

**STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	PETTY CASH	SUB-SECTION	12.10.10
SECTION	PETTY CASH FUNDS	ISSUANCE DATE	JULY 1, 1998
SUB-SECTION	OVERVIEW	REVISED -	2018

OVERVIEW

Section 7-7-59, Miss. Code Ann. (1972), provides agencies the authority to establish petty cash "Imprest" funds. It also stipulates the allowable uses and regulations for this type of fund. The purpose of the imprest account is to facilitate direct vendor payments of a minor amount. The funds are to be used only for emergency purchases such as purchases of materials, supplies, equipment, and services to meet an immediate need. The petty cash fund is not to be used to cash checks or otherwise advance funds to any officer or employee. It is not to be used to advance payroll funds to any officer or employee. Imprest funds may be used as a small change fund. Imprest funds should be sufficient to meet minor expenditures of no more than two months.

DFA will audit bank statements annually.

The Office of the State Auditor will test for compliance and annually report all violations to the Governor and Legislature.

In order to establish a petty cash fund, the agency should submit a written request to the OFM Director. The request should include the following information:

- The amount of the petty cash fund being requested.
- The purpose and frequency of expected expenditures.
- The name of the assigned custodian.
- The name of the approvers.
- The authorized check signers.

DFA will review the request and respond to the agency with approval or reason for denial.

To safeguard and ensure adherence to internal controls, there must be a separation of duties so that no one person has solitary control of cash received and disbursed out of the petty cash fund. At a minimum, the agency should have a custodian who is primarily responsible for the petty cash funds, signs checks, and disburses cash and an authorized official who reviews and approves payments and disbursements but does not have the authority to sign checks or disburse cash.

The designated custodian of the imprest fund will be responsible for the balance of the Imprest account. The combination of cash, paid petty cash receipts, and unpaid reimbursement vouchers must equal the total amount of the fund at all times. Imprest funds and checks should be kept in a safe place, normally under lock and key.

Pre-numbered petty cash vouchers are available at office supply houses. These vouchers should be used for verification of funds that have been removed from a cash box. If the agency uses checking accounts for its imprest funds, these accounts must be reconciled and remain in balance at all times. Receipts for disbursement, when available, should be attached to the imprest voucher. At the end of each FY, agencies are not required to close imprest funds to the establishing fund number and the authorized balance will roll forward each year. A reimbursement for all expenditures incurred prior to July 1 must be requested before July 31.