

STAFF REPORT

Date: April 26, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution to rescind Resolution No. 6447 and to establish procedures for authorization of petty cash funds in individual city departments to increase the amount from \$100 to \$200 in accordance with Nevada Revised Statute 354.609.

From: Matt Taylor, Assistant Finance Director

Department: Finance

Summary:

Staff is requesting to increase the amount of petty cash allowed in one transaction from \$100 to \$200.

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

December 1, 2004 - Council approved Resolution Number 6447, which rescinded Resolution Number 5126 and established procedures for authorization of petty cash funds in individual city departments, in accordance with Nevada Revised Statute 354.609.

May 9, 1995 - Council approved Resolution Number 5126, which increased individual designation of petty cash accounts established in individual departments in accordance with Nevada Revised Statute 354.609.

Discussion:

There are several reasons why an increase in the amount of petty cash allowed in one transaction is warranted:

1. Efficiency: An increase in the amount of petty cash allowed in one transaction will reduce the number of transactions needed to pay for small expenses, thereby saving time and increasing efficiency.

2. Flexibility: A higher limit will provide greater flexibility in paying for small expenses, particularly in situations where an urgent purchase needs to be made and there is no time to obtain approval for a larger expenditure.
3. Cost savings: The cost of processing multiple small transactions can be higher than that of processing a single larger transaction. By increasing the limit, we can reduce the administrative costs associated with processing multiple small transactions.
4. Inflation: The current limit of \$100 has been in place for a number of years and has not kept pace with inflation. An increase in the limit to \$200 is a modest adjustment that reflects the increased cost of small purchases over time.

Financial controls over petty cash will remain the same. The petty cash policy will be updated to reflect the change of single transaction limits.

Financial Implications:

The amount of cash on hand will increase for petty cash account. There will be no change in amounts budgeted or expenses reported.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council adopt the attached resolution to establish procedures for authorization of Petty Cash in individual city departments in accordance with Nevada Revised Statute 354.609.

Proposed Motion:

I move to adopt the Resolution.

Attachments:

Petty Cash Resolution Petty Cash
Change Funds Policy 305 - Redline