

# PROCEDURE

<b>Subject</b>	Petty Cash and Change Funds	<b>Number:</b> 5.16.01
<b>Source</b>	Office of Finance	<b>Reference (Rule #)</b> 6HX14-5.16
<b>President's Approval/Date:</b> 12/13/06		

## **PURPOSE:**

To establish procedures for the amount, use and accountability of Petty Cash and Change Funds for the College.

## **POLICY:**

The President or his/her designee may establish petty cash funds not to exceed one thousand dollars (\$1,000.00) at each approved campus or center to be maintained on the imprest system (i.e., a system that replenishes the fund in the exact amount expended from it).

The President or his/her designee may establish change funds as deemed necessary for the orderly conduct and efficient operation of the College.

The names of persons appointed as custodians of petty cash and/or change funds and the amounts for which they are responsible shall be recorded. A record of changes of custodians shall be maintained in the Business Office on the Bradenton Campus.

A system of accounting for petty cash and change funds shall provide adequate internal controls and such funds shall not be used to circumvent normal purchasing procedures. Change funds are to be accounted for separately from petty cash funds.

Petty cash and change funds should not be used to cash checks.

The President shall establish, or cause to be established, forms to implement the provisions of this procedure.

The petty cash and changed funds should be reconciled to the books at the end of each fiscal year by recording all expenses incurred during the year and requesting cash to bring the total fund back to its original cash balance. The internal auditors will independently verify that these accounts are in balance at year end and at any other time during the year as they deem necessary.

## **PROCEDURE**

### **Authorization for Petty Cash**

When it is necessary to make small purchases that don't otherwise fall under the procedures requiring a general encumbrance or requisition, an employee may make purchases and be reimbursed using an Authorization for Petty Cash Voucher (available on the S:/ drive). The voucher should include the date, amount, itemized description of the purchase(s), the fund, organization and account to be charged, and an explanation as to the circumstances surrounding this method of reimbursement request. The Voucher should be signed by the person responsible for the budget to be charged.

An individual petty cash authorization should not exceed \$49.99, and should be accompanied by original receipts. Receipts should not be split to circumvent the \$49.99 limit.

The signed Authorization for Petty Cash Voucher, accompanied by original receipts, should be presented at the Business Office of the College for reimbursement. The petty cash custodian will verify that the purchase(s) meets the criteria for reimbursement and that sufficient budget exists for payment. If those two requirements are met, the custodian will process the request with a cash payment.

### **Replenishment of Petty Cash Fund**

When the petty cash fund is sufficiently depleted to require replenishment, the custodian will reconcile all expenses for disbursed cash from previously processed Authorization for Petty Cash Vouchers, prepare a journal voucher to record the expenses on the books of the College and prepare a cash request directly with the bank. The petty cash vouchers should be forwarded to the Purchasing Department for review based on purchasing policies. A purchasing department representative will sign the Authorization for Petty Cash Vouchers and return them to the Custodian. The custodian will complete a journal voucher to record the receipt of the replenished cash from the bank and file the petty cash vouchers as support for the journal voucher in the Accounting Department.

At all times, the amount of cash on hand and the total expenses for cash disbursed should equal the total amount of the petty cash fund.

### **Change Funds**

Various change funds are established at the College as the need arises and are the responsibility of the assigned custodian. These funds may increase or decrease, depending upon the business purpose for which they were established. They are reconciled in a fashion similar to the petty cash funds, with journal vouchers and replenishment requests made directly with the bank.

At the end of each fiscal year, the change funds should be brought into balance, either by requesting cash or repaying cash to the fund.