



PETTY CASH ADMINISTRATION

PURPOSE:

To mitigate the risk of fraud and ensure the Town disburses cash only for legally valid liabilities, this policy establishes guidelines for the expenditure of Town funds.

POLICY:

The policy of the Town is that *Petty Cash* accounts may be established for departments that need a small amount of cash to make change for cash payments received (i.e. excise tax bill).

PROCEDURES:

- Requests for petty cash accounts or changes to the limit must be submitted in writing to the Treasurer
- All requests for establishment of petty cash accounts or changes to limits must be subject to approval of the Treasurer
- If approved by the Treasurer, the specific petty cash account should be under the custody of one authorized official in the respective department
- Petty cash will be drawn from a line item in the requesting department's budget;

If it has been determined that any inappropriate uses of petty cash has occurred or if the required petty cash policy is not being followed, the account will be terminated, and the custodian could face possible disciplinary actions

EFFECTIVE DATE

This policy was adopted in June 2024