1. Purpose

Petty Cash Funds are provided in order to permit departments to make miscellaneous small purchases which cannot be secured through other sources. This policy applies to all employees who are custodians of Petty Cash Funds from which cash payments (not checks) are made.

All Petty Cash Funds are operated on the imprest system, i.e., cash and receipts on hand and/or receipts in process of reimbursement must equal the fund total at all times.

Improper application of any of the following procedures could result in cancellation of the petty cash fund.

2. Procedure

a. Establishment of the Fund

A request to establish a petty cash fund should be submitted to the Director of Accounting Services. The request should explain the need, state a requested amount for the fund, and define who will be responsible (custodian) for the fund. The custodian must sign a responsibility form when he/she picks up the check from Accounting Services.

b. Security of the Fund

The cash must be secured to ensure adequate safeguard. The specific method of securing the cash (safe, locked box, etc.) will vary based on the physical design of the cash security point. Access to the fund must be limited.

c. Reconciliation of the Fund

The petty cash fund must be regularly reconciled. The activity of the fund will determine how often the fund should be reconciled. If the fund is utilized daily, daily reconciliation is in order.

d. Cash Over/Short

If the fund does not balance, a cash overage or shortage must be recorded. If the reconciling balance is short, a debit to an expenditure account must be recorded. The shortage could be recorded on a requisition, either by itself or together with replenishment of the fund. If the reconciling balance exceeds
the amount of the fund, the overage must be deposited at the Bursar's Office, and a credit to an expenditure account must be recorded.

e. Custodian/ Designee

If the custodian is not available to assume responsibilities of the fund, he/she should designate someone to be custodian in the interim. Before turning over the petty cash to a designated custodian, the fund should be balanced. Before the designated custodian returns the petty cash fund to the original custodian, the fund should be balanced again.

f. Replenishment of the Fund

The fund should be replenished at regular intervals to be determined by need and activity of the fund. Receipts should be attached to a requisition and submitted to Accounting Services for processing. The requisition should reflect the account number to be charged for the expenses. Accounting Services will audit the receipts and upon approval produce a replenishment check made payable to the custodian of the fund. The custodian should promptly cash a reimbursement check.

Petty cash transactions must be made in person in Accounting Services and not through Campus Mail.

g. Valid Receipts

(1) A proper receipt must be obtained to support cash expenditures. This receipt (which should reasonably document that the purchase was made and paid) should indicate the following:

(a) Date of purchase
(b) Item purchased
(c) Amount paid
(d) Name of firm from which the purchase was made
(e) Name of University employee accepting delivery

(2) Cash register tickets serve as valid receipts if the name of the firm from which the purchase was made is printed on the ticket and it is signed by an employee of that firm.

h. Change, or Cancellation, of Fund

If the department determines that the amount of the fund should be changed, or should be cancelled, the Director of Accounting Services should be notified immediately.

i. Limitation of use - The same procurement rules and regulations that apply to
other purchases will apply to petty cash purchases. In addition:

(1) No disbursement to cover the following items can be made from petty cash:
   (a) Live plants
   (b) Telegrams (To be paid through the Purchasing Department)
   (c) Wage and salary payments
   (d) Items of general departmental usage which are stocked in Service Stores or for which purchase orders are normally issued
   (e) Travel advances or reimbursements
   (f) Official function and/or entertainment expenses
   (g) Items purchased for $10.00 or more per day from any one source
   (h) Food (including coffee)
   (i) Notary Fees

j. Advances

No advances of Petty Cash are authorized.