
PURPOSE

Citizens of the County of Yadkin have a right to expect that financial transactions with the County, especially transactions involving cash, will be handled accurately. From an internal accounting perspective, funds should always be in balance and cash drawers should balance each business day and at such other time an audit is conducted. A shortage of funds when balancing a cash drawer shortchanges the County. An overage of funds is just as serious if it means that a citizen has been shortchanged.

In an effort to improve the efficiency and the accuracy in handling County funds, especially improving accuracy in the balancing of the cash drawers, the following guidelines are established and are intended to establish a level of performance that is measurable and represents a good financial practice.

Employees should exercise care in handling funds and without a valid reason, employees (in a position handling funds) shall not:

1. Have three (3) or more shortages or overages in any twenty (20) day working period of \$5.00 or 5%, whichever is lower.
2. Have a single or multiple shortage and (or) overage totaling \$25.00 or more within any twenty (20) working day period of time.

Some shortages or overages are to be expected because employees are not expected to be perfect. Occasionally there will be a particular reason for a shortage that is understandable and/or excusable. In general, employees must be careful and expect that the performance standards will be enforced.

To enforce the standards and to encourage care in handling money, the following disciplinary procedure is being implemented:

(a) On the first occurrence, the employee will be advised in writing about the specific violation that has occurred. This will be written on a Personnel Incident Report and the employee will be counseled, the form signed by the employee, supervisor and the Department Director and the original placed in the employee's personnel file.

(b) On a second occurrence, a conference report will be completed setting out all supporting documentation. If, within a three (3) month period, either of the two (2) performance criteria are again violated, the employee may be dismissed immediately.

(c) If the performance criteria is violated after the three (3) month period ends, the employee may receive disciplinary action depending upon the circumstances. Under no circumstances will an employee violate this policy on more than two (2) occasions and the County reserves the right to take all necessary disciplinary action if there are further violations.

The performance criteria set out above is intended to be minimal standards. Repeat occurrences where the employee's cash drawer is out-of-balance, even if it does not meet the minimal criteria set out above, or if more substantial sums of money involved, the Department Director may review the facts and circumstances of each particular incident and take corrective action. For example, a pattern of shortages and/or overages over a three (3) month period,

even though each particular occurrence is less than \$5.00 and even though the cumulative shortage and/or overage is less than \$25.00 may subject an employee to a review of procedures and any necessary action to correct the situation. Likewise, carelessness resulting in a loss of a substantial sum of money may also be reviewed on an individual case by case basis and any necessary action taken.

Obviously, this policy is not intended to apply to situations involving the inappropriate use of a cash drawer. Employees may not borrow, even temporarily, from the cash drawer or use County money for personal reasons. A cash drawer is not a "petty cash" fund for minor County purchases and of course theft or embezzlement of County funds is a crime resulting in immediate dismissal and criminal prosecution.

PETTY CASH

Petty cash funds shall be approved by the Assistant County Manager/Finance Officer and shall be maintained on an impress (reimbursement) basis. Petty cash is not to be used for cashing checks and borrowing from petty cash is also prohibited. Petty cash funds shall be audited at least annually by the Accountant for all departments or as deemed necessary. Any deviation from this policy shall result in the department petty cash use being terminated.

Petty cash reimbursements are limited to \$50 or less per drawer. Petty cash is meant for reimbursement of small dollar purchases.

PETTY CASH PROCEDURE

1. An original receipt must be presented for reimbursement of petty cash funds.
2. The department must fill out a petty cash slip with the appropriate budget code, date, amount and authorized signature for the amount to be reimbursed. The original receipt must be attached.
3. The amount is reimbursed from the petty cash box that is kept in a secure locked location.
4. Once the petty cash gets to a level that it needs to be reimbursed as determined by the Department, the Department will complete a check request with all signed receipts and petty cash slips attached. The check request lists all expense account codes to be charged and matches the backup receipts total. The check request must be signed by an authorized signer on the expense accounts.
5. A check will be issued by the Finance Department to replenish the petty cash fund. The check is made payable to PETTY CASH and includes the department it is for.

TO OPEN A PETTY CASH FUND

1. A request must be made in writing by the Department Director and approved by the Assistant County Manager/Finance Officer to begin a petty cash fund at an appropriate level.
2. All other procedures are listed above.

TO CLOSE A PETTY CASH FUND

1. The Department Head makes a request to close a petty cash fund in writing to the Assistant County Manager/Finance Officer.



2. The Assistant County Manager/Finance Officer notifies the Accountant of the change and the Accountant goes to the department and verifies the petty cash count.
3. The petty cash monies are deposited back into cash (debited) and the petty cash account is credited for the same amount by journal entry from the Accountant.

TO INCREASE/DECREASE A PETTY CASH FUND

1. A request is made in writing by the Department Director and approved by the Assistant County Manager/Finance Officer upon justification of the change to petty cash, whether an increase or a decrease.
2. The Assistant County Manager/Finance Officer notifies the Accountant of the change.
3. The Accountant prepares a check request if an increase in petty cash is approved. If a decrease is approved then the Accountant goes to the department and verifies the petty cash funds are accurate. The department then completes a deposit form and debits cash and credits petty cash for the same amount.

Approved by:



Kevin Austin, Chairman
Board of Commissioners

11-5-12

Date