

STOCKTON UNIVERSITY



PROCEDURE

Petty Cash Funds

Procedure Administrator: Vice President for Administration & Finance and Chief Financial Officer and Bursar

Authority:

Effective Date: February 24, 1975; June 9, 2009; January 5, 2011; November 12, 2020

Index Cross-References:

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Approved By: Dr. Harvey Kesselman, President

This procedure sets forth the process for establishing, managing, reimbursing, and reconciling petty cash.

I. ESTABLISHING A PETTY CASH FUND

The Office of Fiscal Affairs creates a departmental petty cash fund through an advance of funds upon special request and approval. This petty cash fund is created to handle small, unanticipated purchases from vendors when immediate payment is required and the formal University purchasing and billing process is impractical or cannot be utilized. Individual petty cash transactions are limited to a maximum of \$200 per request. Petty cash must not be used to pay vendors when a University purchase order, P-card, or direct pay could be utilized.

II. MANAGING THE PETTY CASH FUND

The Bursar's Office is the custodian of the University's petty cash fund. The custodian is responsible for managing petty cash and should be the only department in the University to disburse and/or reimburse actual cash to and from the fund. The custodian is responsible for reconciliation of the petty cash fund at least once a week and endorsing a reimbursement check to the fund when needed. A Bursar employee other than the custodian, with a police escort, cashes the reimbursement check at the bank and replenishes the fund. Petty cash funds should always be stored in a secure, locked box in the Bursar's Office safe. The safe combination should be changed periodically.

Departments requesting petty cash should appoint separate individuals to submit and approve petty cash disbursement requests, sign for petty cash, and reconcile petty cash in their department at month end. It is the responsibility of the Departmental Budget Unit Manager to ensure use of petty cash is appropriate and allowable.

An employee's appointment to manage petty cash funds for a Department is non-transferable, i.e., when a Departmental Budget Unit Manager is replaced, the Department is required to formally notify the University Controller. The former and new Budget Unit Managers should perform a departmental petty cash reconciliation upon the transfer of duties and both individuals should sign the reconciliation form. This process is also required for temporary changes.

III. LOSS OR THEFT OF PETTY CASH FUNDS

Loss or theft of petty cash funds will require a full investigation. The Vice President for Administration & Finance and Chief Financial Officer and the Chief Enrollment Management Officer will be notified of the incident. The University Police Department will also be notified to investigate and prepare a report. The Department will be held responsible for the loss or theft of petty cash and must reimburse the petty cash fund from its departmental operating budget.

IV. PETTY CASH USES, LIMITS AND RESTRICTIONS

Petty cash must be used to make official University purchases only. University faculty, staff, and students should anticipate expenses and arrange payment by one of the following methods: purchase order, P-card, or direct pay. Petty cash should only be used when payment by one of these preferred methods is not feasible or possible.

Individual petty cash expenditures are limited to a maximum of \$200. Departments are limited to two (2) outstanding petty cash disbursements at any one time.

Petty cash should not be used for recurring expenses. Petty cash may not be used for capital outlay projects, reimbursements, gifts/cards/flowers, or salary advances/employee loans.

University faculty, staff, and students may seek petty cash to cover expenses such as parking, tolls, taxis, meals, etc., that arise as part of a day trip on official University business.

V. RETURN OF RECEIPTS BY EMPLOYEES AND STUDENTS

Once petty cash has been disbursed, receipts must be returned to the Bursar's Office within three (3) business days. These receipts must reflect that cash was used to make the purchase.

VI. REIMBURSING PETTY CASH BY BURSAR

The petty cash fund must be reimbursed at least every 7 days. The petty cash fund is replenished via a direct pay submitted to Accounts Payable, which includes the original copy of the Petty Cash Disbursement form and all receipts to support the disbursement made from the petty cash fund.

All petty cash disbursements must be reconciled and reimbursed at fiscal year-end. The Bursar's Office and Departments with petty cash funds will be required to report the amount of petty cash currency and coins on hand as of June 30th of each year to the Division of Administration & Finance.

Review History:

	Date
Procedure Administrator	06/29/2020
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General Counsel	10/21/2020
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