Petty Cash

Introduction
This policy states the requirements for requesting, maintaining, and closing a petty cash account.

Policy Statement
Brown University authorizes to Departments the use of a petty cash fund to expedite disbursements for petty expenditures (purchases), not to exceed $50 for each expenditure. The following standards apply to the use of a petty cash fund:

- The petty cash fund must be in the custody of one person who will assume the operating responsibilities of the fund including safeguarding and reconciling the fund.
- Petty cash funds are not to be used for cashing checks or funding short-term borrowings (I.O.U.'s).
- University funds are not to be disbursed on goods or services for personal consumption or use.
- The University qualifies for exemption on payment of sales tax. The University's Certificate of Exemption number from the State of Rhode Island is #41. Misuse of the University's exemption number by an employee constitutes gross misconduct.
- The petty cash fund may be counted at unannounced intervals by the "Responsible Person" or the University's internal or external auditors. These cash counts should take place only in the presence of a second person: the custodian or, if necessary, another department representative designated by the custodian's supervisor.
- Theft or suspected irregularities involving petty cash should be reported directly and immediately to the University Auditor.
- The Controller may require the closing of a petty cash account if proper operating procedures are not followed.

Responsibilities

Petty Cash Custodian: The Petty Cash Custodian is responsible for:

- The day to day maintenance of the petty cash fund, including: Safeguarding, reconciling, and replenishing the fund,
- Counting and reconciling petty cash funds at least monthly so that shortages or other discrepancies can be noticed, reported, and corrected in a timely basis.
- Maintaining proof of petty cash reconciliations for 12 months. All funds must be accounted for and replenished at year-end (June 30).
- Safeguarding the petty cash fund, i.e., at all times keeping it locked and stored in a secure location,
- Ensuring that cash and outstanding vouchers and receipts equal the fund's total balance.

Petty Cash Responsible Person: The petty cash responsible person requests the initial petty cash fund, requests changes to the petty cash fund, reviews the custodian’s reconciliations, and occasionally checks the cash balance.

Procedures

Requesting & Replenishing a Petty Cash Fund

- A department head or other individual with expenditure authority makes a request to the
Controller's Office to establish a petty cash fund. The request must not come from the individual who will be the custodian of the fund.

- Requests for the establishment of a petty cash fund must justify the need for the account, indicate the amount desired, identify who the custodian and responsible person for the account will be, and describe the location in which the petty cash funds will be stored.
- To establish a Petty Cash Fund or change the amount of a Petty Cash Fund, complete the Petty Cash Fund Application or Change Form.

Replenishing a Petty Cash Fund

- Petty cash replenishment less than $300 is processed through the Cashier's Office window. To replenish the Petty Cash Fund, complete the Petty Cash Replenishment Form.
- Petty cash replenishment of $300 or more is processed on a Cash Request Form found on the Cashier's Office website.
- All petty cash reimbursements require original receipts. In the rare instance a receipt is misplaced, you may not be reimbursed through the petty cash process at the Cashiers' window. The individual must prepare a missing receipt affidavit and attach it to an expense report to use the expense report process via Workday as the method to be reimbursed.

Closing a Petty Cash Fund

- To close a Petty Cash Fund, complete the Petty Cash Fund Dissolution Form.
- Petty cash funds may be closed out by the department at any time upon notification to the Controller's Office and return of outstanding cash and receipts. Any remaining cash must be deposited at the Cashier's Office. The Cashier's Office will need the BAT key. Receipts should be attached to the memo sent to the Controller's Office, which includes the departmental account(s) to be charged.

Forms/Instructions

- Petty Cash Replenishment Form
- Sample Petty Cash Voucher
- Petty Cash Fund Application or Change Form
- Petty Cash Fund Dissolution Form
- Petty Cash Fund Personnel Modification Form

Cashier's Office Department Deposit Form

Policy Owner Approved by University Controller

Contact(s)
Donna Summer White
Senior Accountant
Donna_Summer_White@brown.edu

Nichole Curley
Assistant Controller
Nichole_Curley@brown.edu

Revision Date: Wed, 2017-06-28 09:37