

CHAPTER Fiscal Management	CHAPTER 06	SECTION 002	SUBJECT 25
SECTION Accounting		DESCRIPTION Petty Cash Fund and Checking Account	
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APPLICATION:

<input checked="" type="checkbox"/> CMH Staff	<input type="checkbox"/> Board Members	<input type="checkbox"/> Provider Network	<input checked="" type="checkbox"/> Employment Services Providers
<input type="checkbox"/> Employment Services Provider Agencies	<input checked="" type="checkbox"/> Independent Contractors	<input checked="" type="checkbox"/> Students	<input checked="" type="checkbox"/> Interns
<input checked="" type="checkbox"/> Volunteers	<input type="checkbox"/> Persons Served		

POLICY:

Lapeer County Community Mental Health (LCCMH) uses established petty cash funds for small emergency purchases required to provide clinical services or continue operations each month.

STANDARDS:

- A. Petty cash funds are designated for official agency uses only.
- B. LCCMH uses petty cash to attempt to avoid the cost of processing checks to local vendors or staff for expense reimbursements.
- C. Petty cash funds are utilized for reimbursement or as readily available cash. The total cash and invoices/receipts must equal the petty cash fund balance.
- D. Petty cash funds are kept in a locked location. Only designated staff have access to the petty cash funds.
- E. Designated departments have petty cash funds with an established fund balance and a designated staff who manages the petty cash fund.
 1. In addition to petty cash, the Assertive Community Treatment (ACT) program has \$1,000 available in a checking account, payable to the

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custodian of the petty cash fund (ACT supervisor or designee), for ACT program use.

- F. For clinical departments, emergency petty cash may be used only when all three apply:
 - 1. The need is directly referenced in the individual's individual plan of service (IPOS);
 - 2. The absence of the item/service would disrupt Medicaid-covered treatment;
 - 3. The need is urgent, non-routine, and cannot wait for procurement or billing.
- G. See LCCMH Form #439 Petty Cash Allowable Expense Form for allowable clinical expenses.
- H. For non-clinical departments, emergency petty cash may be used only when the need is urgent, non-routine, and cannot wait for procurement or billing.
- I. For non-emergent purchases follow LCCMH Policy #06.002.40 Purchasing Procedure, Supply Requisition and Inventory Control.

PROCEDURES:

- A. The Accounts Payable or designated staff is responsible for ensuring the total of approved vouchers paid by the fund but not yet reimbursed to the fund and plus cash remaining in the fund equal the established balance. When paid, approved vouchers are placed in an envelope and turned into Accounts Payable for the regular audit process.
- B. Staff complete and submit LCCMH Form #205 Petty Cash Request to their supervisor for signature.
 - 1. The approved form is submitted to Accounts Payable or the designated staff, who provides the requesting staff with sufficient funds to make the purchase.

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2. After the purchase has been made, the requesting staff submits the receipt with supervisor signature and any change to Accounts Payable or the designated staff.
 3. If the purchase has already been made, the requesting staff provides the receipt with supervisor signature to the Accounts Payable or the designated staff, who reimburse the requesting staff for their approved purchase.
- C. For each petty cash fund, the designated staff initiates a petty cash reimbursement at least monthly by submitting the collected petty cash receipts to the Accounts Payable staff.
- D. Accounts Payable staff process and replenish the petty cash fund, as needed, through the bi-weekly audit process.

REFERENCE:

LCCMH Form #205 Petty Cash Request

LCCMH Form #439 Petty Cash Allowable Expense Form

LCCMH Policy #06.002.40 Purchasing Procedure, Supply Requisition and Inventory Control

EM:lr

Supersedes #06/96031 dated 06/25/1996