

CITY OF LONG BEACH
PETTY CASH FUND POLICY

I. OBJECTIVE

The objective of this Policy is to provide guidelines for the appropriate use and accountability of Petty cash funds in the City of Long Beach (the “City”) as established by Chapter 2, Article V, Division 1, Section 2-106 of the City’s Code of Ordinances.

II. PURPOSE and INTENT

Petty cash funds are established to enable departments to make small purchases when a purchase order, a credit card or other disbursement method cannot be used for the day-to-day operational business needs of City departments. These funds should be used only when cash is the most cost efficient method of payment. Petty cash funds are for official City business only, specifically to cover the costs of items purchased by employees for their respective department. Expenditures may not be used to circumvent current purchasing and procurement policies. This policy is intended to be implemented in accordance with the City’s Charter and Code of Ordinances, as well as its procurement policy and applicable law.

III. PETTY CASH POLICY/PROCEDURES

1. Definitions.

- a. “Qualifying Purchase” shall mean all duly authorized purchases of materials and supplies which require payment upon delivery; such payments, however, shall be made only after an official order has been issued and a certification has been made that the material and supplies can be purchased only for cash on delivery.

2. Disbursement scenarios. Disbursement of petty cash funds occur in the following scenarios:

- a. Making change.
- b. Paying travel expenses.
- c. Paying expenses, parcel post and freight charges.
- d. Reimbursing an authorized employee for laying out the costs of a Qualifying Purchase.
- e. An advance of petty cash funds in order to make a Qualifying Purchase.

3. Reimbursement and Advances. Reimbursement will be made only to authorized employees upon presentation of the appropriate paid detailed receipt to the City Comptroller’s Office. Advances of petty cash prior to a Qualifying Purchase will be made only to employees authorized by the Comptroller’s Office, after submitting the appropriate request. In either case, payment from the petty cash fund shall be made only upon the written approval of the City Manager, City Comptroller and City Treasurer (*i.e.*, signed petty cash slip).

4. Disbursement limits. The petty cash fund shall not be in excess of the amounts specified in the City’s Code of Ordinances (currently \$1000.00). Disbursements of petty cash funds will be authorized by the City Comptroller’s Office in the lowest practicable amount and

no single disbursement will be in excess of two hundred dollars (\$200.00) unless approved in writing by the City Manager, the City Comptroller, and the City Treasurer.

5. **How to become an authorized employee.** Disbursements of petty cash funds will be given only to employees authorized by the City Manager and the Comptroller's Office, and will be generally limited to one employee per department. Requests to become an authorized employee shall be made in writing to the Comptroller's Office, on a form prescribed by the Comptroller's Office.
6. **Reimbursement procedure.** An employee seeking reimbursement for making an approved purchase shall obtain a receipt from the vendor and present the receipt to the Comptroller's Office, as well as any other proof requested by the Comptroller's Office. The employee will then be assigned a petty cash slip, which shall show the date, recipient, item purchased, the purpose, the amount and the account to be charged. The employee will be reimbursed with cash upon receipt of the completed slip. The original, legible, detailed sales invoice or receipt must accompany the slip.
7. **Petty cash advances.** Only when deemed necessary or appropriate by the Comptroller's Office (with a justification in writing) may a petty cash advance be provided to an authorized employee for a Qualifying Purchase. Employees seeking approval for an advance of petty cash funds for a purchase must complete and submit a written request to the Comptroller's Office: (a) the purpose and subject of the request; (b) the amount requested; (c) the relevant department; (d) the date of the request; (e) vendor's name and contact information; and (f) the employee's name and signature. Once received, the Comptroller's Office will promptly issue its determination. If the authorized employee's request is granted, the Comptroller's Office will issue a petty cash slip with the appropriate advance.
8. **Security.** Employees responsible for disbursement of petty cash funds shall keep such funds secure in a locked location separate from other cash drawers in the Comptroller's Office.
9. **Replenishment and Reconciliation.** Balances will be replenished only once proper documentation is submitted to the Comptroller's Office so that the expenditures can be recorded. The Comptroller's Office will periodically reconcile petty cash on-hand and unreimbursed receipts to ensure that all petty cash is accounted for. Such reconciliation shall occur at least annually and/or as needed.
10. **Violations of policy.** Use of the petty cash fund in a manner not in compliance with this Policy, will result in the immediate revocation of that privilege, and may result in discipline and/or criminal charges against the abusing employee.

IV. ANNUAL REVIEW & AMENDMENTS

On an annual basis, or as deemed necessary, the City Council shall review the Petty Cash Policy and shall approve policy revisions, if any, by formal resolution.

ADOPTED: May 24, 2022 BY CITY COUNCIL RESOLUTION #75/22