

AN ORDINANCE AUTHORIZING THE ADOPTION OF A VILLAGE PETTY CASH POLICY

WHEREAS, Brewster Village Council desires to adopt a Petty Cash Policy for the departmental operations of the Village.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF BREWSTER, THAT:

SECTION 1: Brewster Village Council shall adopt a Petty Cash Policy as defined below and shall add a Petty Cash Policy to the departmental operations of the Village as follows:

Petty Cash Policy

- This policy establishes procedures and guidelines for petty cash reimbursement as well as the use of departmental petty cash and change accounts.
- Cash control is necessary and must ensure that the Village of Brewster is fulfilling its fiduciary responsibility.
- The use of cash rather than other means of payment does not change whether an expenditure is acceptable, or not.

A. Definitions

1. Petty cash account: A set amount of money held by a department and used to make small, incidental purchases (for emergencies and purchases requiring cash) of not more than eighty dollars (\$80) from a local vendor where the normal route of payment is not cost effective or appropriate.

2. Fiduciary: The Clerk-Treasurer is the fiduciary for all petty cash accounts. The fiduciary (Clerk-Treasurer) shall periodically audit each petty cash account. The fiduciary (Clerk-Treasurer) is, in addition to the custodian, responsible for insuring that the accounts are physically secure, may conduct periodic unannounced cash counts, and ultimately has the oversight responsibility for the account and will oversee resolution of any unexplained discrepancies.

3. Custodian: The person/position who is appointed to operate and maintain the account, is responsible for the day-to-day operation and maintenance of the account, ensures deposits or replenishments are prepared timely, and should report any unusual activity to Clerk-Treasurer.

4. Back-up Custodian: The person/position who is designated back-up custodian duties and responsibilities are the same as the custodian's when he or she is unavailable.

B. General guidelines

1. Departments can either be reimbursed by the Clerk-Treasurer's Office (best for infrequent use - see part (C) of this policy), or establish their own petty cash account (see part (D) of this policy).

2. It is the responsibility of the employee making the purchase to inform vendors of the Village's sales tax exempt status. An "Ohio Sales Tax Blanket Exemption Certificate" may be used for this purpose.

3. A purchasing card is a preferred alternative to a petty cash account.

C. Reimbursement through the Clerk-Treasurer's Office

1. The Clerk-Treasurer's Office will reimburse an individual who has used personal cash, a personal check, or a personal debit or credit card to make a small incidental purchase (for emergency or purchase requiring cash) of not more than eighty dollars (\$80) from a local vendor where the normal route of payment is not cost effective or appropriate.

2. Reimbursement Procedures With a Receipt:

- Prior approval of the custodian *should* be obtained prior to incurring an expense
- An original itemized vendor receipt is submitted to the custodian for reimbursement
- The receipt is reviewed for validity
- The purchaser signs and dates the original itemized vendor receipt
- The purchaser is reimbursed for the exact amount of the vendor receipt
- The original itemized vendor receipt is maintained with the account
- The custodian cannot reimburse themselves.

3. Reimbursement Procedures Without a Receipt:

- Prior approval of the custodian *should* be obtained prior to incurring an expense

- A facsimile itemized vendor receipt is prepared and submitted to the custodian for reimbursement (i.e. bale of hay, washing flags at laundromat, or other item for which a “vendor” does not prepare itemized receipts)
 - The purchaser signs and dates the facsimile itemized vendor receipt
 - The purchaser is reimbursed for the exact amount of the facsimile itemized vendor receipt
 - The facsimile itemized vendor receipt is maintained with the account
 - The custodian cannot reimburse themselves.
4. The Clerk-Treasurer’s Office will record the expenditure.

D. Establishment of departmental petty cash accounts

1. A request shall be sent to the Clerk-Treasurer’s Office.
2. The persons who will serve as fiduciary and custodian must be designated in advance of the account being distributed.
3. Agreed physical safeguards must be in place before the account is released to the department.
4. Once the above has been completed, a resolution shall be submitted to Council for approval of the petty cash account.
5. If the petty cash account is approved by Council, the account will be established by the Clerk-Treasurer’s Office.

E. Operation of departmental petty cash accounts

1. A departmental petty cash account may be used to make small incidental purchases (for emergencies and purchases requiring cash) of not more than eighty dollars (\$80) from a local vendor where the normal route of payment is not cost effective or appropriate.
2. The total of cash and original itemized receipts for purchases in these accounts should remain at the established amount at all times.
3. The account should be balanced at least monthly, and records kept.

Balancing the petty cash account shall include:

- Count the cash
 - Calculate total amount of vendor receipts that have been reimbursed, and/or calculate vendor receipts that have been reimbursed
 - The total of the cash, vendor receipts that have been reimbursed and/or vendor receipts that have been reimbursed should equal the established total fund balance
4. Petty cash accounts should only be used for making purchases. They should never be used for collecting money or making change for sales, paying for services, cashing checks, giving loans, or for travel advances.
 5. Petty cash accounts can be replenished by submitting a "Direct Payment Form" (be sure to specify which account to charge for each purchase), with original itemized receipts attached, to Clerk-Treasurer’s Office. The Clerk-Treasurer’s Office will issue a check to the department.
 6. The fiduciary has sole responsibility for this account. Any unexplained discrepancies will be resolved through the fiduciary.

F. Changing the Fiduciary, Custodian, and/or Back-up Custodian

When an employee responsible for a petty cash fund leaves, the account will be audited/balanced, and an updated Fiduciary, Custodian, and/or Back-up Custodian will be designated.

G. Account segregation

Each petty cash account and each change account should be segregated from all other cash accounts. These accounts are intended to stand alone; do not combine them with other cash

SECTION 2: The above policy replaces any previous version of this policy and supersedes any current policy which may be in conflict with this policy.

SECTION 3: This ordinance shall be in full force and effect at the earliest date provided by law.

ATTEST:

Village Clerk Treasurer K. Kris King

CERTIFICATE

I, K. Kris King, hereby certify that the above is a true copy of an ordinance passed at a regular meeting of the Brewster Village Council held on September 3, 2019

Clerk K. Kris King

I, K. Kris King, Clerk of the Council of the Village of Brewster, State of Ohio, do hereby certify that there is no newspaper printed in said municipality and that publication of the foregoing ordinance was duly made by posting true copies thereof at five of the most public places in said corporation as determined by Council as follows: Office of Brewster Utilities, Belloni's IGA, Brewster Federal Credit Union, Post Office and Brewster Laundromat.

Clerk K. Kris King