



# BRIGHAM YOUNG UNIVERSITY

## FINANCIAL SERVICES POLICIES AND PROCEDURES

### PETTY CASH FUND

#### **Description:**

Petty Cash Funds are primarily used to reimburse individuals for small, incidental, non-travel expenditures. Purchasing cards are the preferred method for covering these incidental expenditures. For this reason, requests for petty cash will only be approved in situations where the purchasing card cannot be used.

#### **Establishment:**

1. A Petty Cash Fund application form may be obtained online from the Financial Services website.
2. The form should be completed and forwarded to the college controller who will then submit the application to Financial Services.
3. The amount requested should be equal to the estimated average monthly expenditure.
4. A check may be picked up at A-153 ASB approximately five days after the application has been submitted and approved.
5. The check should be cashed at the bank. The nearest available bank is the Wells Fargo located in the BYU Bookstore.

#### **Custodian:**

1. The custodian must be an individual within the college who is authorized and designated by the college's management to administer and control the petty cash fund.
2. The custodian must be a full-time employee of the University.
3. The custodian must consider it part of his or her personal stewardship to safeguard the fund.
4. In the event of termination or transfer of the custodian, the balance of the fund is to be deposited at the Cashier's Office, D-155 ASB, to the fund account number, or an application should be made to have the balance transferred to the successor custodian.
5. The custodian of the petty cash fund is considered liable, and if funds are lost or stolen, Financial Services and the University Police must be contacted immediately.

#### **Operation:**

1. The fund should only be used for small emergency needs
2. Every expenditure from the fund must be supported by a sales receipt or other pertinent documentation with appropriate signature.
3. Items **NOT** to be Purchased, Paid For, Or Comingled With Petty Cash Funds:
  - a. Change funds (see University Change Fund Policy)
  - b. Cash checks

- c. Items regarded as travel expenses
  - d. Payments to employees, such as wages, loans, bonuses, awards, advances, etc.
  - e. Copy machine monies
  - f. Revenue from any departmental sales
  - g. Items such as postage stamps cannot be used in place of cash
  - h. Personal services or items, such as flowers, candy foods, beverages, etc.
  - i. Payments to other University centers or departments
  - j. Payment for items that are to be purchased through the purchasing system according to the University Purchasing Policy
4. When a petty cash fund is no longer needed, it should be returned to the Cashier's Office and credited to the account assigned on the fund application. A receipt will be issued and should be retained to show termination of the fund.
  5. Twice a year, the Financial Services Office will request a petty cash fund balance confirmation from the fund custodian and controller.
  6. Periodic unannounced audits of the fund will be conducted.

### **Reimbursement:**

1. A "Petty Cash Report and Reimbursement Requisition" form should be filled out in duplicate by the custodian, according to the department needs.
2. The original is sent to Financial Services with all supporting documents, including receipts, general account codes, and dollar amounts for each expenditure.
3. A check will then be issued to the custodian for the purpose of bringing the fund back to its established balance.
4. Both the fund custodian and controller must approve the reimbursement requests.

### **Reconciliation:**

1. The petty cash fund is to be reconciled by an individual within the department at least on a monthly basis.
2. The following formula must be used to balance the fund:

$$\begin{array}{c}
 \text{Cash on hand} \\
 \text{Expenditure Receipts on hand} + \\
 \underline{\text{Prior Reimbursement Request Funds not yet received}} + \\
 \text{Established fund balance}
 \end{array}$$

3. If there is an overage upon balancing the fund, the overage is to be deposited immediately to the department over/short account, according to the University's established deposit procedures.
4. If there is a shortage upon balancing the fund, a memo is to be sent to Financial Services. The memo should include a request for reimbursement due to a shortage, include the department's over/short account the shortage should be charged to along with an explanation for the shortage. The memo should also be approved by the controller responsible for the petty cash fund.

### **Security:**

1. The Petty Cash Fund must be kept safeguarded at all times.
2. The fund must not be commingled with any other monies.

3. The fund must be kept in a locked container to which unauthorized access is difficult.
4. The fund will be subject to periodic, unannounced audits performed by University employees.