

**VILLAGE OF LOMBARD**  
**REQUEST FOR BOARD OF TRUSTEES ACTION**  
**For Inclusion on Board Agenda**

  X   Resolution or Ordinance (Blue)        *Waiver of First Requested*  
       Recommendations of Boards, Commissions & Committees (Green)  
       Other Business (Pink)

TO: President and Village Board of Trustees

FROM: William T. Lichter, Village Manager

DATE: July 14, 2004 (COW)(B of T): July 22, 2004

TITLE: Revisions to the Village's Purchasing Manual

SUBMITTED BY: Timothy Sexton, Assistant Director of Finance

**BACKGROUND/POLICY IMPLICATIONS:**

The proposed revision is for the Petty Cash section of the Purchasing Manual. These changes include increasing the petty cash limit to \$100 per day and correcting various personnel titles and procedural information in this section. In the interest of saving paper, only the proposed changes to the Petty Cash section are attached. If anyone would like to view the complete manual, a copy is available in the Finance Department. Staff requests that the Village Board approve these revisions.

**FISCAL IMPACT:**

N/A

**REVIEW** (as needed):

Village Attorney XX \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director XX Donald J. Flood Date 7/14/04  
Village Manager XX W. T. Lichter Date 7/14/04

**NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.**

**RESOLUTION**

**R \_\_\_\_\_ 05**

**A RESOLUTION AMENDING THE PURCHASING POLICIES AND PROCEDURES MANUAL FOR THE VILLAGE OF LOMBARD**

**WHEREAS**, Section 35.21 of the Village of Lombard Municipal Code states, “the Village Manager shall...have prepared and maintained a purchasing manual.” and

**WHEREAS**, Section 35.21 further states “said manual shall be subject to approval by the Board of Trustees,” and

**WHEREAS**, the Village Board previously approved Resolution 95-99 adopting a purchasing policies and procedures manual for the Village of Lombard; and

**WHEREAS**, an amendment to the purchasing manual is attached hereto and marked Exhibit “A”; and

**WHEREAS**, the adoption of the amendment to the purchasing manual contributes to the continuity and credibility of administering public funds; and

**WHEREAS**, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such manual.

**NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS** as follows:

**SECTION 1:** That the amendments to the Village of Lombard Financial Policies are hereby approved.

**SECTION 2:** That the Director of Finance is hereby directed to implement said policies as approved.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
**William J. Mueller**  
**Village President**

Resolution R \_\_\_\_\_ 05

Page 2

ATTEST:

---

**Barbara A. Johnson**  
**Deputy Village Clerk**

## **G. Petty Cash**

This policy sets forth procedures for the handling of petty cash monies at the Village Hall, Police, Public Works and Fire Departments. It further establishes the procedures for reporting petty cash disbursements by department to the Department of Finance as well as reimbursements to each petty cash box.

Petty cash boxes are located at the Village Hall, Public Works Building, Police Department (3) and Fire Station 1. The persons accountable for these boxes at each of the buildings are the Accounts Payable Clerk and Customer Service Representatives, the Public Works Administrative Coordinator, the Police Department Administrative Coordinator, the Police Department Training Coordinator, the Police Department Records Supervisor and the Administrative Secretary at Fire Station 1, respectively. They are responsible for seeing that the total number of receipts and cash equal the amounts detailed in Section 2b. The Petty Cash box is subject to audit (Section 2h) and the above listed individuals will be accountable for any non-compliance with this procedure or shortage of funds.

All forms needed in order to effectively manage the petty cash process are referred to in the procedures section and are contained as Exhibits to this policy.

The following policy and procedural guidelines have been established to promote a more efficient and accountable petty cash operation. All departments within the Village are responsible for abiding by this policy. There are no exceptions.

### **1. Petty Cash Disbursements to Employees**

- a. Requests for petty cash may be made to the Accounts Payable Clerk or the Customer Service Representatives at the Village Hall, Administrative Coordinator at the Public Works Building, the Administrative Coordinator and/or the Training Coordinator and/or the Records Supervisor at the Police Department, and the Administrative Secretary at Fire Station 1.
- b. There is a \$100 limit per petty cash request per day. Any amount above \$100 must be reimbursed via a claim voucher submittal through the accounts payable process. Reimbursable expenses under \$100 incurred by an employee for training expenses, etc. should be reimbursed from petty cash rather than through the accounts payable process.
- c. No one is allowed to take money from petty cash without a petty cash request form and/or a receipt which must be signed by the appropriate supervisor. The petty cash request form must also be signed by the employee who will receive the money. Exhibit 7 is an example of a petty cash request form.

- If a petty cash request form is submitted without a receipt (e.g. money is requested before a receipt has been obtained), the person disbursing the money must mark “HOLD” on the receipt form and the employee must bring back a receipt no later than the next business day after the money is spent, along with the change (if applicable). At this time, the “HOLD” is crossed off the receipt form, it is marked paid, the proper dollar amount is written down and the receipt is put in the petty cash box. Exhibit 8 depicts this example.
  - If a receipt is submitted with the petty cash request form, the employee is reimbursed and no further action by the employee is needed. At this time, the petty cash request form is marked “PAID” with the date on it and put in the petty cash box. Exhibit 9 depicts this example.
  - All receipts must be original. If desired, copies may be made and kept by each individual employee, but the original must be given to the respective person responsible for petty cash in each department.
  - If for some reason the employee did not obtain a receipt for submittal with the petty cash request form, supervisory approval must be noted on the petty cash receipt form.
- d. All petty cash request forms must contain the following information:
- Date
  - Detailed description of the expenditure
  - Name of person(s) to receive money
  - Name of person authorizing receipt of money (must be a supervisory employee specifically designated by the department)
  - Account number to which the expenditure will be charged
  - Receipt (if received, otherwise the petty cash request form will be marked “HOLD”)

## 2. Reimbursing Each Petty Cash Box

- a. As stated above, the persons responsible for the various petty cash boxes are the Accounts Payable Clerk and Customer Service Representatives at the Village Hall; the Administrative Coordinator at the Public Works Building; the Administrative Coordinator, the Training Coordinator and the Records Supervisor at the Police Department; and the Administrative Secretary at Fire Station 1. They not only disburse petty cash to various employees, they must reconcile the petty cash box and request petty cash reimbursements by the payables deadline. It is recommended that this be done on a weekly basis, if possible.
- b. The chart below depicts the maximum amount of petty cash allotted for each building.

DEPARTMENT	PETTY CASH AMOUNT
Village Hall *	\$3,500
Public Works	\$ 300
Police Administration	\$ 400
Police Training	\$ 400
Police Records	\$ 600
Fire	\$ 300

If the amounts indicated are not sufficient to meet the needs of the department, the Department Head can request an increase in the petty cash allotment. This request must be made to the Assistant Director of Finance and approved by the Director of Finance. \*The Village Hall petty cash amount is usually at \$3,500. However, this amount is subject to change based on the current Department of Homeland Security level of security alert, as set in the Village's Emergency Action Plan Manual.

- c. The Public Works, Police and Fire Departments are required to submit a Petty Cash Reimbursement sheet by each accounts payable deadline. Exhibit 10 is an example of the petty cash reimbursement sheets which are required to be utilized by all departments. This sheet was created as a "fill in field" form and is accessible in Word.
- d. The Petty Cash Reimbursement sheet (Exhibit 10) lists all petty cash transactions for a certain period of time. This sheet must contain the following information:
  - Detailed list of account numbers
  - Detailed description of charges for each account number (date, place, name and reason for charge)
  - Amount of charges for each account number and correlating description
  - All original petty cash receipt slips and corresponding receipts
- e. Once the Petty Cash Reimbursement Form is completed, it must be forwarded, along with all required documentation and required signature of preparer, Department Head or designee, to the Accounts Payable Clerk at the Village Hall. Upon receipt of the above information, the Accounts Payable Clerk shall forward the form to the Director of Finance for approval and then reimburse the respective department from the Village Hall Petty Cash. All information from the other departments shall then be placed in an envelope that contains all other Village Hall petty cash information.
- f. A formal Petty Cash Reimbursement sheet is not necessary for the Village Hall Petty Cash Box. All receipts for Village Hall petty cash shall be kept in an envelope and a running total of disbursements is listed on the outside of the envelope. The bottom line total on the outside of the envelope is the same amount that a check is cut for during the accounts payable process. The check is written

to the Village of Lombard Petty Cash Fund. One check is written for all Petty Cash reimbursements as the other departments are reimbursed out of the Village Hall Petty Cash Fund.

- g. The envelope with the petty cash request forms and receipts is then attached to the file copy of the check that was cut for reimbursement and is stored with the accounts payable files.
- h. Petty Cash will be subject to periodic announced and unannounced audits to determine compliance with these procedures. Any discrepancies with compliance or cash balance shall be immediately reported to the Director of Finance and a written report shall be provided with copies to the Village Manager and Department Head.
- i. Any questions regarding these procedures may be directed to the Assistant Director of Finance at the Village Hall.