

CAL POLY HUMBOLDT

Petty Cash and Change Fund Procedures

When possible employees should utilize the normal procurement process as outlined in the Purchasing and Payment Methods which can be found at <https://procurement.humboldt.edu/purchasing-payment-methods> including using the Procurement Credit Card Program and Staples for supplies. When it is not practical to use the University procurement process a University employee, after proper documentation and approval, may be reimbursed for business-related expenses incurred and paid from the employee's personal funds. The procedures below must be followed.

Petty Cash Reimbursements

A University employee may be reimbursed for out-of-pocket expenses incurred during the day-to-day operation of the University department provided that:

1. The maximum limit, per day, is \$50.00 per vendor, excluding tax.
2. Receipts with name of vendor or payee and the amount paid.
3. Original receipt must be attached to a Payment Request Form and submitted to Accounts Payable Office for reimbursement. Forms are available from the University website at <https://forms.humboldt.edu/>
4. The receipt must be itemized and contain a specific description of the supplies or services purchased. A signature indicating receipt of the supplies or services. Positive evidence that a payment was made, i.e. a cash register receipt or a hand written receipt on which the word "paid" appears.

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
- travel expenses (Except for mileage and/or parking expenses less than \$50.00 with no overnight stay.) .

Setting-Up a Petty Cash Fund or a Change Fund

If a Department incurs frequent small expenses and believes that they have a need to establish a Petty Cash Fund or has a need for a Change Fund the procedures below should be followed:

To set-up a Petty Cash Fund or a Change Fund, the requestor and the Department Head must submit a Request for Petty Cash or Change Fund form to the Manager of Student Financial Services.

The form will be reviewed to determine whether the purpose and use of the funds is appropriate.

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If the request is granted, the Request for Petty Cash or Change Fund form will be signed by the Controller of Financial Services. The form will then be submitted to Accounts Payable, who will process a check for the authorized amount to the custodian and can be picked up at the HSU Cashier's Office.

The custodian must ensure that a safe, vault, or money chest that is adequate to safeguard cash, is used at all times.

The custodian must turn in receipts at **least once each month to Accounts Payable**. Based upon these receipts, a check will be issued to the custodian to replenish the fund.

Petty cash funds and change funds must not be comingled with other funds.

Fund Amounts Requiring Further Authorization

A Petty Cash Fund exceeding \$200.00 will be authorized up to \$750, after the above process to set up a Petty Cash fund has been completed, and evidence is provided that a fund of lesser amount would require replenishment more than once a month.

Petty Cash/Change Fund Audit

Unannounced audits of a petty cash/change fund shall be documented and done by someone other than the fund custodian's supervisor. An independent person from Student Financial Services will conduct the audit of the petty cash/change fund in the presence of the fund custodian based on the size of the fund as follows:

<u>Size of Fund</u>	<u>Frequency of Count</u>
\$200 or Less	Annually
\$201 to \$500	Quarterly
\$501 and up	At least Monthly

Petty Cash/Change Fund Transfer of Fund Custody

The Custodian is personally responsible for the amount in the Petty Cash or Change Fund. The Check issued by AP to replenish the fund will be made payable to the Custodian.

Transfer of fund custody has properly taken place after the following conditions have been performed:

- 1.) A personal audit by the newly assigned custodian of the amount to be transferred is done in the presence of the outgoing custodian.
- 2.) A new Request for Petty Cash Fund of Change Fund form signed by the newly assigned custodian, the outgoing custodian, Department Head, and the Controller of Financial Services.

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Petty Cash/Change Fund Theft

In the event of theft, notify the Manager of Student Financial Services and the University Police Department 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 measures taken to mitigate future occurrences of theft.

References:

-Integrated CSU Administrative Manual, Policy Number 6320.00

<https://cyou.calstate.edu/Policies/icsuam/Pages/Section-6000.aspx>

-State Administrative Manual, Section 8111

<http://sam.dgs.ca.gov/TOC/8100/SamPrint.htm>