

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adopt Ordinance No. 551 , Amending Ordinance No. 380 to Increase the Dollar Limitation for Minor Disbursements of Petty Cash
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

The City's administrative policies have used \$40 as the threshold for petty cash reimbursements for many years. Recently it was discovered that previously adopted ordinances used \$25 as the threshold for minor disbursements. In order to correct this conflict Ordinance No. 551 changes the threshold to \$40 to eliminate the conflict and reflect the practice that the City has been following.

Petty cash allows us to reimburse employees who make minor purchases (less than \$40) out-of-pocket. Examples of allowable uses of petty cash include:

- An item or service less than \$40
- Purchase of a C.O.D. item
- Postage
- Parking Fees/Ferry and Bridge Tolls
- Allowable Meal Reimbursement
- Small amounts of Mileage Reimbursement

The use of petty cash prevents the City from having to write several small reimbursement checks to employees and therefore reduces staff time and the cost of producing a check. Even though this is the case, there are requirements to fully itemize purchases so that proper internal controls are followed and expenditures are accurately reported.

FINANCIAL IMPACT: This will not have a budget impact.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 551.

Approved By:

City Manager 

City Attorney 

Attachment A:

Ordinance No. 551

ORDINANCE NO. 551

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
INCREASING THE PETTY CASH MINOR DISBURSEMENT DOLLAR
AMOUNT; AND AMENDING SHORELINE MUNICIPAL CODE 3.35.010**

WHEREAS , pursuant to SMC 3.35.010, the definition of minor disbursements for petty cash is \$25; and

WHEREAS, in order to effectively use petty cash to meet the needs of the City and reduce the administrative cost of producing reimbursement checks a \$40 limitation is more practical; NOW, THEREFORE,

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO
ORDAIN AS FOLLOWS:**

Section 1. Amendment. Shoreline Municipal Code 3.35.010 is amended as follows:

3.35.010 Petty cash and change fund

A sum of up to, but not exceeding, \$1,300.00 is appropriated from the city's general fund to the city petty cash and change fund for the purpose of making minor disbursements (~~\$25.00~~ \$40.00 or less), and making change; and the city manager or his or her designee is authorized, from time to time, to reimburse the petty cash and change fund for actual expenses incurred for such purposes. The fund shall be administered by the city of Shoreline in accordance with regulations providing for such lawful administration.

Section 2. Publication, Effective Date. This ordinance shall take effect and be in full force five (5) days after publication of a summary of the ordinance consisting of its title.

PASSED BY THE CITY COUNCIL ON JUNE 22, 2009.

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date: