



BRIGHAM YOUNG UNIVERSITY

FINANCIAL SERVICES POLICIES AND PROCEDURES

CHANGE FUND

Description:

Change Funds are used for the sole purpose of making change to customers in the normal course of business operations.

Establishment:

1. A Change Fund application form may be obtained online from the Financial Services website.
2. The form should be completed and forwarded to the department controller who will then approve and submit the application to Financial Services.
3. The amount requested should be for sufficient funds to conduct a normal day's business.
4. A check may be picked up at A-153 ASB approximately one week after the application is processed.
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 department who is authorized and designated by the department's management to control the change fund.
2. The custodian must be a full-time employee of the University.
3. The custodian must consider it a part of his or her personal stewardship to safeguard the fund.
4. In event of termination or transfer of the department's fund 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 department fund custodian.
5. The custodian of the change 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 making change.
2. Items **NOT** to be Purchased, Paid For, Or Comingled With Change Funds:
 - a. Petty cash funds (see University Petty Cash Policy)
 - b. Any purchases or expenditure items
 - c. Cash checks
 - d. Payments to employees, such as wages, loans, bonuses, awards, advances, etc.

- e. Copy machine monies
 - f. Items such as postage stamps cannot be used in place of cash
 - g. Personal services or items, such as flowers, candy foods, beverages, etc.
 - h. Payments to other University centers or departments
3. When a change fund is no longer needed, it should be deposited at the Cashier's Office to the account assigned on the fund application. A receipt will be issued and should be retained to show termination of the fund.
 4. At least annually, the Financial Services Office will send a change fund balance confirmation letter to the change fund custodian.

Reconciliation:

1. The change fund is to be reconciled on a daily basis, or each time the fund is used.
2. The following formula must be used to balance the fund:

$$\frac{\text{Cash on hand} + \text{Change orders outstanding} \pm}{\text{Established fund balance}}$$

3. If there is an overage upon balancing the fund, the overage is to be deposited to the department 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, along with an explanation for the shortage.

Security:

1. The change 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.