

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Petty Cash			
	ORIGINAL DATE: 08/15/1999	EFFECTIVE DATE: 04/24/18	PREVIOUS NAME/NUMBER: LDR – 25.0	PAGE NUMBER: Page 1 of 2
POLICY NUMBER: ADM- 35.0	CHAPTER: ADMINISTRATIVE		APPROVED BY: Chief Administrative Officer	

**PURPOSE:**

While following proper internal controls and Hospital Procurement policy ([ADM - 52.0](#)), avoid the expense and lag time of processing checks through Accounts Payable for small amounts. Also, to provide cash for emergency situations.

**DEFINITION:**

Items that qualify for Petty Cash reimbursement are purchases of goods (not services) of \$300 or less and generally relate to incidental supplies needed by an operating department. Neither patient refunds nor employee reimbursement items qualify for reimbursement by Petty Cash. Patient refunds should be processed through the Patient Business Services office and Employee Business Expense reimbursement requests and should follow the Hospital’s Employee Business Expense Reimbursement policy ([ADM 50.0](#)). Exceptions to this policy for emergency and/or patient related items require approval from the Controller, the Director of Patient Business Services or the Chief Financial Officer.

**PROCEDURE:**

1. Prepare a Petty Cash Voucher form as follows:
  - a. Print the requestor’s name
  - b. Document the date prepared
  - c. Note the requestor’s extension
  - d. Document to whom the payment is to be made
  - e. Document the business purpose of the expenditure
  - f. Include funding source (department ID/cost center and/or Project ID, as applicable)
  - g. Specify the dollar amount requested
  - h. Obtain approval from the proper approver (according to the funding source)
  - i. Attach supporting receipts (in some instances, receipts may be submitted after the disbursement of funds)
2. Any items that are patient related or greater than \$300 require additional approval from either the Controller, the Director of Patient Business Services or the CFO.
3. If the request is funded by a grant, restricted donation or Board Designated fund (indicated by the use of a Project ID as part of the funding source), Finance Administration at The Saban Research Institute must review and approve the request. All other funding sources should be routed directly to the Cashiering Office.
4. Any petty cash requests without the proper approvals or valid funding sources will not be approved.
5. Properly approved Petty Cash voucher forms can be processed through the Cashiering Office before 3 pm, Monday through Friday.
6. Cashiering is responsible for processing petty cash requests as follows:
  - a. Verify request is properly approved and the funding source is valid
  - b. Sign and approve the request, as applicable
  - c. Disburse funds.
7. Periodically, the Cashiering Office will request replenishment of petty cash by completing and

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submitting a check request to Accounts Payable. The check request will include copies of the petty cash vouchers processed since the last replenishment and include a summary of the funding sources to be charged for petty cash usage. Generally, petty cash funds should be replenished when they reach a level of about \$500; approximately \$2,000 of petty cash funds should be maintained by the Cashiering Office to ensure sufficient funds for providing change to customers and fulfilling petty cash requests.

8. Periodically, but not less than annually, petty cash balances are to be audited by Treasury personnel. The audit shall include:
- a. A count of cash on hand
  - b. Compare/reconcile to Cashier's log of petty cash
  - c. Verification of the clerical accuracy of the Cashier's log
  - d. Reconciliation back to Accounts Payable records of cash disbursed
  - e. Confirmation of propriety of supporting documentation.

**ATTACHMENTS:**

1. [ADM - 35.1 Petty Cash Voucher Form](#)

**REFERENCES:**

1. [ADM - 50.0 Expense Reimbursement Policy](#)
2. [ADM - 52.0 Procurement](#)

**POLICY OWNER:**

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