



## NASSAU COUNTY OFFICE OF THE COMPTROLLER

HOWARD S. WEITZMAN  
*Comptroller*

### CONTROL DIRECTIVE 1: PETTY CASH ACCOUNTS

#### A. Introduction

This Directive, applicable to all County departments, is issued pursuant to the Nassau County Charter, which authorizes the County Comptroller to, *inter alia*, “supervise all accounts...required for purposes of administrative direction and financial control,” and “prescribe the form of...any accounts or records of financial transactions which may be maintained by any department, institution, office, or agency of the county apart from, or subsidiary to, the general accounts.”<sup>1</sup>

The New York County Law authorizes the county legislature to establish petty cash accounts for departments.<sup>2</sup> The Nassau County Administrative Code establishes the general guidelines for administering petty cash funds in Nassau County.<sup>3</sup> This Directive provides procedures and guidelines with respect to establishing, managing, and replenishing petty cash accounts.

Petty cash accounts are subject to audit by the Comptroller’s Office for compliance with this Directive.

#### B. Establishing a Petty Cash Account

To establish a new petty cash account, a department must take the following steps:

1. Submit a memorandum to the County Attorney requesting that a resolution be presented to the County Legislature for approval of a new petty cash fund. Notification of legislative approval should be given to the Comptroller’s Office.
2. After approval, departments should request a new vendor identification number from the Comptroller’s Office-Vendor Claims Section. Vendor

<sup>1</sup> Nassau County Charter § 402 (1), (7) (1999).

<sup>2</sup> New York County Law § 371 (1) (McKinney 2003).

<sup>3</sup> Nassau County Administrative Code § 1-4.2 (1994) (setting forth guidelines for general petty cash accounts); see also, Nassau County Administrative Code § 8-16.0 (1994) (regulating police department petty cash funds); Nassau County Administrative Code § 21-120.0 (1994) (governing the department of probation’s petty cash funds).

identification numbers allow for codified data entry in the Nassau Integrated Financial System (“NIFS”).

3. Lastly, departments must submit a claim voucher to the Comptroller’s Office in the approved amount for the new account. Departments must code the voucher document as a “VB” (balance sheet voucher) claim. VB claim documents are vouchers paid against a general ledger account. See Appendix 1 for general claim voucher form.
4. After the Comptroller’s office approves the claim voucher, the County Treasurer furnishes departments with a check made out to “Petty Cash Fund” of the Department. The custodian cashes the check at a bank using his or her Nassau County Employee Identification Card.

**C. Proper Management, Uses, and Expenditures of Petty Cash**

Petty cash account size should be maintained at the minimum amount necessary to meet a department’s operational needs. Each department should carefully monitor petty cash disbursement activity and fund replenishment to avoid unnecessary requests for increases in fund size.

1. General Petty Cash Management

- a. Individual purchases must not exceed \$100.00, unless the department is specifically authorized to exceed this purchase limit by the County Executive.
- b. Each department head must designate an employee to be the petty cash account custodian. Department heads must also appoint an alternate account custodian, who will assume duties in the absence of the primary custodian. Department heads must notify the Comptroller’s Vendor Claims Section, Assistant Fiscal Officer, of the designated custodian and alternate.
- c. Petty cash reimbursement requests must be supported with adequate and appropriate documentation (e.g. sales slips, receipts), and petty cash voucher form #CO-2519. See Appendix 2 for form #CO-2519.

2. Proper Uses and Expenditures

Petty cash accounts may only be expended for legitimate business purposes, in accordance with New York County Law § 371 and applicable county ordinances. Departments should refer to “Improper Expenditures” below for examples of improper uses of petty cash.

Petty cash accounts may be used to pay or reimburse employees for work-related expenditures within petty cash limits, such as:

**Office of the Nassau County Comptroller**

- a. Postage;
- b. Travel and transportation costs—conference and convention, meeting, transportation, limited travel mileage reimbursement and similar costs.
- c. Meal reimbursements authorized by Ordinance No. 94-1985 (See Appendix 3 for text).
- d. Purchases of supplies and equipment.

3. Improper Uses and Expenditures

Petty cash may not be used for the following purposes:

- a. Split purchases of items, which if purchased together would exceed the \$100 petty cash purchase limit, unless authorized by the County Executive or designee;
- b. To procure supplies readily available from and/or provided by the County, unless the department head or designee provides a written explanation of the extraordinary circumstances justifying the use of petty cash for the expenditure. Copies of all such justifications must be maintained by the department and are subject to audit by the Comptroller;
- c. Salary advances or salary-related payments to employees;
- d. Personal loans of any nature;
- e. Cashing of salary and/or personal checks;
- f. Purchase of alcoholic beverages, and food and beverage purchases prohibited by Ordinance No. 94-1985;
- g. Payment of purchase orders;
- h. Recurring monthly expenditures (i.e. rental of office equipment);
- i. Payment of sales taxes—The County is exempt from paying sales tax, and sales tax is generally considered an improper petty cash expenditure. Therefore, unless impractical, before making a purchase with petty cash, employees must present the vendor with sales tax exemption documentation. However, departments may reimburse employees for sales tax expenditures when it would have been impractical not to pay sales tax (i.e. restaurant meals, taxi cab fare).

**D. Requesting Increases in Petty Cash Account**

Departments wishing to increase the size of existing petty cash accounts must take the following steps:

1. Submit a written memorandum to the County Attorney requesting that a resolution be presented to the County Legislature for approval of account increase. Notification of legislative approval should be given to the Comptroller's Office.
2. Prepare and submit a VB-type claim document to the Comptroller's Office in the approved increase amount.

Note: Any increase in the permissible petty cash account balance will not affect the \$100.00 single purchase limit set by the County Executive.

**E. Replenishing a Petty Cash Account**

Departments that deplete their petty cash accounts must complete a VM claim voucher for the amount to be replenished, and then enter the claim in NIFS. The claim voucher, along with all receipts justifying the expenditures that resulted in the depletion of the petty cash account, must be submitted to the Vendor Claims section of the Comptroller's Office. After the Comptroller's office approves the claim voucher, the County Treasurer furnishes departments with a check made out to "Petty Cash Fund" of the Department. The custodian cashes the check at a bank using his or her Nassau County Employee Identification Card.

**F. Segregation of Account Duties**

To ensure that petty cash accounts are not misused, account functions must be separated and conducted by different employees. No single employee should be responsible for all aspects of account maintenance. Whenever feasible, the tasks of completing and maintaining records of petty cash vouchers (Form CO-2519), authorizing reimbursement, disbursing currency, signing checks, and reconciling bank statements (when county checks are used) should be assigned to different employees.

**G. Petty Cash Account Custodian**

Designated by the department head, the petty account custodian is primarily responsible for the physical safeguarding of petty cash and for making petty cash reimbursements to department employees. The custodian may only reimburse an employee after receipt of a petty cash claim voucher that has been authorized by the department head or his/her designee.

## H. Petty Cash Internal Controls

Departments must establish and document their petty cash internal control measures.

For all petty cash accounts, at a minimum:

1. Separate records must be established for each petty cash account in agencies with more than one account.
2. Petty cash and all related documentation must be kept in a locked safe, completely contained in a lock-box or other secure, locked receptacle.
3. Access to funds must be limited to responsible personnel, assigned by the department head.
4. Petty cash vouchers (Form CO-2519) must be properly completed and maintained in orderly fashion, along with supporting documentation attached, to evidence transactions.
5. Frequently used petty cash accounts should be reconciled daily.
6. Each department should document the names of personnel assigned specific tasks and responsibilities. In addition, the names of primary and alternate petty cash custodians, and any subsequent changes in assigned account duties, must be submitted to the Comptroller's Vendor Claims Assistant Fiscal Officer. A formal, independent reconciliation of the account should be performed with every change in personnel responsible for custodial duties.
7. Departments must immediately report missing, stolen, or otherwise unaccounted for currency to the Comptroller's Office and the bank (if checks are used). Departments may refer to the section entitled "Shortages in Petty Cash Account" for further details.

In addition, for accounts utilizing checks:

1. Checks must always be issued to a specific payee, and must never be drawn to "Bearer" or "Cash."
2. Bank statements must be reconciled every month. Voided checks must be noted on the reconciliation statement, and outstanding checks must be recorded, showing the date issued and amount.
3. Should any check remain outstanding for more than sixty (60) days, the department must contact the vendor to determine the check's status, and if necessary, place a stop payment order with the bank and issue the vendor a new check. All such transactions must be recorded appropriately.

**I. Accounting for Petty Cash Expenditures**

Employees seeking reimbursement must provide sales receipt(s) or vendor invoice(s) for items purchased, along with a signed petty cash voucher form, to be collected and held by the account custodian. Employee claimants must certify that purchases and payments have been made in accordance with any applicable County ordinance, and that no payment or reimbursement is expected from any other source. The department supervisor must also approve the expenditure. Employees must sign that payment was received.

**J. Shortages in Petty Cash Accounts**

The custodian or alternate is accountable for missing funds and reimbursements issued without the proper authorization. Department heads must notify the Comptroller's Office Vendor Claims Unit and the County Commissioner of Investigations of any missing funds or unauthorized reimbursements.

**K. Disallowed Expenditures**

When the Comptroller's Office audits and disallows a petty cash disbursement, the **official responsible** for authorizing the disallowed petty cash disbursement must ensure that the petty cash account is reimbursed for the disallowed purchase.

**L. Change-Making Petty Cash Accounts**

Petty cash may be used for the purpose of making change where making change is required in the performance of official duties. If a department's petty cash account is authorized to make change in pursuance of official duties, individual petty cash transactions may exceed the \$100.00 purchase limit.

# Appendix 1: General Claim Voucher Form

Office of the Nassau County Comptroller

CLAIMANT: Fill out only those areas printed in red. SEE reverse side for instructions.

COUNTY OF NASSAU		CLAIM VOUCHER																																																																																																				
INVOICE NUMBER ① _____	CLAIM NUMBER _____	DOCUMENT # _____ <i>(FOR NASSAU COUNTY DEPARTMENT USE ONLY)</i>																																																																																																				
ORDER/CONTRACT NO. ② _____		BLANKET ORDER NO. ③ _____																																																																																																				
VENDOR INFORMATION: ④ _____	NUMBER (9) _____	SUFFIX (2) ⑤ _____	DISCOUNT AMOUNT _____																																																																																																			
NAME (30) ⑥ _____ (30) _____			DISCOUNT DATE MO (2) _____ DY (2) _____ YR (2) _____																																																																																																			
ADDR (30) ⑦ _____ (30) _____ (30) _____																																																																																																						
<p style="text-align: center;"><b>CLAIMANTS CERTIFICATION</b></p> <p>I hereby certify that this claim voucher is just, true, and correct; that the amount claimed is actually due and owing and has not been previously claimed; that no taxes from which the County is exempt are included; and that any amounts claimed for disbursements have actually and necessarily been made. I further certify that all items and/or services were delivered or rendered as set forth in this claim, and for all items and/or services delivered or rendered in accordance with a purchase order or contract that the prices charged are in accordance with the reference purchase order or contract. For all claims made as reimbursement for employee expenses, I further certify that the amounts set forth were actually and necessarily expended for the benefit of Nassau County, and that the monies expended have not been reimbursed nor do I expect to be reimbursed from any source.</p>			⑧ Claimants Name _____ Date _____ X _____ By (Signature) _____ Title _____																																																																																																			
DEPT. GOODS OR SERVICES DELIVERED TO ⑨ _____			VENDOR'S PAYMENT TERMS ⑩ _____																																																																																																			
⑪ DATE DELIVERED	ITEMIZATION	UNIT PRICE	AMOUNT																																																																																																			
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⑫ TOTAL CLAIMED ▶ _____																																																																																																						
<p><i>For Nassau County Department Use Only:</i>                  NIFS ACCOUNT CODES <span style="float: right;"><i>Please note that only one invoice is payable per claim voucher. The invoice may be charged to more than one account code.</i></span></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>LINE #</th> <th>INDEX</th> <th>SUBOBJ</th> <th>USERCODE</th> <th>PROJECT</th> <th>PROJDETAIL</th> <th>GRANT</th> <th>GRTDETAIL</th> <th>GL ACCOUNT</th> <th>SUBSIDIARY</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td colspan="11">INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description</td> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td colspan="11">INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description</td> </tr> <tr> <td>3</td> <td></td> </tr> <tr> <td colspan="11">INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description</td> </tr> <tr> <td>4</td> <td></td> </tr> <tr> <td colspan="11">INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description</td> </tr> </tbody> </table>				LINE #	INDEX	SUBOBJ	USERCODE	PROJECT	PROJDETAIL	GRANT	GRTDETAIL	GL ACCOUNT	SUBSIDIARY	AMOUNT	1											INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description											2											INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description											3											INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description											4											INVOICE NO or CLAIM NO and DESCRIPTION (50): FORMAT - "invoice no. or claim no." description										
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FORM NIFSS60.11/98 COMPTROLLER COPY CO-155-B.3/98 REV. 1/01

Appendix 2:  
Petty Cash Voucher  
(Form #CO-2519)



# Appendix 3: Ordinance No. 94-1985

Supervisor Komanoff offered the following ordinance and moved its adoption, which was unanimously adopted after a poll of the members of the board:

ORDINANCE NO. 94—1985

ESTABLISHING CERTAIN RULES AND REGULATIONS GOVERNING REIMBURSEMENT OF EXPENSES FOR BUSINESS LUNCHEAS AND DINNERS.

(Passed by Board of Supervisors on March 11, 1985. Votes for 86; votes against, none. Became an ordinance on March 11, 1985 with the approval of the County Executive.)

WHEREAS, the State Comptroller in various opinions has defined appropriate circumstances under which a municipality may reimburse its employees for the expense of meals; and

WHEREAS, he has opined that municipal governing boards must determine in their sound discretion that such expenses will promote a valid municipal purpose; and

WHEREAS, he has determined that municipal governing boards should adopt rules and regulations setting forth under which circumstances consistent with his opinions such expenses will be reimbursable within their jurisdictions; and

WHEREAS, it is the intention of this Board to comply with the intent and substance of the State Comptroller's most current opinions on the subject; now, therefore

BE IT ORDAINED by the Board of Supervisors of the County of Nassau as follows:

Section 1. That officers and employees of the County of Nassau may be reimbursed for expenses actually and necessarily incurred for meals including non-alcoholic beverages in accordance with the County Executive's travel reimbursement regulations, as promulgated, under the following specific circumstances:

- a) All officers and employees when traveling outside Nassau County while on official Nassau County business.
- b) All officers and employees when they are prevented from leaving a meeting on County business because of a pressing need to complete

the business at hand and the food is only incidental to the meeting, and the provision for receiving meal money pursuant to the controlling labor contractor ordinance does not apply.

c) Members of the Nassau County Board of Supervisors, elected Nassau County officials, Deputy County Executives and the Nassau Community College President when attending or conducting a breakfast, lunch or dinner meeting of Nassau County officials with business executives or other State or Municipal officials, which meeting will serve the interests of Nassau County and if attendance at such meeting is appropriate and necessary.

d) All officers and employees except those included in c) above under the same circumstances described in c) above, upon the prior written approval of the County Executive, or in the case of Board of Supervisors' officers and employees, the Vice Chairman of the Board.

Section 2. There shall be no reimbursement of expenditures for refreshments served at other than normal meal times.

Section 3. An officer or employee of Nassau County conducting a meeting concerning official Nassau County business or one other person so designated in writing by said officer or employee, when appropriate, may make claim for reimbursement for any or all persons being served at the meeting. The claim voucher shall have attached a list of all such persons and their business affiliations, and shall certify their attendance at the meeting.

Section 4. No claims by third parties such as restaurants or caterers shall be honored unless a valid contract has been entered into between such third party and the County of Nassau or Nassau Community College prior to the meeting.

Section 5. All claims for reimbursement must include such documentation as required by the Nassau County Comptroller to satisfy him of compliance with this ordinance.

Section 6. The terms of this ordinance shall be strictly construed and may not be modified except by amendment.

§7. This ordinance shall be effective immediately.

Approved: March 11, 1985  
FRANCIS T. PURCELL

County Executive

The vote on the foregoing ordinance is recorded as follows:

Ayes: Bennett 28; Komanoff 7; Kiernan 15; Suozzi 6; Gulotta 30. Total 86.

Noes: None.