POLICY

AUTHORIZING AND MAINTAINING PETTY CASH AND CHANGE FUNDS

This policy applies to all employees obtaining a University petty cash fund for purchases and/or for making change.

Definitions:

Petty Cash Funds – for the purpose of this policy, are funds used for purchases when the issuance of a check would be too expensive and time consuming.

Change Funds – for the purpose of this policy, are funds used solely for making change in across-the-counter cash transactions.

1. Treasury Director Authorizes Departmental Petty Cash and Change Funds

Financial Managers requesting a departmental petty cash or change fund must complete and submit FORM-U5351.12A to the Treasury Director.

The Treasury Director or designee will consider the purpose, amount, proposed method of securing the fund and proximity to the University Cashier when evaluating and authorizing departmental petty cash and change fund requests.

NOTE: Any change in the Financial Manager or Custodian of the petty cash or change fund requires a re-submitted Petty Cash and Change Fund Authorization Form, with signatures of the new Financial Manager and/or Custodian.

2. Custodian Replenishes Departmental Petty Cash Funds at Least Bi-monthly

The Custodian is encouraged to replenish petty cash funds monthly, but will replenish at least bi-monthly.
3. **Financial Manager Ensures Petty Cash and Change Funds Are Reconciled Monthly**

   The Financial Manager will ensure that any departmental petty cash or change funds are reconciled at least monthly. The reconciliation must be written and include the date and signature of the reconciling individual.

4. **Financial Managers Periodically Conduct Surprise Audit of Departmental Change Funds**

   Financial Managers (or designee, if Financial Manager is also Custodian of the fund) will conduct a surprise audit of departmental change funds. The audit must be documented and is recommended to be performed on a quarterly basis, but must be performed at least annually.

5. **University Cashier Audits Departmental Petty Cash Funds Annually**

   At fiscal year end, during the month of June, custodians will transport their petty cash funds to the University Cashier for audit.

6. **Auditors May Audit Petty Cash and Change Funds Without Notice**

   The Custodian will immediately present the petty cash or change fund to the Internal Auditor, the State Auditor or external auditors upon request.

7. **Treasury Director’s Office May Revoke Departmental Petty Cash Fund**

   The Treasury Director may close departmental petty cash funds that average less than two instances of use per month over a period of three consecutive months.

   The Treasury Director may also close departmental petty cash funds for irregularities in fund, reimbursements for expenditures which are not allowed, abuse of petty cash fund purposes, or any other non-compliance reason.