

PETTY CASH CHECKING ACCOUNTS

Please see below regarding checking accounts

When Establishing Bank Account

Any petty cash account in excess of \$100, should be maintained within a checking account per SAAM section 85.10.10e.

1. When establishing a checking account, the following must be adhered to:
 - a. Account established in the name of the agency, not an individual
 - b. Must use the State Tax Id Number (016000001), not individual SSN
 - c. Any interest obtained from the account, must be deposited into the General Fund at least annually
 - d. Accounts must be reconciled regularly and backup documentation kept for auditing purposes

When Changing Banks

The first question to ask is whether or not there are any outstanding/un-cashed checks that were written from the existing bank account.

1. If no checks are outstanding, proceed to close account and open a new account with balance.
2. If there are outstanding checks:
 - a. How old are the checks?
 - i. If the checks are older than 1 year from June 30th, they must go through the Unclaimed Property process with Treasury.
 - A. If no funds left in the account after this process, close the bank account.
 - B. If funds are left after this process, proceed to next step.
 - ii. If the checks are less than 1 year, keep enough funds in the account to cover them in the event someone comes forward. If they still have not cleared within the 1 year from June 30th, report to Unclaimed Property.
 - A. If no remaining funds after the process, close the bank account.
 - B. If funds are left after this process, open a new account with the remaining funds.

(Since there is no change on Advantage for this process, you do not need to create any documents.)

To Close Out Bank Account:

The first question to ask is whether or not there are any outstanding/un-cashed checks that were written from the existing bank account.

1. If no checks are outstanding, proceed to close account via step 3.
2. If there are outstanding checks:
 - a. How old are the checks?
 - i. If the checks are older than 1 year from June 30th, they must go through the Unclaimed Property process with Treasury.
 - A. If no funds left in the account after this process, close the bank account.
 - B. If funds are left after this process, proceed to next step.
 - ii. If the checks are less than 1 year, keep enough funds in the account to cover. If they still have not cleared within the 1 year from June 30th, report to Unclaimed Property.
 - A. If no remaining funds after this process, close the bank account.
 - B. If funds are left after this process, close the bank account and proceed to next step.
3. Take all cash and/or checks from the petty cash account and create a cash receipt to include the following:
 - a. Description of transaction
 - b. Vendor Code**
 - c. Fund
 - d. Agency/Department
 - e. Unit (*8000 series specific to your account*)
 - f. Balance Sheet Code 0017 (*for Petty Cash*)

If monies have been deposited into another account, please process either a cash receipt modification or a journal to move the funds to the above. This should clear the outstanding amount in the Petty Cash Balance Sheet account (*with the exception of a partially closed checking account waiting for either checks to clear or unclaimed property process*).