

**Document Code No.:** FIN-10-2-2

**Title:** Imprest, Petty Cash, and Other Revolving Funds

**Affected Agencies:** All King County Executive Branch Agencies

**Authorities:** 43.09.020 RCW; 3.8.8 Budgeting, Accounting, and Reporting System Manual

**Keywords:** Petty Cash, Change Funds, Imprest Funds


**Sponsoring Agency:** Finance and Business Operations Division

**Type of Action:** Supersedes

FIN-10-2-1, January 12, 2012

**Executive signature:**

**Date signed and effective:**

  
9/9/21



**King County**

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**I. Purpose**

This policy provides the requirements around establishing and maintaining imprest, petty cash, and other revolving funds.

**Applicability and Audience**

This policy applies to all Executive Branch agencies and administrative offices. The audience may include any non-Executive Branch King County departments adopting this policy.

**II. Definitions**

"Change fund" is a sum of money set aside for the purpose of making change where cash is collected.

"Fund Custodian" is an agency individual responsible for managing petty cash, imprest or change fund.

"Imprest fund" is an account into which a fixed amount of money or cash equivalent is used for the purpose of making change or minor disbursements. Imprest fund is used like Petty Cash except it's **disbursed** by check from its own bank account.

"Petty cash fund" is a sum of money set aside for the purpose of paying small disbursements for which the issuance of a purchase order or warrant would not be cost-effective, and the use of a P-card is not possible.

"**Stored Value Card fund**" refers to a bank account which is tied to a program allowing a depository institution to issue debit cards in the **County's** name to eligible beneficiaries.

**III. Policy**

**A. Common Provisions**

1. Revolving funds are public funds and may never be used for personal cash advances, loans, or expenditures.

2. No fund authorized by this policy shall be used to provide check cashing services.

3. A single fund shall not be used for multiple purposes (e.g., both petty cash and change fund, or both imprest and stored value card fund). Each fund must remain physically separated from funds authorized by this policy, and from other agency funds.

4. The Director of the Finance and Business Operations Division (FBOD), or their designee, may appoint the custodian for each approved fund, and approve

changes to custodians. Each fund shall have a single custodian, who must be an employee in a career service position.

5. The Director of FBOD shall maintain a list of authorized accounts, the type of account, the purpose of the funds in the account, the authorized balance, the custodian, and which fund the account is reported in.

6. When a fund authorized by this policy is abolished, the fund must be replenished to the authorized amount, reviewed, and certified by the **custodian's** supervisor, and all monies in the fund surrendered to King County Treasury Operations. The custodian shall notify FMS ([help.genacctg@kingcounty.gov](mailto:help.genacctg@kingcounty.gov)) of the abolishment using the Change Fund Closure form to collect the necessary signatures.

7. When a fund authorized by this policy is transferred to a new custodian, the fund must be replenished to the authorized amount prior to the transfer, reviewed **and certified by the custodian's supervisor, and certified by the new custodian as** having been transferred fully. The new custodian shall notify FMS ([help.genacctg@kingcounty.gov](mailto:help.genacctg@kingcounty.gov)) of the transfer, using the Change Fund Custodian form to collect the necessary signatures.

8. All funds authorized by this policy shall be audited without warning on a random basis, but no less frequently than once per annum, to determine the proper maintenance of each fund. The audit shall be conducted by the **custodian's** supervisor, or another person independent from the custodian.

9. If the authorized balance of a **fund exceeds the lesser of one month's salary of** the custodian or the value of the surety bond held by the agency for the custodian, the agency must document risk mitigation strategies which may include consulting the Office of Risk Management Services regarding additional insurance coverage.

10. Any known or suspected loss of monies out of a fund authorized by this policy shall be reported to the Chief Accountant as soon as practicable.

11. No custodian of a fund authorized under this policy shall use the monies of that fund to reimburse expenditures covered by policy PER-17-1 (Authorized Travel, Meal, and Expense Reimbursement for County Employees) or its successor policies.

12. Funds must be reconciled and replenished at least monthly

- a. Replenishment check requests should be subjected to at least the same level of agency review as Accounts Payable invoice processes.
- b. Replenishment must also occur at year-end so that all expenditures are recorded in the proper year.
- c. Reconciliations shall be reviewed by the **custodian's** supervisor.

13. No receipts may be deposited to the fund other than approved replenishments and monies required to effect increases to the authorized balance.

**B. Petty Cash and Imprest Funds**

1. Funds are for reimbursement of expenses only; advances shall never be provided out of a fund.
2. Transactions in excess of \$100 are prohibited. Purchases will not be split for the purposes of evading this restriction.
3. No more than one petty cash fund and one imprest fund may be held by an agency for each physical location (e.g., building and floor).
4. The custodian of each petty cash fund shall ensure that cash is kept in a secured place, such as a locked drawer or box.

**C. Change Funds**

1. Change funds may only be used for the purpose of making change. Reimbursements of any type are prohibited.
2. The custodian of each change fund shall ensure that cash is kept in a secured place, such as a locked drawer or box.

**D. Stored Value Card Funds**

1. The FBOD Treasury Manager must approve use of each depository institution offering stored value products for the County.

**IV. Implementation Plan**

- A. This policy becomes effective for Executive Branch agencies on the date that it is signed by the Executive. The Finance and Business Operations Division is responsible for implementation of this policy.
- B. The Finance and Business Operations Division is responsible for communicating this policy to the management structure within their respective agencies and other appropriate parties.

**V. Maintenance**

- A. This policy will be maintained by the Finance and Business Operations division, or its successor agency.
- B. This policy will automatically expire five (5) years after its effective date. A new, revised, or renewed policy will be initiated by the Finance and Business Operations Division, or its successor agency prior to the expiration date.

**VI. Consequences for Noncompliance**

- A. Failure to comply with this policy could result in audit findings, and loss of the public's trust in their government's ability to manage cash.

- B. Reoccurring noncompliance by an individual fund custodian could result in closure of their fund.