



Ohio Administrative Code Rule 3337-41-122 Petty cash and change funds.

Effective: July 22, 2016

The version of this rule that includes live links to associated resources is online at

<https://www.ohio.edu/policy/41-122.html>

(A) Overview

This policy establishes procedures and guidelines for petty cash reimbursement through the bursar's office as well as the use of departmental petty cash and change funds.

Cash control is necessary and must ensure that Ohio university is fulfilling its fiduciary responsibility. The use of cash rather than other means of payment does not change whether an expenditure is acceptable, or not.

(B) Definitions

(1) Petty cash fund: A set amount of money held by a department and used to make small, incidental purchases (for emergencies and purchases requiring cash) of not more than fifty dollars from a local vendor where the normal route of payment is not cost effective or appropriate.

(2) Change fund: A set amount of money used by a department to make change for customers who are purchasing goods or services. The selling of such goods or services must have been previously approved through appropriate channels.

(3) Fiduciary: The department head or budget unit manager who is authorized to approve expenditures from the department's account(s).

(4) Custodian: The department employee who is appointed to operate and maintain the fund.



(C) General guidelines

(1) Departments can either be reimbursed by the bursar's office (best for infrequent use see part (D) of this policy), or establish their own petty cash fund (see part (E) of this policy).

(2) It is the responsibility of the employee making the purchase to inform vendors of Ohio university's sales tax exempt status. An "Ohio Sales Tax Blanket Exemption Certificate" may be used for this purpose.

(3) An Ohio university purchasing card is a preferred alternative to a petty cash fund. Purchasing card information can be found online.

(4) Except that the intercollegiate athletics petty cash fund may be used for expenditures coded with natural accounts from the 400000 series, petty cash reimbursements are prohibited for expenditures that are classified in expense natural account code series 100000, 200000, 400000, and 900000. Additional information about expense natural account codes is available online.

(D) Reimbursement through the bursar's office

(1) The bursar's office will reimburse an individual who has used personal cash or a personal check (not personal debit or credit cards) to make a small incidental purchase (for emergency or purchase requiring cash) of not more than fifty dollars from a local vendor where the normal route of payment is not cost effective or appropriate.

(2) A "Petty Cash Voucher" form must be taken to the vendor-site, and must be completed at the time of the purchase. The approved form, along with an original itemized receipt, is submitted to the petty cash window in Chubb hall for reimbursement.

(3) The bursar's office will submit the vouchers to accounts payable on a regular basis to record the expenditure.

(E) Establishment of departmental petty cash or change funds



(1) A completed "Petty Cash/Change Fund" form must be completed and sent to the controller in the finance division.

(2) The persons who will serve as fiduciary and custodian must be designated in advance of the fund being distributed.

(3) Agreed physical safeguards must be in place before the fund is released to the department.

(4) Once the above has been completed, the fund will be released to the department via a check (in care of the custodian) from accounts payable that may be cashed at the cashier's window in the bursar's office.

(F) Operation of departmental petty cash or change funds

(1) Petty cash fund

(a) A departmental petty cash fund may be used to make small incidental purchases (for emergencies and purchases requiring cash) of not more than fifty dollars from a local vendor where the normal route of payment is not cost effective or appropriate. The Baker center catering alcohol petty cash fund and the intercollegiate athletics petty cash fund are exempt from the fifty dollars limitation.

(b) The total of cash and original itemized receipts for purchases in these funds should remain at the established amount at all times.

(c) The fund should be balanced at least monthly, and records kept.

(d) This fund should only be used for making purchases. It should never be used for collecting money or making change for sales, paying for services, cashing checks, giving loans, or for travel advances.

(e) Petty cash funds can be replenished by submitting a "Direct Payment Form" (be sure to specify which account to charge for each purchase), with original itemized receipts attached, to general



accounting. Accounts payable will issue a check to the department, in care of the custodian, that may be cashed at the cashier's window in the bursar's office. Checks that are one thousand dollars or greater must be cashed on the business day following the day of receipt. Checks that are less than one thousand dollars may be held for cashing, until the third business day or when the checks on hand reach an amount of one thousand dollars or greater, whichever comes first.

(f) The fiduciary has sole responsibility for this fund. Any unexplained discrepancies will be resolved through the fiduciary.

(2) Change fund

(a) The cash in these funds should remain at the established amount at all times.

(b) The fund should be balanced each day of use, but at least once per week, and records kept.

(c) This fund should never be used for making purchases, cashing checks, giving loans, or for travel advances.

(d) The fiduciary has sole responsibility for this fund. Any unexplained discrepancies will be resolved through the fiduciary.

(3) Fund segregation

Each petty cash fund and each change fund should be segregated from all other cash funds. These funds are intended to stand alone; do not combine them with other cash.

(G) Maintenance

(1) All petty cash funds should be balanced at least monthly, and records kept. The table below shows the formula for balancing petty cash funds (line A should equal line E, otherwise there is a shortage or overage in the fund):



A	Established amount:	
B	Cash on hand:	
C	Original itemized receipts on hand:	
D	Replenishments in transit:	
E	Total (B+C+D):	
F	Overage (if E > A) or (Shortage) (if E < A):	

The petty cash fund should remain at the established amount. A log should be kept of shortages and overages, and all shortages and overages should be reported to the general accounting office, for resolution, on the next "Direct Payment" form submitted to replenish the fund.

(2) All change funds should be balanced each day of use, but at least once per week, and records kept. The table below shows the formula for balancing change funds (line A must equal line E, otherwise there is a shortage or overage in sales):

A	Established amount:	
B	Cash on hand:	
C	Checks on hand:	
D	Sales:	
E	Total (B+C-D):	
F	Overage (if E > A) or (Shortage) (if E < A):	

The change fund should remain at the established amount. Any overage or shortage should be reflected in the department's next sales deposit. This is accomplished by either increasing or decreasing the deposit amount by the amount of the shortage or overage. A log should be kept of daily shortages and overages so that when audits are performed, overages and shortages can be reviewed. Chronic overages or shortages are an indicator of possible internal control deficiencies.

(3) The custodian is responsible for the operation and maintenance of the fund and for reporting any unusual activity to the controller or internal audit department.

(4) A back-up custodian is recommended for times when the custodian and fiduciary are unavailable.



The back-up custodian's duties and responsibilities are the same as the custodian's when he or she is unavailable.

(5) The fiduciary is responsible for insuring that the funds are physically secure, reporting any unusual activity to the controller or internal audit department, and ultimately has the financial responsibility for them. This includes the fiduciary conducting unannounced counts of the fund.

(6) The fiduciary and custodian (back-up when not available) should be the only persons with access to the fund.

(7) Any changes to an existing fund (including custodian, fiduciary, location of fund, increase or decrease of amount, etc.) should be submitted to the general accounting office, on a "Petty Cash/Change Fund" form, with "Established fund" marked.

(8) The controller (or his or her designee), and the internal audit department reserve the right to inspect and audit any petty cash or change funds at any time.

(H) Closing departmental petty cash or change funds

If a departmental petty cash fund or change fund should be closed, contact the general accounting office for instructions.

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