

BSR-5-03 Petty Cash advance procedures and guidelines

BSR-5-03.01 Introduction

This policy establishes procedures and guidelines for obtaining a petty cash advance through The University's Office of Student Accounts/Bursar as well as the use of departmental petty cash and change funds.

A recommended alternative to a petty cash fund is a procurement VISA card. This may be obtained through the Department of Purchasing.

BSR-5-03.02 Approved Uses

1. Miscellaneous office supplies.
2. Supplies needed for departmental operation.
3. Postage for departments outside of metered mail.
4. Group travel advances.
5. Business expenses as authorized by The University's expenditure policies.

BSR-5-03.03 Prohibited Uses

1. Personal or third-party check cashing.
2. Individual travel advances to employees.
3. Moving expenses.
4. Payment of payroll stipends.
5. Business expenses not authorized by The University's expenditure policies.

BSR-5-03.04 General information

1. Definitions
 - (a) 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 \$50 from a local vendor where the normal route of payment is not cost effective or appropriate.
 - (b) 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.
 - (c) Temporary petty cash advance: A set amount of money to be used for a one-time event or for a short period of time.
 - (d) Fiduciary: The department head or budget manager who is authorized to approve expenditures from the department's account(s).
 - (e) Custodian: The department employee who is appointed to operate and maintain the fund.
 - (f) Backup custodian: A second department employee who is responsible for the funds when the original custodian is unavailable.

BSR-5-03.04 General information (continued)

2. General Guidelines

BSR-5-03.05 Operation and reimbursement of petty cash funds (continued)

2. Continuing departmental petty cash funds (continued)

- (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 Accounts Payable. Accounts Payable will issue a check to the department, in care of the custodian, that may be cashed at the Cashier's window in Simmons Hall.
- (f) The fiduciary has sole responsibility for this fund. Any unexplained discrepancies will be resolved through the fiduciary.

3. Change Funds

- (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.

4. Segregation of funds

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.

BSR-5-03.06 Maintenance of petty cash funds

1. Continuing petty cash funds

- (a) 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)	

- (b) 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 Accounts Payable, for resolution, on the next Direct Payment Form submitted to replenish the fund.

