

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution 99-31

Establishes policies regarding MERC petty cash accounts.

The Metropolitan Exposition-Recreation Commission finds that:

1. There exists an ongoing need for petty cash funds at MERC facilities for change funds, and for minor disbursements for authorized purposes; and
2. The Commission has from time to time established facility change and petty cash funds; and
3. It would be beneficial to the operation of the Commission to establish a single petty cash account for all such authorized purposes, to be allocated to the facilities and administered under accounting procedures established by the General Manager pursuant to ORS 294.465; and
4. Continued administrative flexibility to respond to business needs is important.

BE IT THEREFORE RESOLVED THAT:

1. There is hereby established a MERC petty cash account to service all MERC facilities, incorporating all petty cash accounts previously authorized by the Commission;
2. The General Manager is authorized to allocate up to \$25,000 in the MERC Petty Cash Account to be used as change funds, and for minor authorized disbursements via petty cash accounts;
3. The General Manager is authorized to establish within the petty cash account such petty cash authority for each facility as may be necessary, to designate facility petty cash custodians, and to establish procedures governing the administration of petty cash funds pursuant to this resolution and ORS 294.465.

Passed by the Commission on June 16, 1999.



Chair


Secretary-Treasurer

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

By: 
Kathleen Pool, Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item: Establishes MERC petty cash account authorization.

Resolution No. 99-3.1

Date: June 8, 1999

Presented by: David Biedermann

Background Analysis: There are two business conditions that require small cash amounts are kept on hand for business needs.

One is the need for a "change fund" or "change bank". This is the incidental cash to make change at points of sale, such as souvenirs, business services, concessions, etc. The other is "petty cash", by which employees use cash to buy small incidental items and services, such as small office needs, minor services, reimbursement of authorized small employee expenses, etc. Replenishment for petty cash occurs by reconciling the account and turning in the receipt slips. Custodians of change banks turn in receipts for merchandise sold and reconstitute the bank. In either case, the total amount of the specific account (cash on hand plus receipts) is expected to always equal the authorized level.

Sixteen change and petty cash funds totaling \$23,050 exist in MERC (see attached for detail of accounts). As business conditions change, there is the need to alter the limits of individual petty cash and change funds. Generally speaking, the rule of thumb is that a fund be replenished on the average once a month. (More frequently means the fund is too small for business needs, less frequently it is too large.) Frequent transactions to replenish the small bills and change result from funds that are too small, and this increases the staff time to support the fund and impairs customer service. Passage of this resolution will give the General Manager direction and latitude to deal with business needs regarding these funds.

(Infrequently there are unique events that require larger amounts of cash be on-hand. These are treated as in/out transactions to increase the size of the change funds for a short time, and then return them to their normal operating size noted in the attachment).

Examples of business changes are characterized by two current situations. In the OCC Administration office, the number and size of small business transactions for which the office has a petty cash fund increased since its inception. The current level of \$100 is depleted quickly given the cost of normal small miscellaneous purchases charged through the fund. An increase from the \$100 to \$200 will create more flexibility and more reasonable service in the OCC Administration petty cash fund.

On busy convention and conference days, the OCC Business Center exhausts its change fund too quickly making change for customer purchases (fax transmission, copies, computer rental, etc.). A larger Change Fund will allow the Business Center to absorb more business without having to frequently get larger bills broken into smaller denominations. An increase from \$100 to \$200 will improve the responsiveness to customer purchases.

Petty cash and change funds will be periodically checked with unannounced financial audits to ensure fiscally responsible use. The difference between the current total of all petty cash and change funds and the requested \$25,000 limit will be used to address future needs in the facilities. At such time the total required amount of all petty cash funds be anticipated to exceed \$25,000, staff will request additional authority from the Commission.

Fiscal Impact: None. Change and Petty Cash Funds are replenished when the receipts are coded and posted to the expenditure accounts.

Recommendation: Passage of the proposed resolution.

	VENUE	AMOUNT	LOCATION/CUSTODIAN
PCPA	Events	100.00	Souvenir Bank/Civic Auditorium
		100.00	Souvenir Bank/NTB & ASCH
	Office	200.00	With Martha Deuchler
	Operations	200.00	With Robyn
	Box Office	2400.00	Vault Cash-NTB Box Office
		600.00	Bault Cash-Civic Auditorium
	TOTAL PCPA	\$ 3,600.00	
OCC	King Office	100.00	With Sylvia DeSordi
	Operations	200.00	With Katina
	visitor Info	150.00	With Candace
	Box Office	6000.00	Vault Cash-OCC Box Office
	Business Center	100.00	With Claudia
	Total OCC	\$ 6,550.00	
Stadium	Office	200.00	With Vicki
	Box Office	12000.00	Vault Cash-Stadium Box Office
	Total Stadium	\$ 12,200.00	
Expo	Office	200.00	With Ted Anderegg
	Operations	200.00	With Randy Downs
	Total Expo	\$ 400.00	
MERC Admin		300.00	With Kathy Pomeroy
	Total MERC Admin	\$ 300.00	
TOTAL PETTY/VAULT CASH		\$ 22,950.00	