

Petty Cash Funds – Departmental

Purpose and Scope

This procedure outlines the method of physically and clerically handling and accounting for Petty Cash funds and Petty Cash expenditures by departments.

Reference

University Purchasing Policy

NOTE: All links for [supporting documents](#) are found at the end of this policy.

Procedure

General Conditions

In some instances, it is economically sound to purchase items by use of petty cash. Bursar will, upon proper justification, authorize to advance to the department or budgetary head a Petty Cash Fund which will be maintained on an imprest basis. Such advances are not chargeable to the department's operating account when issued but are reflected on the University's records as an advance to the Budget Unit Head who is accountable for the proper fiscal and physical control of the fund.

1. **Proper custody and control of petty cash funds:**

The custody and control of petty cash funds may be delegated to appropriate personnel; however, accountability and responsibility for proper use and care of the funds remain with the designated Budget Unit Head.

- a. Facilities for safekeeping, commensurate with the size of the fund, must be available.
- b. Petty cash funds must be kept separate from all other funds and not co-mingled therewith.
- c. The petty cash funds are subject to audit and should be balanced daily to insure that the cash plus paid receipts on hand equal the amount of the fund.
- d. Bank accounts cannot be opened for petty cash funds.
- e. Petty cash funds must be properly secured in departmental safe or deposited at the University's contracted bank's night drop each night.
- f. Petty cash funds must be cleared in a timely manner when an event is completed or the funds are no longer needed.

2. **Limitations on use of petty cash funds:**

- a. Petty cash can be used for purchases only when the purchase from one vendor is less than \$20.00 without approval from Business Affairs – Purchasing Section.
- b. Specific approval must be obtained from the Bursar before petty cash can be used for purposes other than the purposed outlined in this procedure.
- c. Loans and advances to employees for personal use from petty cash funds are forbidden.

3. **Securing of proper receipts for petty cash expenditures:**

- a. The receipts must set forth a complete description of the materials purchased or the services rendered.

- b. Receipts should be executed by typewriter, in ink or by legible pencil if possible. It is preferred that the signature of the vendor or clerk be in ink; however, a legible signature in pencil is acceptable.
- c. **Receipts must be originals.** The only exception is when a firm uses standard business forms and issues their receipt on a standard carbon copy form imprinted “Customer Copy” or like designation.
- d. The receipt must be positive evidence of payment. When vendor’s printed invoice forms are used as receipts, the invoice must clearly indicate that it has been paid either by being stamped with the official “paid” stamp of the firm that contains the name of the firm or by being marked “paid” and signed by the clerk. If a firm’s cash register tape is used, it should either show “cash sale” imprinted on it or signed by the clerk. Items on a cash register tape must be identifiable.
- e. Receipts which bear evidence of alteration cannot be accepted or processed.

4. **Request for reimbursement for petty cash expenditures:**

- a. **Frequency of reimbursement request:** Whenever the cash in the fund is depleted to the extent requiring replenishment or, in any event, at least once per month, the Petty Cash receipts should be attached to a Petty Cash Voucher form and should be submitted to Business Affairs – Cashiering Section for reimbursement. On June 30 of each fiscal year, a reimbursement request must be submitted for any paid receipts on hand. Receipts held over to the following fiscal year can be reimbursed only on the specific approval of the Bursar.
- b. **Petty Cash Voucher:** The request for reimbursement should be prepared and summarized in accordance with the sample form contained herein.
- c. **Approvals and Banner FOAP charges:** The Banner FOAP to be charged must appear on each Petty Cash Voucher form and the Budget Unit Head must approve the form.

5. **Cash Purchased from personal funds:**

On occasion, it may be necessary for staff to make purchases from personal funds. Such expenditures will be reimbursed if proper receipt is obtained and presented for reimbursement in accordance with the procedures set forth herein. Cash purchases made with personal funds are subject to the same limitations as normal petty cash disbursements.

6. **Departmental Change Funds and Student Prizes/Awards:**

See [III-7 Cash Advance Disbursements for Student Cash Prizes/Awards and Change Funds - Cashiers Window](#)

Departmental – Reimbursement for Cash Purchases

NSU Employee (Payee)

1. Receives permission from the Budget Unit Head to make a cash purchase.
2. Makes the purchase.
3. Submits the proper receipt to the Budget Unit Head for review and approval.

Budget Unit – Petty Cash Custodian

4. Completes and signs a Petty Cash Voucher form. Enters the following:
 - a. The Budget Unit Title
 - b. Date of the Voucher
 - c. For each distinct item, the following:
 - i. Item reference number

- ii. Date of receipt for purchase
 - iii. Name of vendor from which the item was purchased
 - iv. Description of item purchased
 - v. Amount paid for the item
 - d. Total reimbursement requested (sum of individual items)
5. Have the employee (payee) sign and date the Petty Cash Voucher form.
6. Issue the reimbursement to the employee (payee)
7. Signs and dates the Petty Cash Voucher.
8. Retains the voucher with the petty cash to be used to replenish the Petty Cash Fund.

Replenishment of Departmental Petty Cash Funds

Budget Unit – Petty Cash Custodian

1. Batches the Petty Cash Vouchers and all receipts (attachments).
2. Submits Vouchers to Budget Unit Head.

Budget Unit Head

3. Reviews each Petty Cash Voucher form. Signs and dates each approved form.
4. Returns approved custodian copies of forms to the Petty Cash Custodian.
5. Retains Budget Unit Head copies.
6. Submits the approved “batch” to Business Affairs – Cashiering Section for Petty Cash replenishment.

Business Affairs – Cashiering Section

7. Reviews and approves the “batch.” Issues to the Petty Cash Custodian the cash funds to replenish the Petty Cash Fund.

Budget Unit – Petty Cash Custodian

8. Adds replenished funds to the Petty Cash Advance and balances the advance to ensure that it is all accounted for.

Supporting Documents

[Petty Cash Voucher](#)

NOTE: Supporting Documents can also be found on the Business Affairs website listed under the [Documents/Forms Link](#).