



NEW MEXICO CORRECTIONS DEPARTMENT

Secretary
Alisha Tafoya Lucero

CD-023200 Petty Cash	Issued: 10/23/89 Effective: 10/23/89	Reviewed: 08/21/20 Revised: 08/21/20
Alisha Tafoya Lucero, Cabinet Secretary		<i>Original Signed and Kept on File</i>

AUTHORITY:

- A. NMSA 1978, Sections 9-3-1 through 9-3-12, as amended.
- B. NMSA 1978, Section 33-1-6, as amended.
- C. NMSA 1978, Section 6-10-2, as amended.
- D. NMSA 1978, Section 6-10-46, as amended.

REFERENCES:

- A. Policy *CD-010100*.
- B. ACA Standard 2-CO-1B-05, *Standards for the Administration of Correctional Agencies*, 2nd Edition.
- C. ACA Expected Practice 5-1B-4027, *Performance Based Expected Practices for Adult Corrections Institutions*, 5th Edition.
- D. ACA Standard 4-APPFS-3D-22, *Standards for Adult Probation and Parole Field Services*, 4th Edition.
- E. Department of Finance and Administration (DFA), Manual of Model Accounting Practices Unit 2, AP-Payables, FIN 5.13.
- F. Office of the State Treasurer Policies and Procedures, Depository Account Request & Authorization.

PURPOSE:

To establish procedures and guidelines for petty cash accounts to be established and maintained at various Corrections Department institutions/divisions and other program areas. [2-CO-1B-05] [5-1B-4027] [4-APPFS-3D-22]

APPLICABILITY:

All New Mexico Corrections Department employees working at institutions/divisions and other program areas that have established petty cash accounts, and particularly to Petty Cash Custodians responsible for the petty cash account.

ATTACHMENTS:

None

FORMS:

- A. **NM Corrections Department Petty Cash Replenishment form (CD-023201.1)**
- B. **Office of the State Treasurer Cash Management Division Request for Depository Account (form CMD-1B)**
- C. **State Fund Deposit Balance Report (form CMD-3)**

DEFINITIONS:

- A. Petty Cash: A fixed amount of money established on an imprest basis for the purpose of paying small obligations for which the issuance of a formal voucher or warrant would be too expensive and time-consuming. Petty cash funds established shall be reimbursed monthly for the exact amount necessary to bring it back to the fixed amount. Petty cash accounts may sometimes be referred to as petty cash "funds." They are, however, not "funds" in the sense of governmental accounting's fund types. Petty cash accounts shall be reported as assets of the fund of ownership. The total of cash plus substantiating vouchers and un-reimbursed receipts must at all times equal the authorized balance.
- B. Petty Cash Voucher: A document used to record individual disbursements of petty cash. For the purposes of this policy, the Petty Cash Replenishment form shall be used as a Petty Cash Voucher.

POLICY:

- A. The New Mexico Corrections Department Administrative Services Division/Financial Management Bureau will establish and maintain proper internal procedures for all petty cash processes, in accordance with State statutes, DFA rules and regulations, DFA Manual of Model Accounting Practices, and generally accepted accounting principles.
- B. Each petty cash account within the Corrections Department shall be approved by the Financial Control Division (FCD) Director or Deputy Director and DFA.
- C. Disbursements from petty cash accounts shall be for small purchases of immediate need to reduce the costly voucher documents; and will not exceed \$25.00 per purchase.
- D. Each petty cash account must be replenished by the year end of each fiscal year for the exact amount necessary to bring it back to the fixed amount.



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AUTHORITY:

Policy *CD-023200*

PROCEDURES: [5-1B-4027] [2-CO-1B-05] [4-APPFS-3D-22]

- A. To establish a petty cash account, the following must be accomplished:
1. The institution/Division/Unit shall prepare a letter to the Chief of the Financial Management Bureau (FMB) with the following information:
 - a. The intended use of the account.
 - b. The amount desired for the petty cash account.
 - c. The name of the custodian of the account along with the agency address.
 - d. A statement certifying that internal control procedures are in place to safeguard the cash on hand and that the cash will be kept where only the custodian of the account can access it.
 2. The Financial Management Bureau Chief will recommend approval and prepare the request for the NMCD Chief Financial Officer (CFO) for submission the required information to the DFA/Financial Control Division Deputy Director for approval.
- B. If the petty cash fund will be held in a local bank checking account, authorization must be obtained from the State Treasurer's Cash Management Division for the account in addition to the prescribed procedure in paragraph A above
1. Office of the State Treasurer Cash Management Division Request for Depository Account (Form CMD-1B) must be completed by the institution/division/unit and submitted to the Financial Management Bureau Chief who will recommend approval and prepare for the NMCD CFO for submittal to the State Treasurer's office for the proposed account.
 2. The State Treasurer or designee shall authorize a new agency account or reject a request for a new account in writing within thirty (30) calendar days of receipt of the request. The authorization shall state the conditions or limitations on the account (form CMD-2A).
 3. The following monthly reports are required: the *State Fund Deposit Balance Report* (form CMD-3), with a copy of the corresponding monthly bank statement, transaction register and reconciliation are required for each non-interest bearing account.
 4. All divisions shall submit monthly reports as described in paragraph three above to FMB by the **fifteenth (15th)** day of the month following the reporting period. FMB will combine the petty cash monthly reports with the other cash managers' reports and submit them to the State Treasurer's Office after review.

5. The Financial Management Bureau shall submit all monthly reports to the State Treasurer on or before the 20th day of the month following the reporting period. The monthly reports shall be addressed to the Office of the State Treasurer, Cash Management Division, P.O. Box 5135, Santa Fe, NM 87504-0608.
- C. The Business Manager or designee will assign an employee the duty of Petty Cash Custodian to monitor and disburse the petty cash fund.

The Petty Cash Custodian's responsibilities shall be:

1. To determine if petty cash should be used instead of a purchase document;
2. To disburse cash to employees for reimbursement of a substantiated purchase;
3. To ensure a purchase receipt is provided to substantiate each expenditure transaction.
4. To ensure that tax paid is not disbursed except for services;
5. To ensure that petty cash purchases are not artificially split so as to remain within the purchase amount limitations. Artificially splitting petty cash purchases is considered to be a procurement code violation.
6. To determine the need to replenish the petty cash account and prepare necessary documents; and
7. To maintain perpetual accountability of the petty cash account balance.

The Business Manager shall ensure that there is a mechanism for recording and reporting petty cash and ensuring the Petty Cash Custodian is not handling more than one of the following: Receipting funds, posting funds depositing funds, and/or controlling receipt book stock. Duties shall be assigned by the Business Manager to ensure separation of duties.

- D. Petty cash accounts kept on the premises shall be maintained in a strong box with a lock in a safe, locked desk or file cabinet. Any keys for a lock box shall be kept in a separate location from the strong box. Each petty cash purchase shall not exceed \$25.00.
- E. A petty cash voucher shall be issued, which must include the purchaser's signature indicating the item description, Department, amount, account code, and organization. See Petty Cash Voucher definition.
- F. Petty cash accounts shall only be utilized for small purchases, for which the issuance of a purchase order would not be cost effective or when adequate time is not available to initiate a purchase order.
- G. Petty cash accounts shall be replenished by initiating a Petty Cash Replenishment form DFA voucher (*CD-023201.1*) with supporting petty cash vouchers and invoices/receipts for processing through the DFA Financial Control Division. Petty Cash shall be reimbursed monthly so as not to deplete the fund prior to reimbursement.

- H. A list of petty cash accounts established shall be maintained by FMB. The list shall record the activity, cash imprest level, organization code, initial fund amount and name(s) of Petty Cash Custodian.
- I. The supervisor of the Petty Cash Custodian shall audit the petty cash account on a monthly basis. The monthly audit of the petty cash account shall be available to FMB as requested.
- J. The supervisor of the Petty Cash Custodian must notify the FMB immediately upon the discovery of missing funds and/or discrepancies within the petty cash account.
- K. Petty cash purchases must be vouchered prior to the deadline for processing DFA vouchers in order to ensure all petty cash purchases clear the system prior to the close of the fiscal year.
- L. Currency and coins within the petty cash box will not be used as a change fund. A petty cash change fund is a sum of currency and coins that is maintained and used exclusively to make change for non-authorized procurement transactions. The Corrections Department does not maintain any petty cash change funds.

OFFICE OF THE STATE TREASURER CASH MANAGEMENT DIVISION REQUEST FOR DEPOSITORY ACCOUNT (Form CMB-1B revised 8/21/20)

Pursuant to Section 6-1-13 NMSA 1978 (1987 Repl.), the following request for authorization of a deposit account is submitted. (If necessary, please attach additional pages.)

Agency Name: _____ Business Unit: _____

Account Title: _____

(Note: All questions and information must be complete or account request will be rejected.)

REQUEST DATA

1. Is this account: New or A recertification of an existing account ?
2. Will this account be temporary or permanent ?

Please explain. If temporary, note the anticipated date of account closure.

3. Account Justification

- a. What is the specific purpose of this account? (Funds deposited to this account originate from what source?)
- b. What are the statutory citations and/or any regulatory authorizations, within your Agency, that are applicable to have such an account? (Attach copies)
- c. Why is this account necessary?
- d. Can this account be combined with any other state deposit account?

Yes No Include any other pertinent information as well as copies of court orders, if applicable.

4. What is the projected frequency of deposits the State Treasurer? If no deposits will be made, please explain why.
5. Are the funds deposited to this account considered Public Money?
6. Activity Amounts (actual or projected):

Deposits to Bank Account

- | | |
|---------------------|----|
| a. daily: | \$ |
| b. weekly: | \$ |
| c. monthly: | \$ |
| d. annually: | \$ |
| e. other (explain): | \$ |

Deposits to the State Treasurer

- | | |
|---------------------|----|
| a. daily: | \$ |
| b. weekly: | \$ |
| c. monthly: | \$ |
| d. annually: | \$ |
| e. other (explain): | \$ |

EXISTING ACCOUNTS

7. **Must** provide the following information for each month for the previous twelve months:

MONTH	MAXIMUM BALANCE	MINIMUM BALANCE	AVERAGE LEDGER BALANCE	# DEPOSITS TO EACH MONTH	# DEPOSITS TO EACH MONTH TO BANK	MONTHLY SERVICE FEE
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$
	\$	\$				\$

8. Proposed date to establish new account or date account opened.

9. If this is a request for a new account what is the initial bank deposit amount?

10. Account type desired: checking savings other

If the answer is “other”, please explain.

If checking account is requested, will funds be placed in an interest bearing account?

Yes No

If the answer is “no”, please explain.

FINANCIAL INSTITUTION DATA

11. Financial Institution Name:

Branch Location:

Main Office Mailing Address:

Phone Number:

Monthly Service Fees: \$

12. Does this agency have other accounts at this chosen institution?

Yes No

If so, please identify each account by account title, account type, and account number.

13. If this request is for a recertification or change of an existing account, what is the current account title, account type, and account number?

14. If this request is for an existing account, how is the deposit collateralized?

NOTE: If it is determined that the state agency aggregate balance at the Financial Institution you have requested exceeds \$250,000.00, the State Treasurer's Collateral Division must hold safekeeping receipts for all pledged collateral.

15. Please list the name, address, and phone number of each signatory for this requested account.
16. Who is the agency contact person for this account? Include telephone number and e-mail address.
17. Authorized signature(s). Please attach a list with signature specimen and copy of signature card.

I, the undersigned **Director/Officer**, attest to the correctness of this request. I understand that if this account is authorized, the State Treasurer's Office State Accounts Bureau, will provide written conditions and reporting requirements appropriate to the account.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

**OFFICE OF THE STATE TREASURER
STATE FUND DEPOSIT BALANCE REPORT FOR DEMAND AND SAVINGS ACCOUNT**

FOR THE MONTH ENDED: _____

State Agency Reporting: _____

Person Preparing Report: _____ Phone: _____

Financial Institution : _____ Bank Account Number: _____

State Treasurer Authorization Number: _____

Cash balances as shown on monthly statements:

Prior Month Ending Balance	\$	Ending
Balance This Reporting Period	\$	Average Ledger
Balance	\$	
Maximum Balance	\$	Maximum
Authorized Balance	\$	Expiration Date
Interest Bearing Accounts:		
Percentage Yield Interest:		
Payment:		

All monthly cash reports are due in the State Treasurer’s Office, State Account Bureau, on or before the **20th** day of the month following the reporting period. Please attached a legible copy of the financial institution statement from the reporting period.

Certification of Cash Balances

I certify that the above cash balances are correct and that the cash account has been reconciled with its monthly statement from the financial institution holding the account. I certify that the maximum balance during the reporting period has not exceeded the maximum balance approved by the State Treasurer for this account.

Name & Title

Date

NEW MEXICO CORRECTIONS DEPARTMENT PETTY CASH REPLENISHMENT FORM

Agency Name NM Corrections Department	Page 1 of 1 Agency Code 77000	Date Voucher Number
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Custodian	Post of Duty	Actual Reimbursement (Voucher) <input type="checkbox"/>
Vendor Number		
Invoice Number		

Date	Department Code	Account Code	Description	Amounts	Totals
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Totals				\$0.00	\$0.00

I, _____, do solemnly swear that the above claim for reimbursement is just and true in all respects and complies with the DFA Regulations, and Model accounting Practices.

Payee Sign Here:

Date: _____