

AGENDA ITEM 2 C  
Action Item

**MEMORANDUM**

**DATE:** May 1, 2025

**TO:** El Dorado County Transit Authority

**FROM:** Kate Hewett, Finance Manager

**SUBJECT:** Update to Petty Cash Policy

**REQUESTED ACTION:**  
**BY MOTION,**

**Adopt the updates to the Petty Cash Policy (Policy No. B-4) and adopt Resolution No. 25-13 authorizing the El Dorado County Transit Authority to maintain a maximum amount in the petty cash fund of five hundred dollars (\$500.00).**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) has maintained a Petty Cash Fund since the creation of the Agency. The Petty Cash Fund is used for cash purchases of items and services, to make change for customer purchases and of approved El Dorado Transit business expenses which are not currently covered by existing travel and expense policies.

**DISCUSSION**

Since the creation of the Petty Cash Fund, El Dorado Transit has maintained a maximum amount of two hundred dollars (\$200.00). Due to the increasing cost of goods and services as well as the increased use of \$100.00 bills by customers, El Dorado Transit has been experiencing some difficulties with making change and have needed to make more frequent bank runs. El Dorado Transit requests that the maximum amount is increased to five hundred dollars (\$500.00) to assist with these difficulties.

**FISCAL IMPACT**

Increasing the maximum amount of the Petty Cash Fund from two hundred dollars (\$200.00) to five hundred dollars (\$500.00) will have a minimal financial impact.

# **EL DORADO COUNTY TRANSIT AUTHORITY**

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Subject	Policy Number	Date Adopted
Petty Cash	B-4	

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## **PETTY CASH**

### **1.00 INTRODUCTION**

#### **1.01 Purpose**

The purpose of the Petty Cash Policy (“Policy”) is to establish the appropriate use, limits, and management of the petty cash fund for the El Dorado County Transit Authority (“El Dorado Transit”).

### **2.00 MANAGEMENT OF FUNDS**

#### **2.01 Responsibility**

##### **2.01.01 Board of Directors**

The El Dorado County Transit Authority Board of Directors (“Board”) shall:

- (a) Establish the amount of the Petty Cash Fund by resolution; and
- (b) Establish the appropriate use of the Petty Cash Fund through this Policy.
- (c) Review reimbursements beyond the guidelines of this Policy.

##### **2.01.02 Petty Cash Custodian**

The Petty Cash custodian (“Custodian”) is designated to the individual with the title of Finance Manager.

The Custodian is responsible for administering the Petty Cash Fund, which includes:

- (a) Reconciling the funds on a regular basis;
- (b) Providing adequate precautions for the safekeeping of the funds;
- (c) Disbursing funds within the guidelines of this Policy;
- (d) Denying requests which fall outside the guidelines;
- (e) Maintaining documentation regarding disbursements made from the fund; and
- (f) Requesting the replenishment of the funds to the approved maximum level.

##### **2.01.03 Employees**

All employees should review and understand this Policy.

### **3.00 ESTABLISHMENT OF PETTY CASH FUND MAXIMUM**

The maximum amount in the Petty Cash Fund shall be approved by Board resolution.

### **4.00 USE OF PETTY CASH FUND**

#### **4.01 Approved Expenses**

The fund may only be used for cash purchases of items and services of approved El Dorado Transit business expenses, which are not currently covered by existing travel and expense policies.

Examples of appropriate expenditures include:

- (a) Expenses where it is impractical to provide an invoice or have a check issued beforehand;
- (b) Postage fees;
- (c) Emergency purchasing of office supplies; and
- (d) Small purchases of cleaning or maintenance supplies.

#### **4.02 Petty Cash Transaction Form**

The Petty Cash Transaction Form shall include the following:

- (a) Name of the employee requesting the funds;
- (b) Purpose for the funds;
- (c) Amount required;
- (d) Signature of the employee certifying that the funds were used and disbursed as documented; and
- (e) Signature of the Department Manager, for approval; and
- (f) Signature of the Custodian, confirming the expenditure was within the Policy guidelines and was disbursed to the employee;
- (g) Original, itemized receipt.

#### **4.03 Advancement of Funds**

The Custodian may advance funds for expenses, if the purchase is within the Policy guidelines. Petty Cash Transaction Form sections (a) through (f) must be completed with Department Manager approval prior to the purchase, explaining the use of funds and documenting the amount of funds advanced. After the purchase has been made, the employee must provide the Custodian with the original itemized receipt.

## **4.04 Approval of Reimbursements**

### **4.04.01 Employees**

To obtain reimbursement, within fifteen (15) business days of making the qualifying Petty Cash purchase, an employee shall:

- (a) Complete the approved Petty Cash Transaction Form;
- (b) Submit the Petty Cash Transaction Form to the Custodian; and
- (c) Include the original, itemized receipt that includes only reimbursable items (no personal purchases on receipt).

### **4.04.02 Custodian**

Requests for reimbursement of purchases made on behalf of El Dorado Transit from petty cash must be approved by the Custodian.

If the Custodian is requesting a reimbursement or cash advance, approval shall be by the Executive Director or his/her designee. The Custodian may not authorize his/her own purchase.

### **4.04.03 Reimbursement Limits**

Unless otherwise authorized by the Custodian, petty cash reimbursement shall not exceed \$25.00 per transaction.

## **5.00 REPLENISHMENT OF PETTY CASH FUND**

The Custodian may obtain periodic replenishment of the fund by compiling the transaction receipts, reconciling the funds, and submitting the reconciliation to Accounts Payable for reimbursement.

### **5.01 Reconciliation**

Reconciliation ensures that the sum of the receipts, plus the remaining cash equals the fund's authorized amount.

## **6.00 SECURITY OF FUNDS**

The Custodian is responsible for providing adequate precautions for the safekeeping of the funds under his/her control. All petty cash funds must be stored in a secure device, such as a safe or cash box in a locked cabinet.

### **6.01 Overages and Shortages of Funds**

The Custodian is responsible for immediately supporting any shortages over \$5.00 to the Executive Director. The Executive Director is responsible for notifying the Board, and if necessary, appropriate law enforcement.

## **7.00 EFFECTIVE DATE**

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of El Dorado Transit on this subject.

## **7.01 Board Resolutions**

Resolution Number  
25-13

Date Board Approved

**EL DORADO COUNTY TRANSIT AUTHORITY  
RESOLUTION NO. 25-13**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY  
TRANSIT AUTHORITY ESTABLISHING A PETTY CASH**

**WHEREAS**, the El Dorado County Transit Authority (El Dorado Transit) maintains a Petty Cash Fund to pay for miscellaneous expenses; and

**WHEREAS**, the Executive Director prepared a Board Policy Number B-4 (“Policy”) establishing a Petty Cash Fund; and

**WHEREAS**, the purpose of the Policy is to establish the appropriate use, limits, and management of Petty Cash Fund; and

**WHEREAS**, the Board of Directors shall establish the maximum amount of the Petty Cash Fund; and

**WHEREAS**, the Finance Manager is the custodian responsible for administering the Petty Cash Fund;

**WHEREAS**, all employees should review and understand the Policy.

**NOW, THEREFORE, BE IT RESOLVED**, that the El Dorado Transit maximum amount in the petty cash fund shall be five hundred dollars (\$500.00);

**BE IT FURTHER RESOLVED**, that the El Dorado Transit Board of Directors adopt the Policy and it shall supersede all prior policies on the subject.

**PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY** at a regular meeting of said Board, held on the 1st day of May 2025 by the following vote of said Board:

AYES:                      NOES:                      ABSTAIN:                      ABSENT:

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David Yarbrough, Chairperson

ATTEST:

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Megan Wilcher, Secretary to the Board