? **YES / NO**
 If so, is the employee who performs the verification completely independent of all other aspects of the petty cash function? **YES / NO**
- b. Are the quarterly verifications completed and forwarded to Controller's by the 15th of the following month? **YES / NO**
- c. Are unannounced verifications performed on the petty cash fund? **YES / NO**

By whom?

- d. What actions are taken for overages and shortages discovered during announced or unannounced verifications of the fund?

4. Other

- a. Based on how often the fund is turned over (total amount of the fund spent), is the current size of the fund adequate? **YES / NO**
- b. Are the replenishing procedures set forth in Section 11 of AP 5-3 performed at the fiscal year end to obtain a proper cutoff of expenses? **YES / NO**

Attachment J
AP-2
FV60 Miscellaneous Invoice / FV65
Sample

City of Houston FV60 Miscellaneous Invoice/ FV65 Credit Memo

Basic Data:

Required?			
R	Vendor	Change or Petty Cash Fund Custodian	SAP vendor number
R	Invoice date		Date on Vendor's Invoice
	Posting Date		
R	Document type	KR (Vendor Invoice)	KR- Miscellaneous Invoice KG- Credit Memo
R	Document Amount		
R	Text		50 Character
	Explanation		
	Company Code	COH1	
R	Reference Document Number		Vendor's Invoice Number-16 characters

Payment Tab:

	BaselineDt		Starting date for due date calculation if default term then it is doc date
	Due on		Due Date will be calculated from baseline date and payment term
R	Pmt Method		Defaults from vendor master "C" for Check or "T" for EFT ENTER ON INVOICE
	Inv.ref.		Enter only if this invoice refers to another invoice or credit memo
	Pmnt term		Default is 0001 pay immediately due net
	Pmnt block		Leave blank for no block Because a block prevents payment

Line item:

R	G/L Account	Account number set up by ERP	Six Digit GL account for the expenditure
R	Debit/Credit indicator		Debit for Invoice/ Credit for Credit Memo
R	Line Item Amount	Amt to set up or amt to increase to an existing acct	
	Commitment Item		
R	Cost Center		10-digit An area of responsibility for capturing costs.
	Funds Center		
	WBS element		
R	Functional Area		
R	Business Area	FILL OUT	
R	Fund	FILL OUT IF APPICABLE	
	Grant		
	Text		
	Earmarked Funds		



For field use only. Please enter and park invoices and credit memos in SAP for approval.

Prepared By: _____ | Date _____
 Requested By: _____ | Date _____
 Payment Approved By: _____ | Date _____
 Final Approval: _____ | Date _____

Attachment K
CoH Account Request Form



City of Houston Account Request Form

Name of Requestor: []

Requestor's Phone Number: []

Department Name: []

Department Number: []

Reason for Request (Must be completed): []

Approval: []
Requestor Supervisor

[]
Date

[]
Department's Approver

[]
Date

CONTROLLER'S OFFICE / FINANCE ACTION
GL ACCOUNT

[] Establish [] Modify [] Delete Effective Date: []
[] Fund Balance [] Assets [] Liabilities [] Others
[] Expenditure [] Revenue Copy Existing Account No. []

Reporting Category: []

Financial Statement Category No. []

Index: []

Short Name [] (Max: 20 char)

Long Name [] (Max: 40 char)

APPROVAL

Comments

[] [] [] []
General Ledger Accounts Owner Date Any Other Approver Date

FINANCE ACTION ONLY

Budget Function: [] Effective Date: [] [] []

ERP SUPPORT ACTION ONLY

[] Approved [] Request Modification needed? [] Rejected Reason? []

GENERAL LEDGER ACCOUNT SET UP INFORMATION

SAP Account Number [] SAP P&L Account Type []

Budget Relevant [] Yes [] No