



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 2 – Cash and Cash Equivalents 6.1	EFFECTIVE DATE: 03/17/1986
TITLE: Procedures for Petty Cash Accounts	REVISION DATE: 08/24/2016
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

POLICY

The establishment and use of a petty cash account is not to be viewed by an agency as an alternative to the established Department of Administration (DOA) and State Treasury check writing authority. Accounts are to be used with proper discretion and only in the limited circumstances defined by these policy guidelines.

Requests from divisions and institutions/centers will be considered if adequate internal controls and cash management practices are in place in the Business Office. Requests for accounts should be made to the Bureau of Fiscal Services (BFS) Director's Office.

Whenever possible and appropriate, divisions and institutions/centers **will use a p-card as the alternative** to the established check writing process instead of making a payment from a petty cash account.

For further policy guidance see the [Wisconsin Accounting Manual \(WAM\) Section 5](#)

PROCEDURES

1. **Petty Cash Account**—a sub-level account established with DOA approval by the authority granted in Wis. Stat. § 16.52 (7). Such accounts will be cash-on-hand only, held in a specified location. Such accounts will be used to pay miscellaneous office supplies and expenses and shall be no greater in amount than \$500 per account.
2. Establishment or changes to a petty cash account must be requested through BFS who in turn will seek approval from DOA.

A. Petty Cash Accounts

These accounts must be requested through BFS who in turn will secure approval from DOA. Specific requirements include:

1. A petty cash account will only be used in those limited instances when a p-card will not meet business needs or will not routinely be accepted by anticipated vendors.
2. The petty cash are clearly established on the entity's account records.
3. Use of petty cash accounts must be specifically approved.
4. Cash on hand only. Maximum of \$500 for petty cash accounts per location, unless otherwise authorized.
5. Individual disbursement limit of \$25 for miscellaneous supplies and expenses. All disbursements must be properly documented so that receipts plus cash on hand are equal to the authorized petty cash account.
6. The voucher to replenish the petty cash or change account must be approved in the same manner that all other payments are approved.

7. Cash and receipts will be adequately safeguarded (locked box, drawers, file, vault).
8. Unannounced audits will be conducted periodically by the manager of the account.

REFERENCES

Wis. Stat. §§ [20.920](#) and [16.52 \(7\)](#)

[DHS APP Section 2 – Cash and Cash Equivalents 6.0](#) (Depository Funds and Petty Cash Reports)

[DHS APP Section 2 – Cash and Cash Equivalents 6.2](#) (Cash Reconciliation)

[Wisconsin Accounting Manual \(WAM\) Section 5](#)

CONTACTS

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