

Petty Cash Fund Setup and Usage

1) A local church board may choose to establish a Petty Cash fund for the use of a specific ministry or department of the church (Church Office, Community Services, Pathfinders, Women's Ministry, etc.). Such authorization should be clearly documented in the church board minutes and should include:

- a) The specific purpose/ministry/department.
- b) The set amount of the Petty Cash account.
- c) Who will be responsible for the fund as the appointed petty cash custodian.

2.) Set up a new account in Jewel by going to "Maintenance/Edit Accounts." The "Type" should be "Bank Account." Use the first 8000 level number available after your bank accounts as the account number. The "Name" should be "Petty Cash - Pathfinders" (or whatever department is using the fund).

3) The church treasurer should then write a check to the custodian. Example: "John Doe - Petty Cash." The check "Memo" line should be "Establish Petty Cash Fund for Pathfinders" (or whatever the department it is).

Note: The first check is charged to this new petty cash account. The "Account" line should be the bank account number of Petty Cash. There will be a warning message from Jewel, informing you that you are creating a transfer, and asking "Are you sure this is what you want to do?" Click "Yes."

4) The custodian should cash the check and place the money in a cash box or bank bag. As advances for purchases or reimbursements are made from petty cash, a petty cash voucher should be completed for each. Each petty cash voucher slip should have the name of the person being advanced or reimbursed, the account(s) to be charged and the amount(s). It should then be signed by the custodian and the person being advanced or reimbursed. If an advance, the person getting the money must return the leftover money along with each original receipt. All purchase receipts related to that petty cash slip should be stapled to the back of the petty cash slip. The slip must then be placed in the cash box or bank bag with the remaining money.

5) At all times, the cash in your petty cash box plus the petty cash slips should always equal the original amount you started with.

6) Each time petty cash is replenished, the custodian should complete a *Petty Cash Reimbursement Sheet*, verifying the fund balance. This should be signed, and dated by the custodian. The count sheet should include a detailing of denominations of money--i.e. how many nickels, dimes, 1's, 5's, etc., and also a list of all charges by department and amount. The petty cash vouchers should be stapled to the signed reimbursement sheet which will serve as backup for the check issued.

It is important to train your petty cash custodian in #4 and #6.

7) To replenish petty cash, the church treasurer should

- a) Write a check to the custodian equaling the exact amount of purchase receipts submitted and listed on the *Petty Cash Reimbursement Sheet*.
- b) Charge the appropriate church expense(s) represented by the purchase(s), like Office Supplies, Women's Ministry, Pathfinders, etc.
- c) Write "Petty Cash Replenishment" on the check "Memo" line.

8) If at some point the petty cash fund is no longer needed, all the receipts should be counted and a final check should be written to post the last receipts and to bring the petty cash back up to the full amount. Then that petty cash amount should be taken to the bank and deposited into the checking account. Then in Jewel, you should go to "Accounting/Transfer Funds." The "Memo" would be "Close Petty Cash – Pathfinders." The "From Account" would be the 80XX petty cash account and the "To Account" would be the checking account. This will return the petty cash account in Jewel to zero and will close it out.

For more tutorials on GCC-DENOMINATIONAL POLICIES-GUIDELINES, see section 6000 on the gccsda.org auditor webpage.

*This information has been brought to you by the Georgia-Cumberland Conference Audit Team
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