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## DIGEST

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HB 151 Original

2020 Regular Session

Beaullieu

**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)