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Owner: *Alisa Schivley: Manager of Banking Operations*
Area: *Business and Finance*
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Petty Cash Funds and Change Funds

Policy Objective

It is the policy of the CSU that funds established (1) to support change-making activity (Change Funds) and (2) for the reimbursement of small dollar University business related expenses (Petty Cash Funds) shall be protected from loss. Each campus shall prepare written procedures to implement this policy.

Policy Statement

100 PURPOSE AND ESTABLISHMENT

Petty Cash Funds and Change Funds (PCC Fund) are provided as a service to operating units that require such operating funds. PCC Funds are established by the campus CFO or his/her delegate at approved locations with requests and authorization of PCC Funds documented in writing. Each PCC Fund shall be used strictly in accordance with the purpose for which it was authorized.

200 PCC FUND CUSTODIAN

Custody of a PCC Fund shall be assigned to a single individual and cannot be independently transferred to another individual. That individual is the PCC Fund Custodian.

The PCC Fund Custodian is responsible for the amount advanced and shall be appropriately trained for the role of PCC Fund Custodian before fulfilling it. Evidence that the PCC Fund Custodian has received appropriate training shall be documented.

300 PCC FUND REPLENISHMENT

To replenish a PCC Fund, a disbursement voucher shall be submitted to Accounts Payable where the appropriate original transaction receipts are verified.

400 PCC FUND UNANNOUNCED AND REGULARLY SCHEDULED AUDITS AND RECONCILIATIONS

Unannounced audits of a PCC Fund shall be documented and done by someone other than the PCC Fund Custodian and the PCC Fund Custodian's supervisor. Unannounced audits shall be done conjointly by at least two CSU personnel at a minimum frequency as shown below. Results of unannounced audits are reported to

the PCC Fund Custodian's supervisor or someone determined by the campus CFO or his designee.

Regularly scheduled audits and reconciliations of a PCC Fund shall be documented and done conjointly by the PCC Fund Custodian and at least one other CSU personnel who is not the PCC Fund Custodian's supervisor. The minimum frequency of regularly scheduled audits and reconciliations are shown below. Results of regularly scheduled audits and reconciliations are reported to the PCC Fund Custodian's supervisor or someone determined by the campus CFO or his designee.

The following table shows the minimum frequency for audits (regularly scheduled and unannounced) and reconciliations. An unannounced audit will satisfy the requirement of a regularly scheduled audit for that specific timeframe.

PCC Fund Size	Frequency
\$200.00 or less	Annually
\$200.01 to \$500.00	Quarterly
\$500.01 and more	Monthly

500 PCC FUND SECURITY

When not in use, a PCC Fund's cash shall be placed in a safe or locked receptacle in a properly secured area with access by only authorized personnel.

Petty Cash Funds and Change Funds shall be separately maintained and not commingled. The integrity of a PCC Fund shall be maintained at all times.

When a PCC Fund is no longer needed or upon separation or transfer of its PCC Fund Custodian, the PCC Fund shall be closed out, reconciled, and its cash re-deposited at the cashiering office. Transfer of a PCC Fund to another person is not authorized. A new documented request is required to re-establish a closed PCC Fund.

600 PCC FUND TRANSACTION RESTRICTIONS

601 Petty Cash Fund Transaction Restrictions

Expenses that cannot be paid from a Petty Cash Fund include but are not limited to:

- 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.)

Petty cash purchases, per payee per day, may not exceed a documented amount determined appropriate by the campus CFO or his/her delegate. Splitting a transaction into multiple purchases so that each purchase amount is less than or equal to the documented maximum amount is not allowed. When a petty cash purchase is made, a receipt shall 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

602 Change Fund Transaction Restrictions

Cash handlers shall not exchange checks for currency to make change for each other's Change Fund. All change-making shall be done by a PCC Fund Custodian from the Change Fund's reserve.

700 PCC FUND THEFT

In the event of theft, Campus Police shall be notified immediately. A request should be submitted requesting reimbursement of a PCC Fund including at minimum the following:

- Date and time of theft;
- Amount of theft;
- Circumstances involved;
- Copy of police report; and
- Prevention measures taken to mitigate future occurrences of theft.

Office of the Executive Vice Chancellor

Business and Finance

Approved:

Policy Operational Content
Applicability and Areas of Responsibility
Resources and Reference Materials

Useful Guidelines

Related Principles

Sound Business Practices

Laws, State Codes, Regulations and Mandates

ICSUAM 3601.00 Travel Policy

All revision dates:

5/22/2015

Attachments

No Attachments