

2020 Regular Session

HOUSE BILL NO. 151

BY REPRESENTATIVE BEAULLIEU

LOCAL GOVERNMENT: Provides relative to the use of a petty cash account

1 AN ACT

2 To enact R.S. 39:1304.1, relative to fiscal management; to provide for the use of a petty cash  
3 account by a political subdivision; to provide for limitations and requirements; to  
4 provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:1304.1 is hereby enacted to read as follows:

7 §1304.1. Petty cash

8 A.(1) A political subdivision shall not establish or use a petty cash account  
9 unless the petty cash account is provided for within the budget of the political  
10 subdivision and the political subdivision establishes and uses the petty cash account  
11 in accordance with the provisions of this Section. The petty cash account shall not  
12 exceed five hundred dollars and may be used to make change or pay small  
13 obligations when the issuance of a check is not cost effective.

14 (2) The political subdivision shall designate a custodian of the petty cash  
15 account, who shall be responsible for administering the account in accordance with  
16 the provisions of this Section.

17 B.(1) In establishing the petty cash account, a check shall be drawn payable  
18 to "petty cash".

1           (2) A voucher shall be prepared for each item of expenditure from the  
2           account and signed by the person receiving the money. Vouchers shall be  
3           maintained with the petty cash account.

4           (3) The custodian, as often as may be necessary to replenish the petty cash  
5           account but at least once a month, shall prepare a schedule of the expenditures  
6           therefrom accompanied by appropriate vouchers. The custodian may draw another  
7           check payable to "petty cash" in an amount which equals the total of the vouchers,  
8           and the vouchers shall be utilized as invoice support for the check replenishing the  
9           petty cash account.

10           (4) No money shall be added to the petty cash account except to replenish  
11           the account as provided in this Section.

12           Section 2. This Act shall become effective on January 1, 2021.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 151 Original

2020 Regular Session

Beaulieu

**Abstract:** Provides requirements and limitations for use of petty cash by political subdivisions.

Present law (R.S. 39:1301 et seq.—Louisiana Local Government Budget Act) establishes a process for political subdivisions to use in the preparation and adoption of an annual budget. Provides procedures and requirements.

Proposed law retains present law and additionally provides that a political subdivision shall not establish or use a petty cash account unless the petty cash account is provided for within the budget of the political subdivision and the political subdivision establishes and uses the petty cash account in accordance with the provisions of proposed law. Provides that the petty cash account shall not exceed \$500 and may be used to make change or pay small obligations when the issuance of check is not cost effective.

Proposed law requires the political subdivision to designate a custodian of the petty cash account, who shall be responsible for administering the account in accordance with proposed law. Provides procedures for the custodian to establish and replenish the petty cash account and for making expenditures from the account. Prohibits any money from being added to the petty cash account except to replenish the account as provided in proposed law.

Effective Jan. 1, 2021.

(Adds R.S. 39:1304.1)