PETTY CASH PROCEDURES

OVERVIEW

A petty cash fund is a loan of University funds to an individual custodian on behalf of a department. Petty cash funds allow cash to be made available to departments to facilitate payment of certain expenditures approved by Accounts Payable, typically emergencies, change funds or participant fees, while maintaining proper control. The UA Procurement card should be utilized for most small dollar purchases to eliminate the need for a petty cash fund.

Generally, petty cash transactions should be for one time small dollar transactions not exceeding $50. Recurring payments to the same vendor/participant cannot be paid from petty cash funds. Recurring payments and/or amounts exceeding the $50 threshold should be processed via AP check. A Miscellaneous Disbursement Voucher should be prepared and submitted to Accounts payable for these payments.

GUIDELINES

• Physical access to petty cash should be restricted to authorized personnel only.
• Funds should be secured in a locked safe/cabinet or other location approved by Accounts Payable.
• The fund is established for direct payment to vendors/participants only.
• Original itemized receipts for all items for any dollar amount must be kept as documentation of expenditures.
• Receipts or participant claim forms will serve as the basis for replenishing the funds.
• At a minimum the petty cash accounts should be counted and reconciled at the end of each month.
• At a minimum the petty cash funds should be replenished every other month.

PROHIBITED TRANSACTIONS

• Funds should not be deposited into a personal checking account.
• Funds should not be used for personal loans.
• Funds should not be used for cash advances or reimbursements.
CUSTODIAN RESPONSIBILITIES

1. Compliance with UA Spending, Travel & Procurement policies.
2. Ensure funds are dispersed in accordance to the purpose for which the petty cash has been issued.
3. Make appropriate disbursement from the petty cash fund.
4. Maintain the security and accountability of the petty cash fund.
5. Personally liable for any funds that are unaccounted for or expenditures disallowed by UA.
6. Monitor, replenish and reconcile the petty cash fund according to the guidelines set forth.
7. Reconcile the check register to the bank statement, if a separate UA bank account has been approved by Accounts Payable for administering of funds.

DEAN, DIRECTOR, DEPARTMENT HEAD, BUDGET MANAGER RESPONSIBILITIES

1. Ensure funds are handled in the appropriate manner and disbursed for appropriate expenditures.
2. Ensure funds are secured appropriately and access is restricted to authorized personnel only.
3. Ensure appropriate documentation is retained.
4. Review and approve monthly reconciliation of petty cash funds.
5. Review and approve replenishment of funds within specified time frame.
6. Perform unscheduled quarterly count and review of funds and provide documentation to Accounts Payable.
7. Ensure Accounts Payable is informed immediately when a custodian is no longer employed by the department.
8. Perform a petty cash verification prior to the custodian’s departure or immediately after a sudden departure of the custodian and submit to Accounts Payable.
9. Prepare a Custodian Change Form to notify Accounts Payable of change in ownership.
10. Immediately report any overage or shortage of funds to Accounts Payable.