

3103.11 | Petty Cash

Effective Date: 7/1/2011 | **Revised Date:** 6/5/2012

POLICY OBJECTIVE

It is the policy of the CSU to utilize petty cash funds for the reimbursement of small dollar University business related expenses when payment by cash is the most cost efficient method of payment. Each campus must prepare written procedures regarding the use and safeguarding of such funds to prevent loss to the University.

POLICY STATEMENT

The procurement card is the preferred purchasing method for low dollar business expenses. When the use of the procurement card is not possible, departments may use funds from petty cash.

The campus CFO or his/her delegate may authorize establishment of petty cash funds at department offices or other approved locations. Requests/authorization for such funds must be documented in writing.

A petty cash fund must be assigned to a specific individual as custodian. The custodian will be responsible for the amount advanced and should be trained on their responsibilities before accepting a petty cash fund. Evidence that the custodian has received the proper training should be documented.

Petty cash funds must not be comingled with other funds.

The petty cash fund will be closed out when a given petty cash fund is no longer needed, or upon termination or departmental transfer of the custodian. Transfer of funds to a successor is not authorized. If a successor is to be furnished a petty cash fund, a new request is required.

With any one vendor or payee in a day, petty cash purchases may not exceed an amount determined appropriate by the campus CFO. This amount should be formally documented in written procedures. Splitting a transaction into multiple reimbursements is not allowed. When an expense is made, a receipt must be obtained which contains the following:

- Date; name of vendor or payee; amount paid.
- Positive evidence that a payment was made, i.e., a cash register receipt or a hand written receipt on which the word "paid" appears.
- Description of the supplies or services purchased.
- Signature indicating receipt of the supplies or services.

To obtain replenishment of the fund, a disbursement voucher must be submitted to Accounts Payable where the appropriate original transaction receipts are verified.

Expenses that cannot be paid from petty cash include, but are not limited to, the following: invoices from vendors, payments for services to employees or independent contractors, loans and advances.

When not in use, the fund's currency and coin must be placed in a safe or locked receptacle kept in a properly secured area.

An unannounced cash count and reconciliation of petty cash funds must be performed on a periodic basis by someone other than the fund custodian. The frequency of the periodic counts can be determined by the campus CFO based on the amount of funds at risk. (See Guidelines below for suggested timelines.) The approval of the audit schedule chosen by the campus should be documented. Reconciliation of cash balances must be performed in the presence of the petty cash/change fund custodian and must be documented.

In the event of theft, notify Campus Police immediately. A new request should be submitted requesting reimbursement of the fund which includes the following:

- Date and time of theft.
- Amount of theft.
- Circumstances involved.
- Copy of police report.
- Prevention taken against similar occurrences.