Petty Cash and Custodian Procedure

Restrictions on Use
The petty cash fund cannot be used to:

- Purchase goods currently covered by a University negotiated contract.
- Purchase items from University departments or units.
    - Sodexho
    - Monarch Press
    - Bookstore
    - MC Golf
- Purchase personal (non-University) services or personal items.
    - Flowers
    - Candy
    - Beverages
- Pay for services rendered by an employee.
- Purchase items regarded as travel expenses.
- Reimburse sales tax.
- Purchase liquor.
- Cashing of personal checks or providing personal loans.

Establishing/Changing a Petty Cash Custodian
All departments desiring to establish a petty cash fund or change custodians of a petty cash fund **MUST** complete an *Establish/Change Petty Cash Custodian Form*. It is necessary for the form to be completed by the Department Manager, signed/approved by both the requestor's department director **OR** school Dean (as appropriate), the Vice President, and the University's Controller before submitting to the Accounts Payable Office.

Accountability for a petty cash fund should be assigned to an employee within the requesting department who is designated as the fund Custodian. The fund Custodian is responsible for:

- Maintaining the petty cash fund in a safe manner
- Distributing cash to others upon request and proper approvals
- Obtaining supporting documents for disbursements made
- Maintaining petty cash receipts in numerical order
- Submitting a *Check Request*, along with supporting documentation, for replenishment of the petty cash fund.
    - Supporting documentation consists of:
        - A *Petty Cash Receipt*
        - Itemized detailed receipts

Maintaining the Petty Cash Fund
The petty cash fund will be replenished by the Accounts Payable Office. Upon presentation of correct and complete documentation for replenishment, a check payable to the Custodian is issued to bring the petty cash fund back to its original amount.

- The petty cash fund should be kept in a locked drawer or cabinet with the key in the Custodian's possession.
- A *Petty Cash Receipt* must be used to document the disbursement of cash.
    - Each *Receipt* must be supported by original, itemized, detailed receipts.

    - The individual receiving the payment must sign the *Petty Cash Receipt* to acknowledge the receipt of cash.
- The receipts, plus cash on hand, should equal the total amount of the petty cash fund at all times.
- The petty cash fund is subject to audit at any time without prior notice.
- To establish/change the custodian of the petty cash fund, submit an *Establish/Change Petty Cash Custodian Form*, with approval by both the requestor's department director **OR** school Dean and the University's Controller to the Accounts Payable Office.

Disbursements of cash without proper documentation may be grounds for closing the petty cash fund.

Advances/Reimbursements from the Petty Cash Fund
Advances/Reimbursements for purchases made with the petty cash fund require:

- A *Petty Cash Advance/Reimbursement Request Form* completed in ink and signed by the department director or school Dean (as appropriate).
- Individuals will be limited to only one outstanding petty cash request at a time.
- A *Petty Cash Receipt* must be used to document the disbursement of cash.
    - The individual receiving the payment must sign the *Petty Cash Receipt* to acknowledge the receipt of cash.
    - All receipts for advances and all unused cash must be returned to the Custodian the same day of issuance of the petty cash.
    - All receipts for reimbursements must be submitted at the time of issuance of the petty cash.

Replenishment of the Petty Cash Fund
The Petty Cash Custodian should complete a *Check Request*, attach all supporting documentation and submit to the Accounts Payable Office. Upon presentation of correct and complete documentation for replenishment, a check payable to the Custodian is issued to bring the petty cash fund back to its original amount.

Changes in the Petty Cash Fund

- A requested increase to the petty cash fund requires a written request (approved by appropriate VP) be submitted to the University's Controller stating the reason for the increase.
- If the petty cash fund should be closed, please contact the University's Controller.

Stolen Petty Cash
In the event that petty cash is stolen, the following procedures should immediately be followed:

- Inform the University Police Department and the University Controller of the theft.
- Obtain and provide a copy of the police report to the University Controller.