



STATE CONTROLLER'S BULLETIN

Douglas E. Cotnoir, CPA, CIA
State Controller

Alexander E. Porteous, Commissioner
Administrative & Financial Services

Bulletin #18-09

SUBJECT: Petty Cash and Change Accounts

DATE: June 29, 2018

TO: All Department and Agency Finance Officers

FROM: Douglas E. Cotnoir, CPA, CIA State Controller

We are issuing this bulletin to inform you that the State Administrative and Accounting Manual (SAAM) Section 85.10 – Petty Cash has been updated effective June 18, 2018. The Office of the State Controller would like to take this opportunity to remind Agencies and Account Custodians of their responsibility to establish internal control procedures in accordance with the Office of the State Controller's prescribed policies for all Petty Cash and Change Accounts.

The following items should be considered when creating or reviewing petty cash and change account policies and procedures:

- All petty cash and change accounts must have an assigned vendor code, which allows processing in Advantage. Any custodians with petty cash or change accounts without a vendor code should contact the OSC Accounting Division.
- Petty cash vouchers and support should provide enough details to indicate the expense was allowable and complied with the SAAM.
- Purchases of meals, coffee and light refreshments, if allowable, should be supported by the proper approval as outlined in SAAM section 70.10.
- When possible, employee travel expenditures should be submitted for reimbursement using the *Travel and Expense Account Voucher* form. The request should be processed through Advantage and a check or EFT payment issued to the employee. In emergency situations where the use of petty cash is necessary, documentation that demonstrates compliance with SAAM section 10.20 should be submitted with the petty cash vouchers. Supporting documentation includes: the reason the employee was traveling; hours worked; destination city; and, other vital information to verify the eligibility of travel costs and allowable rates of reimbursement.

- Petty cash or change account funds should not be commingled with other funds (e.g. bottle redemption money or donations). If other funds are kept on the premise, each fund type should have its own policies and procedures.
- Petty cash accounts are to be reimbursed at least monthly as stated in SAAM Section 85.10.20.e.
- Deposit of cash receipts should be made in compliance with SAAM section 85.20.20.a.
 - *Accumulated cash receipts totaling more than \$300 must be deposited daily.*
 - *No cash receipts should be held more than three days regardless of amount.*

If you have any questions pertaining to this bulletin, please contact Frank Wiltuck, at the Office of the State Controller at 626-8440. Agencies may access this and other Controller's bulletins on the Office of the State Controller website <http://www.maine.gov/osc/admin/bulletins.shtml>.