

PURCHASING AND ACQUISITIONS
PETTY CASH

CFDA
(REGULATION)

PURPOSE AND
INTRODUCTION

A petty cash fund is maintained in the Cashier's office. This fund is available for preapproved minor departmental purchases, mailings, etc. The petty cash procedures are printed on the back of the petty cash form.

Petty cash funds are used primarily to procure small and/or emergency purchases. The petty cash fund functions as a mechanism to eliminate the processing of checks through accounts payable and to allow purchases by employees who do not have a College procurement card.

STANDARD
PROCEDURE

Before requesting petty cash funds, it should be confirmed that the goods being purchased cannot be obtained using a College procurement card.

The maximum that can be received through petty cash is \$200.00 unless the excess is approved by the Director, Business Services, or Vice President, Financial Services & CFO.

Before making a purchase, the employee shall complete a cash-out ticket and obtain proper approver signatures. Once returned to the Cashier's office, the budget account is checked to determine if there are sufficient funds to disburse & proper signatures have been obtained. The balance is noted on the form and a log number assigned. Petty cash is then disbursed to the employee.

A tax exemption certificate is provided on the back of the cash-out form. Any tax charged to the employee is not eligible for petty cash and must be paid out of pocket.

After the purchase, the invoice or receipt should be returned to the Cashier along with any funds not spent. The Cashier is authorized to disburse an overage amount up to 10% of the original requested amount, even if the amount would then exceed the \$200.00 maximum, without additional approval.

The Cashier reviews the open cash-out tickets weekly. Any cash-out tickets not returned within one week will prompt an email notice to the employee and the approver.

If the purchase is made before completing the form and getting the proper signatures, it is considered confirmation buying and requires the approval of the President or Vice President, Financial Services & CFO, before disbursing the funds.

PROHIBITED
PURCHASES

Petty cash fund should not be utilized for purchases that can be made through the normal College procurement process or purchased with a procurement card. Items that normally would not be deemed as acceptable purchases are prohibited

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from being purchased with petty cash funds. The Cashier's office has the responsibility for monitoring fund purchases.

The following items may not be reimbursed through the petty cash fund:

1. items on state/federal contract
2. payment to vendors for services rendered
3. office parties, gifts, holiday decorations, flowers, greeting cards
4. software
5. honorariums and or stipends
6. alcohol
7. personal check cashing
8. loans
9. other items inconsistent with the College mission

EXCEPTIONS

The petty cash fund shall be utilized for amounts in excess of \$200.00 for the following reasons:

10. temporary change funds for other departments on campus
11. student group meal monies that are disbursed to individual students by a College employee
12. group restaurant meals
13. items approved by the Director, Business Services, or Vice President, Financial Services & CFO

All requests for amounts in excess of \$200.00 must have the approval of the Director, Business Services, or Vice President, Financial Services & CFO.

USE OF PETTY
CASH FUND

The petty cash fund must be used only for the purpose for which it was established. All expenditures that are to be purchased by the fund are to be approved by the Cashier. A receipt must accompany and support each expenditure transaction. It is the responsibility of the Cashier to insure that all transactions meet the requirements that are set forth in the regulation of the fund. The petty cash fund should not be used as a means to circumvent proper procurement procedures.

Petty cash forms should contain the following information:

1. Log #
2. Date
3. Budget account #
4. Available balance in budget account
5. Return date of receipt or other evidence that payment had been made
6. Person requesting cash
7. Department
8. Amount requested
9. Actual amount paid

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10. Description of the goods purchased
11. Signature of requisition authorities/Approvers
12. Signature of cash recipient

At any point in time, the petty cash on hand plus the receipts must equal the total authorized dollar amount established for the fund.

REPLENISHMENT

The petty cash fund may be replenished as frequently as required by the fund usage. A petty cash journal entry must be prepared by the Cashier with the appropriate documentation scanned and attached in the financial accounting system. Following the review and approval of the Request for Petty Cash Reimbursement by the Bursar and Director, Business Services, a check made payable to the bank will be issued. The Cashier will send the check to the bank with the regular deposits in order for it to be cashed and returned to the petty cash fund. Petty cash funds shall be reimbursed at month-end in order to insure that the appropriate expenditures are posted to the appropriate period. All petty cash funds must be reimbursed at fiscal year-end in order to insure that the expenditures are posted to the appropriate fiscal year.

SAFEGUARDING
PETTY CASH
FUND

The petty cash fund and supporting receipt documentation must be kept in a secure location and cannot be comingled with any other funds. Campus Police must be notified immediately if any of the funds are missing and the possibility of a theft has occurred. The Cashier must prepare a report outlining the facts and circumstances of the suspected loss.

AUDIT

Petty cash funds are subject to audit by the Internal Auditor. Recurring audit findings may result in the petty cash fund being revoked. The Cashier is responsible for ensuring that the cash on hand and the receipts are equal at all times to the authorized amount.