

**3364-40-21 Petty cash and change funds.**(A) Policy statement

The university may establish petty cash funds or change funds upon request with sufficient justification. Under the direction of the executive vice president for finance and administration/chief financial officer (“CFO”) or equivalent position, the controller’s office authorizes and approves petty cash and change funds to be maintained by departments to expedite the business needs of that department. Departments should first consider the use of university issued purchasing cards to satisfy business needs instead of using petty cash funds.

Each approved fund will have a custodian who is responsible for maintaining required records regarding disbursements that have been made from the fund, and replenishing the fund within the approved level for the fund. Staff other than the custodian should reconcile the account monthly and forward a copy to the controller’s office.

(B) Purpose of policy

This policy promotes the appropriate use and observance of internal control of these funds in order to minimize the university's risk of financial loss.

(C) Definitions

- (1) Petty cash fund: a supply of cash that may be used in extraordinary circumstances to make incidental or emergency purchases of a minor nature in small dollar amounts for official purposes of the university.
- (2) Change fund: a fixed amount of cash made available to a department or activity used strictly for the purposes of making change (such as in the sale of tickets).
- (3) Fund custodian: a full time permanent employee of the university responsible for maintaining the security and accountability of the fund.

(D) Roles and responsibilities

(1) Petty cash funds are discouraged. Use of purchasing cards is recommended for small purchases. The controller's office provides assistance and guidance to determine the proper amount, how to establish an account, and how to maintain petty cash. A request to establish a petty cash fund must be in accordance with the office of the controller's procedures. The requesting department must provide a justification for the fund, the amount of funds requested, and must select a primary custodian. A custodian must be an employee of the university and may not be a student or temporary employee. The request must clearly state whether the fund is to be a petty cash or a change fund.

The dollar amount of the requested petty cash fund should be no larger than necessary, yet not so small as to require more than semi-monthly reimbursements.

The department must maintain documentation of the established petty cash amount (approval from the controller's office) and any changes to the established amount have to be approved by the controller's office, CFO, and applicable department vice president ("VP").

Petty cash funds are for purchases  $\leq$  two hundred and fifty dollars and for purchases that cannot be acquired expeditiously through regular purchasing procedures or by using the university purchasing card.

The custodian of the fund is responsible for the fund.

All purchases using petty cash funds are exempt from state sales tax.

A separate custodian must be appointed for each fund; i.e., a single person may not be custodian for two funds.

The custodian must become familiar with this policy and procedures at the time of designation.

(2) The custodian

The custodian must arrange for a secure, locked location for

the fund. Only the custodian shall have access and keys to the location. Petty cash funds and change funds may not be placed in a bank account or otherwise commingled with other funds.

Petty cash and change funds may not be used to cash checks or to make loans or advances as well as the following:

- (a) Gasoline for rental cars.
- (b) Training/conference registrations.
- (c) Reimbursements to staff for certification fees.
- (d) Any travel related expenses.
- (e) Any non-reimbursable expenses as defined by university policy (e.g. alcohol and alcoholic beverages, departmental staff meals, etc.)

It is the direct responsibility of the custodian to ensure that proper safeguards are established.

Individual purchases may be made from the petty cash fund when normal university purchasing procedures are not feasible or a university issued purchasing card is not accepted. Departments may establish department limits for these purchases. For a petty cash fund, signed and dated original receipts (cash register tickets are acceptable) must be obtained for every purchase and be given to the custodian upon return to the office. Any reimbursement for petty cash expenditures must be in the exact amount of the expenses, and must be documented by original detailed receipts.

Any reimbursements to individuals from the petty cash fund should be submitted to the custodian within thirty days of expenditure.

A petty cash expenditure record form should be completed when providing cash to an employee (requestor) to make an offsite purchase (a transaction where the exchange of goods and services for cash is not happening at the location of the custodian). When the requestor returns, original detailed receipts and any change should be given to the custodian upon arrival from the destination. The petty cash expenditure record form should be signed by the custodian and the requestor as support that the transaction was completed (either the goods and services were procured and paid for or the funds were returned to the custodian).

At least monthly, staff other than the custodian should balance the petty cash fund.

To replenish a petty cash fund, a petty cash reimbursement form accompanied with the paid receipts must be forwarded to the office of the controller (please contact the office of the controller for the petty cash reimbursement form). Income or reimbursement of expenses outside the normal reimbursement process for the fund which a department may realize through sales or collections may not be used as either a petty cash fund or as a temporary replenishment.

Petty cash funds must be "whole" at all times; that is, the fund custodian must always have in hand a sum of cash and receipts equal to the original advance.

Change funds should remain at the established amount. Change funds should also be of a dollar amount that is reasonable to provide change as well as minimize the department risk. Amounts should be agreed upon with the controller's office. Discrepancies in the change fund account will be the sole responsibility of the department in which the change fund is accounted for.

Change funds should be reconciled monthly by an individual other

than the custodian and signed off by the department manager. Documentation of the reconciliation should be retained by the department and is subject to review by internal audit.

(3) The department with a petty cash fund

Departments should establish a petty cash custodian back-up (temporary custodian), who provides support in the absence of the custodian, and also maintains a key to the secured funds. If there is to be a change of custodian, the department should notify the office of the controller.

The department must notify the office of the controller whenever a custodian terminates responsibility of the fund.

If approved for a specific period, a petty cash fund or a change fund should be closed at that date, or an extension requested and justified. If a fund is no longer used or required, it should be closed regardless of the original schedule.

A fund is closed by submitting the current receipts and the remaining cash to the controller's office with a cover memorandum and without a request for reimbursement.

(4) Internal audit

All petty cash funds and change funds are subject to audits and/or cash counts by internal auditors. The custodian must have the petty cash fund or change fund available at all times.

Supervisors/department heads should audit the petty cash fund on a periodic basis.

(E) Deviations from policy

Any deviations from this policy have to be signed off by the office of the controller and the sign-off maintained with the reconciliations.



# Petty Cash Expenditure Record

<b>Requested By:</b>	<b>Date:</b>
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<b>Department:</b>	<b>Amount Requested:</b>	
<b>Description of Need:</b>		
<b>Index Account Number(s):</b>		

<b>Received by:</b>		<b>Petty Cash Custodian:</b>	
	(Signature)		(Signature)

<b>Requestor must return to the petty cash custodian the initialed detailed receipts and any change upon return.</b>	
<b>Receipts/Change</b>	
<b>Return date:</b>	<b>Requestor:</b>
_____	_____ (Signature)

### University of Toledo Petty Cash Reimbursement Form

Custodian Requesting Reimbursement: _____		
Department: _____	Date: _____	
<b><u>Index</u></b>	<b><u>Account#</u></b>	<b><u>Amount</u></b>
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
_____	_____	\$ -
Total		<u>\$ -</u>
Authorized By: _____	(Pres./Dept. Head/Dean/V.P.)	
Cash Received By: _____	Date _____	

Attach the related receipts with their corresponding voucher slips and submit with this form.

Effective: 10/22/2018

CERTIFIED ELECTRONICALLY

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Certification

10/12/2018

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Date

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