

LEE COUNTY BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

20040260  
BLUE SHEET No: 20040249

1. REQUESTED MOTION:

**ACTION REQUESTED:** Adopt a resolution to amend Lee County Administrative Code AC-3-20 Change Funds/Petty Cash/Imprest Accounts.

**WHY ACTION IS NECESSARY:** Board of County Commissioners must approve amendments to the Lee County Administrative Code.

**WHAT ACTION ACCOMPLISHES:** Amends Administrative Code AC03029 Petty Cash to change dollar limits on Fuel & Lube purchases from \$25 to \$40 (to assist employee when no County source is available).

2. DEPARTMENTAL CATEGORY:  
COMMISSION DISTRICT #:

CIA

3. MEETING DATE:

03-16-2004

4. AGENDA

- CONSENT  
 ADMINISTRATIVE  
 APPEALS  
 PUBLIC  
 TIME REQUIRED:

5. REQUIREMENT/PURPOSE

- (Specify)  
 STATUTE  
 ORDINANCE  
 ADMIN. CODE  
 OTHER

6. REQUESTOR OF INFORMATION

- A. COMMISSIONER:  
B. DEPARTMENT: County Administration  
C. DIVISION: Budget Services  
BY: Antonio B. Majul, Director

7. BACKGROUND:

The Administrative Code is amended as necessary to reflect changes in policy and procedure. Section AC-3-20 was adopted 4/7/93 and amended on 9/21/94, 3/27/96, and 3/20/01. This amendment reflects a change in policy and procedures to increase the limit on fuel & lube purchases from \$25 to \$40. These purchases can only occur when no County source is available. The increase is due to the rising costs of fuel.

8. MANAGEMENT RECOMMENDATIONS:

8. RECOMMENDED APPROVAL

A Department Director	B Purchasing or Contract	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>[Signature]</i> 3/4/04				<i>[Signature]</i> 3/4/04	OA 3/4/04	OM 3/4/04	Risk 3/4/04	GC 3/4/04	<i>[Signature]</i>

10. COMMISSION ACTION:

- APPROVED  
 DENIED  
 DEFERRED  
 OTHER

Rec. by CoAtty  
Date: 3/4/03  
Time: 10:40 am  
Forwarded To:  
Co. Admin.  
3/4/03

RECEIVED BY  
COUNTY ADMIN:  
3/4/04  
11:50 am  
COUNTY ADMIN  
FORWARDED TO:  
3/4/04  
2:30 pm

LEE COUNTY RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS RELATING TO AMENDMENTS TO THE LEE COUNTY ADMINISTRATIVE CODE AS ADOPTED BY LEE COUNTY ORDINANCE NO. 97-23; PROVIDING FOR APPROVAL OF CERTAIN AMENDMENTS TO THE LEE COUNTY ADMINISTRATIVE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Board of County Commissioners is the governing body in and for Lee County, a political subdivision of the State of Florida; and,

**WHEREAS**, the Board of County Commissioners has previously enacted Lee County Ordinance No. 96-01, creating a charter form of government for Lee County pursuant to Section 125.80 and ff., Florida Statutes, and which was approved and ratified by the Electorate of Lee County on November 5, 1996; and,

**WHEREAS**, the Board of County Commissioners has previously enacted Lee County Ordinance No. 97-23, which adopted the Lee County Administrative Code pursuant to Section 2.2.E. of Ordinance No. 96-01, the Lee County Charter; and,

**WHEREAS**, Lee County Ordinance No. 97-23 at Section III allows and provides for amendments to the Lee County Administrative Code to be made by Resolution of the Board of County Commissioners at a regularly scheduled Board of County Commissioners' meeting; and,

**WHEREAS**, certain amendments to the Lee County Administrative Code are now being proposed, and the Board of County Commissioners finds that such proposed amendments are acceptable, serve a public purpose and are consistent with the terms

and conditions of Lee County Ordinance No. 96-01, the Lee County Charter.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY**

**COMMISSIONERS THAT:**

1. The above preamble is hereby accepted and approved as being true and accurate, and is adopted and incorporated herein as if set out further at length.
2. The proposed amendment(s) to the Lee County Administrative Code AC-3-20 (attached hereto as Exhibit A), is (are) approved, and are hereby directed to be incorporated into the Lee County Administrative Code as indicated in the amendment(s).
3. The provisions of this Resolution are severable, and it is the intention to confer to the whole or any part of this Resolution, the powers herein provided for. If any of the provisions of this Resolution shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the other remaining provisions of this Resolution. It is hereby declared to be the Board's legislative intent that this Resolution would have been adopted had such an unconstitutional provision not been included herein.
4. This Resolution shall become effective immediately upon its adoption by the Board of County Commissioners.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and,

being put to a vote, the vote was as follows:

ROBERT P. JANES	_____
DOUGLAS ST. CERNY	_____
RAY JUDAH	_____
ANDREW W. COY	_____
JOHN E. ALBION	_____

DULY PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**ATTEST:**  
**CHARLIE GREEN, CLERK**

**BOARD OF COUNTY COMMISSIONERS**  
**OF LEE COUNTY, FLORIDA**

By: \_\_\_\_\_  
**Deputy Clerk**

By: \_\_\_\_\_  
**Chairman**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
**Office of the County Attorney**

**ADMINISTRATIVE CODE  
BOARD OF COUNTY COMMISSIONERS**

<b><u>CATEGORY:</u></b> Financial/Fiscal/Budget	<b><u>CODE NUMBER:</u></b> AC-3-20
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<b><u>TITLE:</u></b> Change Funds/Petty Cash/ Imprest Accounts	<b><u>ADOPTED:</u></b> 4/7/93
	<b><u>AMENDED:</u></b> 9/21/94 3/27/96 3/20/01 3/6/04
	<b><u>ORIGINATING DEPARTMENT:</u></b> County Administration

**Purpose/Scope:**  
The purpose of this code is to describe the procedures for establishing a Change Fund, Petty Cash and Imprest Fund (Funds) as well as the responsibilities of the fund's custodian, restrictions for use, changing custodians, revocation and/or closing of the accounts.

**Policy/Procedure:**  
The definition of Change Funds, and Petty Cash and Imprest Accounts for the purpose of this policy follows:

- a. Change Funds are used in conjunction with cash receipting activities represented by payments from the public. Change funds are committed to cashiers or placed in change machines for the purpose of supplying change to customers. Change funds, in this context, are defined as a control medium for the safeguard of cash (checks, bills, or coin) received during the conduct of daily activities of a unit. At the close of each business day the total amount of cash received during the day should be deposited and the original amount of the change fund retained.
- b. Petty Cash is a relatively small amount of cash on hand available for minor (\$200 & under) disbursements. The fund should be reimbursed at least quarterly.
- c. Imprest Fund is a fixed fund in the form of a checking account maintained for pre-defined expenditures that must be made in cash at the time of purchase or incurring the liability. The fund is from time to time restored to its original amount by a transfer from general cash of a sum equal to the aggregate of the disbursements. Implicit in the concept is a review by a higher authority of the propriety of the expended amounts before reimbursement.

**Policy/Procedure:** (continued)

The integrity of Petty Cash, Imprest Accounts and Change Funds is the responsibility of Department heads and under the control of designated, qualified individuals, known as the fund's custodians. The procedures outlined below were developed to provide a uniform and systematic method for the establishment and maintenance of the Funds

**Establishment of Cash Drawer/Change Funds/Petty Cash and Imprest Accounts**

Funds may be requested by any area within Board government that has need of such, providing it receives all required authorizations and approvals. The amount of a fund will vary depending on the needs of the user and the physical security within the department. Any future increase in a fund must also have the same authorizations and approvals.

All Petty cash and change funds will be established through the Clerk's Finance Department. Written requests for the establishment of these funds are to be sent to the Department Director for approval, and action using the "Petty Cash/Change Fund Action Request Form" provided by Finance.

Imprest Accounts are considered and approved on a case-by-case basis. The basic policies and procedures identified for petty cash will be included in the development of each imprest account. Written requests for the establishment of imprest accounts are to be sent to the County Manager or designee for approval. The Clerk's Finance Department will open a bank account and coordinate with the appropriate department personnel.

As part of the original Petty Cash Action Request form there will be a "Custodian's Statement of Responsibility." This must be completed and signed by the designated custodian of the change fund, petty cash or imprest account prior to approval of the fund. Any change in custodianship will require a new form.

The approved Petty Cash/Change Fund Action Request form will be submitted to Finance for processing; Finance will then complete the process and make the disbursement to establish or increase the fund. Request for these accounts should contain: (1) Reason for the fund; (2) Amount requested; and (3) Individuals assigned custodianship for the fund.

### **Custodian's Responsibilities**

- a) The custodian(s) of the fund is fully responsible for its safekeeping and for its proper usage (see section on use criteria and restrictions). The custodian must exercise caution in the administration and protection of the fund in his/her possession.
- b) The fund should be locked at all times (e.g., cash drawer, strong box or a cash register), and the key should be kept in the custodian's possession. Any discrepancies in the fund are the responsibility of the custodian.
- c) Funds lost due to the custodian's improper safeguarding, or due to misuse are the liability of the custodian(s) and must be repaid by the custodian(s). Funds lost due to circumstances beyond the control of the custodian(s) must be repaid from the unit's monies or other available operating monies.
- d) Overages in the fund must be deposited separately from daily revenues. Shortages in the fund must be replaced in an amount equal to the authorized amount of the Fund (see (c) above).
- e) Authorized custodian(s) shall be verified annually with the Finance Department using the "Custodian's Statement of Responsibility".

### **Use Criteria and Restrictions**

#### **Change Funds**

The following are the criteria for which Change Funds are to be used:

- a) Change funds are to be used in conjunction with daily cash receipting activities and for making change as the occasions arise.
- b) Change funds should not be co-mingled with other funds, such as petty cash.
- c) No expenditures or advancements will be made from change funds.
- d) Change funds should not be used to offset cash overages or shortages of other receipting activities.
- e) After the day's close of business and after the reconciliation of the day's cash receipts, change funds will be re-established to the original authorized amount in preparation for the beginning of the next day's business.

**Change Funds** (continued)

- f) Independent random cash counts may be conducted periodically by a department individual other than the individual designated to control respective change fund.
- g) Change funds will be subject to periodic audits by the Clerk of Courts, Internal Audit Department.

**Petty Cash**

It is recommended that each Department/Division Director, authorizing a petty cash fund, establish internal control procedures for making and approving petty cash expenditures. A Department/Division Director and/or Custodian shall have the authority to disallow any expenditure not made in accordance with its internal policy and/or County policies and procedures.

Petty Cash may be used for, but not limited to the following:

- a. The purchase of goods and/or services (per single vendor transaction) up to \$200 that has not been identified as an item for which petty cash may NOT be used.
- b. Bridge and roadway tolls
- c. Fuel and Lube purchases up to \$25- \$40 (to assist employee when NO other County source is available; please note: This limit of \$25 \$40 does NOT apply to purchase of fuel for County aircraft).
- d. Food supplies, etc. for County-sponsored functions under Ordinance #90-18 that have received Department Director approval.
- e. Reimbursement of (or) Advance of "Local" and "In State" travel expenses: Travel must still be approved, appropriate forms must be completed and submitted with the petty cash request. Total cost of all transactions connected with the same trip cannot exceed \$200.00 limit and cannot be split between petty cash and direct vouchers.

Petty Cash may NOT be used for:

- a) Any item available on an annual quote.
- b) Internal Service Charges.
- c) Contracted or Professional Services (requiring written contracts or agreements).
- d) Any purchase or service requiring Board approval.



**Petty Cash** (continued)

- e) Any "Personnel" services type of activity (Object codes 501XXX or 502XXX).
- f) Advertising required through statute, ordinance, etc.
- g) Utility Services
- h) Fuel and Lube purchases in excess of ~~\$25~~ \$40 (except for County aircraft purchases). "Out-of-State" and "International" travel expenses and related seminar registration fees. EXEMPTION: EMS Personnel as per Resolution #79-12.
- i) Reimbursement of Safety Shoe purchases by employees.
- j) Loans

**Imprest Accounts**

- a) Each Imprest Account will be created by the Clerk's Finance Department per statute guidelines, and all communication with the bank officers shall be directed to the Clerk's Finance Department's Revenue Office.
- b) Each Imprest Account will be reconciled monthly by the Finance Department and all unreconciled items will be resolved with the Imprest Account's custodian.
- c) Check registers will be maintained in a locked facility under the control of the custodian.
- d) Consideration should be given to proper segregation of duties related to the account. Clerk's Internal Audit and Finance Department will assist in each case as needed.
- e) Reimbursement will be handled in the same manner as Petty Cash.
- f) A standardized Petty Cash "Voucher/Reimbursement Request" form will be required by all departments; these forms will be numbered, and letter size. The petty cash custodian will be responsible for the completion, processing, and maintenance of these forms. It is recommended the Department's COPY be kept in a three-ring binder for easy reference. All ORIGINAL receipts/invoices should be kept in the petty cash box until the petty cash reimbursement is requested.

**Imprest Accounts** (continued)

- g) The account is to be used for the specific purpose identified at time of creation.

**Replenishing Petty Cash and Imprest Accounts**

To replenish petty cash and imprest accounts, the custodian of the fund must complete the "Petty Cash Voucher/Reimbursement Request" section of the petty cash report form, obtain the custodian and a witnessing signatures, attach vendor's invoice/receipts and submit all ORIGINALS to Finance. Receipts for the same vendor during the same calendar week (Monday-Friday) may be added and submitted as one item on the Petty Cash report form provided the account is the same. A copy of the report form should be kept by the custodian, in addition to any copies of vendor invoices that may be needed by the department.

**Changing Custodian of Funds**

In the event of a change in custodianship, the former custodian must submit a reimbursement request for any Petty Cash or Imprest Account vouchers not yet reimbursed. A new "Custodian's Statement" of the Fund Action Request form should also be completed and sent to Finance at that time. The reimbursement check will then be made payable to the new custodian of the fund.

**Revocation of a Fund**

If the Finance Department or Internal Audit Department determines that a Fund is being misused or not properly accounted for, the fund will be closed or custody transferred to another individual. The Department Director may close Funds at any time without reason.

**Closing Funds**

Departments wishing to close Funds should send the exact cash amount of the approved fund along with an Action Request form to the Finance Department stating their intention to close the fund.

The "Petty Cash/Change Fund Action Request" and "Custodian's Statement of Responsibility" forms will be provided via the Finance Department.