

BUSINESS PROCEDURE MEMORANDUM NO. 27

February 15, 1986

December 1, 1988

Revised:

March 15, 2000

SUBJECT: Departmental Petty Cash Fund Handling Procedures

A department petty cash fund may be requested by submitting a purchase voucher and a memo to the Director of Financial Services. The memo should state:

1. The intended use of the fund,
2. The amount requested, and
3. The approximate length of time the fund will be needed.

Petty Cash Fund Procedures to be followed are:

1. Petty Cash Funds must be kept in a secure place, preferably a safe, when not in use and in a cash register, a locked drawer, or a locked box when in use. Unlocked petty cash should never be left unattended.
2. Petty cash should not be accessible to anyone except the official custodian or an alternate as designated in writing by the Account Manager.
3. Petty Cash Funds cannot be used for financing IOU=s, loans, accounts receivable, or cashing personal checks.
4. Private funds cannot be commingled with Petty Cash Funds.
5. Petty Cash Funds must be reconciled at all times. That is, supporting data for disbursements must be retained, which, when added to the remaining cash on hand, will always equal the authorized amount of the fund.
6. Disbursements from petty cash must be supported by documents which include date of payment, price, discount, description of expenditure, signature of person receiving the disbursement, and the account to which the expenditure should be charged.
7. Sales tax will not be reimbursed.
8. Miscellaneous receipts of cash should not be added to petty cash.
9. Petty cash from which disbursements are made should be reimbursed at reasonable intervals throughout the year, and in any event, at August 31 of each fiscal year. Reimbursements should be requested on a local purchase voucher which designates the custodian as payee. Reimbursements of up to \$150.00 may be submitted to the Bursar=s Office.

10. Petty Cash Funds should be accessible for audit by authorized persons at any time during regular business hours. When petty cash is counted by an auditor or other authorized person, the custodian of the fund must remain present.
11. The Account Manager who requests a Petty Cash Fund is ultimately responsible for the fund and should notify the Office of Internal Audits and the Office of Financial Services immediately of any change of custodian or location of the fund. Any questions concerning the use of the fund should be directed to the Financial Services Office.
12. Disbursement from the Petty Cash Fund may not exceed \$50 per transaction/receipt unless specific arrangements have been made in writing with the Director of Financial Services.