| SOPP #755 | Prepared By: Department of Finance – Treasury & Accounting Divisions |
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| **Effective Date: 08/10/2026** | **Approved By: Commissioner of Finance** |
| **Title** | **Petty Cash/Imprest Fund Management** |
| **Purpose** | The purpose of this SOPP is to establish standardized procedures, safeguarding requirements, accountability standards, reconciliation requirements, and internal controls governing the establishment, management, replenishment, monitoring, and closure of Petty Cash/Imprest Funds within the Government of the Virgin Islands (GVI).<br><br>**This SOPP is intended to:**<br>• Safeguard public funds<br>• Ensure accountability and transparency<br>• Prevent fraud, misuse, waste, and abuse<br>• Promote accurate financial reporting and reconciliation<br>• Ensure compliance with audit standards and governmental financial best practices. |
| **Policy** | Petty Cash/Imprest Funds shall only be utilized for minor, immediate, and necessary governmental expenditures where the normal procurement or disbursement process is impractical due to urgency or operational necessity.<br><br>**Petty Cash/Imprest Funds shall not be used for:**<br>• Personal purchases<br>• Payroll or compensation-related payments<br>• Travel reimbursements requiring a Travel Authorization or Travel Expense Report<br>• Cash advances or loans<br>• Entertainment expenses<br>• Split purchases intended to circumvent procurement thresholds<br>• Any expenditure prohibited by law, regulation, or policy<br><br>**All expenditures must:**<br>• Be reasonable, necessary, and directly related to governmental operations<br>• Be supported by original documentation<br>• Comply with procurement, financial, and audit requirements<br>• Receive proper supervisory approval prior to reimbursement or disbursement |

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| | **Fund Limits**<br>• Standard petty cash/imprest funds shall not exceed $1,000 unless specifically approved in writing by the Commissioner of Finance.<br>• Individual petty cash/imprest fund transactions shall not exceed $500 unless justified in writing and approved by the Agency Head and CFO/Fiscal Lead **with the exception of the VIDE**.<br>• Transactions exceeding allowable limits shall be processed through standard procurement and disbursement procedures. |
| **Responsibilities** | **Petty Cash/Imprest Fund Custodian**<br><br>Each Department or Agency shall formally appoint one designated Primary Custodian for each petty cash/imprest fund. The Primary Custodian shall be solely responsible for the safeguarding, management, reconciliation, and disbursement of the petty cash/imprest funds and all supporting documentation. Only the designated Primary Custodian shall issue or disburse cash from the petty cash/imprest fund.<br><br>**The designated Custodian shall:**<br>• Safeguard petty cash/imprest funds and supporting documentation<br>• Maintain funds in a secure location at all times<br>• Maintain pre-numbered petty cash/imprest fund vouchers and supporting receipts<br>• Ensure all expenditures are allowable and properly documented<br>• Maintain daily logs and reconciliations<br>• Prepare replenishment requests timely<br>• Immediately report shortages, overages, discrepancies, or irregularities<br><br>Departments and Agencies are strongly encouraged to formally designate and train an Alternate Custodian to ensure operational continuity during periods of absence by the Primary Custodian. While co-custodianship of a single petty cash box/ imprest fund account is discouraged, temporary transfer of responsibility during approved leave, vacation, reassignment, or extended absence shall be formally documented.<br><br>When a transfer of custodianship occurs, the petty cash/imprest funds must be officially counted, reconciled, signed off on by both parties, and transferred in writing to the Alternate Custodian. Documentation of the transfer shall be maintained with the petty cash/imprest fund records and made available for review, audit, or inspection upon request. |

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| | At no time shall petty cash/imprest funds remain unsecured, unattended, or without an assigned responsible custodian.<br><br>**CFOs/Fiscal Leads**<br><br>CFOs/Fiscal Leads shall:<br>• Monitor compliance with this SOPP<br>• Review and approve reconciliations<br>• Conduct periodic reviews and unannounced cash counts<br>• Ensure segregation of duties is maintained<br>• Investigate discrepancies and ensure corrective action is implemented<br><br>**Department of Finance – Treasury & Accounting Divisions**<br><br>The Department of Finance shall:<br>• Provide oversight and compliance monitoring<br>• Review replenishment requests and supporting documentation<br>• Conduct audits, spot checks, and reconciliations as necessary<br>• Approve establishment, modification, or closure of petty cash/imprest fund<br>• Escalate unresolved deficiencies or irregularities as appropriate |
| **Procedures** | **Establishment of Petty Cash/Imprest Funds**<br><br>• Requests to establish petty cash/imprest funds must be approved by the Commissioner of Finance.<br>• Each fund shall have one designated Primary Custodian formally assigned responsibility for the management and safeguarding of the fund.<br>• Funds shall be issued payable to the designated Custodian only — never to “Cash.”<br>• Custodial transfers during leave or absence periods must be formally documented, reconciled, counted, and acknowledged in writing by both the outgoing and incoming custodians.<br><br>**Disbursement Procedures**<br><br>Each petty cash/Imprest fund disbursement must:<br><br>• Utilize a pre-numbered petty cash/imprest fund voucher/request form<br>• Include the date, amount, vendor/payee, purpose, and GL coding |

- Be supported by original receipts or invoices
- Be signed by the recipient and approved by the Custodian

**Daily Logs & Reconciliations**
The Custodian shall maintain a daily petty cash/imprest fund log containing:

- Voucher number
- Date
- Payee/vendor
- Description of expenditure
- Amount disbursed
- GL coding
- Running balance
- Cash on hand
- Any shortages or overages

**The following reconciliation formula must always balance:**

**Cash on Hand**

Outstanding Approved Vouchers/Receipts

= Authorized Petty Cash/Imprest Fund Balance

**Replenishment Procedures**

- Replenishment requests shall occur when approximately 60% of the fund has been expended. Please note, **this is only for GVI departments and agencies outside of VIDE.**
- Reimbursement requests must equal the exact amount supported by approved vouchers and receipts.
- All replenishment requests must be entered into the ERP system with supporting documentation attached.
- Petty cash/Imprest Fund replenishment requests submitted without a fully completed, balanced, and reconciled reconciliation report will not be processed under any circumstance.

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| | • The reconciliation report must fully account for all funds issued, cash on hand, outstanding vouchers, and supporting documentation. Any discrepancies, shortages, overages, missing receipts, unsupported expenditures, or unreconciled balances must be resolved prior to submission to the Department of Finance.<br><br>• Incomplete submissions, unsupported expenditures, or unreconciled petty cash/imprest fund balances shall result in the rejection of the replenishment request and may result in further corrective action, increased monitoring, suspension of petty cash/imprest fund privileges, audit findings, or referral for investigation.<br><br>**Fund Closure**<br>Upon closure of a petty cash/imprest fund:<br><br>• A final reconciliation must be completed<br>• Outstanding items must be resolved<br>• Remaining funds must be deposited into the designated GVI bank account<br>• Supporting documentation must be submitted to DOF |
| **Internal Controls** | **Segregation of Duties**<br><br>• Custody, reconciliation, approval, and ERP entry functions should be separated where feasible.<br>• The Custodian shall not approve their own reconciliations.<br>• One individual shall not control all aspects of the petty cash/imprest fund process.<br><br>**Safeguarding Requirements**<br><br>• Petty cash funds must be maintained in a locked cash box within a locked safe or secured cabinet. A bank account requested through the Department of Finance must be established, maintained and reconciled monthly.<br>• Access shall be limited to authorized personnel only.<br>• Petty cash/Imprest Funds shall never be commingled with collections or operational revenues. |

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**Documentation Controls**

- All vouchers must be completed in ink and fully supported by original documentation.
- Altered, incomplete, or photocopied receipts shall not be accepted without written justification and approval.

**Monitoring & Audit Controls**

- Unannounced cash counts and spot audits shall be conducted periodically.
- Variances, shortages, and irregularities must be investigated immediately.
- Custodian transfers must include written documentation and reconciliation verification.

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**Reporting**

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The following shall be reported immediately to the CFO/Fiscal Lead and DOF Treasury:

- Cash shortages or overages
- Missing documentation
- Suspected fraud or misuse
- Unauthorized expenditures
- Unreconciled balances or discrepancies

Written explanations and corrective action documentation shall be required for all discrepancies or irregularities.

**Departments and Agencies shall maintain:**

- Daily petty cash/Imprest Fund logs
- Monthly reconciliations
- Supporting receipts and vouchers
- Replenishment documentation
- Audit and review records

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**Compliance & Accountability**

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Failure to comply with this SOPP constitutes noncompliance with established Government financial policies and internal control standards.

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| | **Noncompliance may result in:**<br><br>• Suspension or revocation of petty cash/Imprest Funds privileges<br>• Audit findings<br>• Corrective action plans<br>• Increased monitoring or oversight<br>• Administrative or disciplinary action<br>• Referral for investigation where appropriate<br><br>The Department of Finance reserves the right to:<br><br>• Conduct audits and inspections at any time<br>• Require immediate reconciliation or closeout of funds<br>• Suspend funds due to noncompliance or unresolved deficiencies |

| Revision# | Date | Description of changes | Requested By |
|---|---|---|---|
| 0 | 04/07/09 | Initial Release | CB, JL, PA |
| 1 | 08/04/09 | Review | VC |
| 2 | 03/04/10 | Review and update | AED, JL |
| 3 | 08/12/16 | Review and update | CF, VC |
| 4 | 03/10/20 | Review and update | CF, ES, CME |
| 5 | 12/22/21 | Review and update | ES, CME, BB |
| 6 | 12/23/21 | Approved | BB |
| 7 | 05/18/26 | Review and update | BC |
| 8 | 05/22/26 | Review | AK, ES, ES |
| 9 | 06/03/26 | Review | MW |
| 10 | 8/06/26 | Approved | KM |