



Administrative Procedure

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Subject: PETTY CASH PROCEDURES

1.0. PURPOSE:

To establish the policy and procedures for administering the University's Petty Cash fund.

2.0. ORGANIZATIONS AFFECTED:

All organizational units of the University, excluding Auxiliary organizations.

3.0. REFERENCES:

- 3.1. California Code of Regulations Title 5, Section 41600.
- 3.2. State Administrative Manual (SAM), Section 2230-2240 (Postage or items which require approval other than the University authority).
- 3.3. State Administrative Manual (SAM), Section 2400 (State Printing).
- 3.4. State Administrative Manual (SAM), Section 3580 (Cash Purchases).
- 3.5. State Administrative Manual (SAM), Section 8002.5 (Non-State Money).
- 3.6. State Administrative Manual (SAM), Section 8112 (Petty Cash).
- 3.7. Internal Procedures governing Travel Expenses & Allowances (FSR 91-16).

4.0. POLICY:

- 4.1. Petty Cash purchases may not exceed \$50.00 (not including tax) per vendor per receipt per day. In instances where a single Petty Cash purchase exceeds \$50.00, the amount in excess will not be approved and the individual will absorb the difference.
- 4.2. The combined total of expenditures may not exceed \$150.00 per week per reporting unit for departments without a Petty Cash Sub-fund.

Approved:

Date:

- 4.3. Petty Cash Sub-funds will be established for departments which prepare a written request for such funds and demonstrate a need for a Petty Cash Sub-fund. Need is defined as: 1) the ability to safeguard cash in compliance with SAM section 8112; and 2) approval by the Director of Accounting and Financial Management based on frequency demonstrated by the department.
- 4.4. Items which **CANNOT** be reimbursed from the Petty Cash fund are those which are available from Campus Stores, postage stamps, gasoline (except for experimental purposes), hospitality items (e.g., food, name tags, decorations, etc.), taxi fare, telephone charges, or items which require the University authority.
- 4.5. All requests for reimbursement must be submitted in compliance with fiscal year end deadlines as issued by Financial Management and Services.

5.0. DEFINITIONS:

- 5.1. Disbursement Voucher (Std. 439)--Voucher used to justify the Petty Cash expenditure. (See Appendix 8.1)
- 5.2. Petty Cash--Cash used to reimburse employees for emergency/minor purchases made on behalf of the University or Department.
- 5.3. Petty Cash Custodian--The administrator or designee responsible for the administration and maintenance of the University Petty Cash fund or Petty Cash Sub-funds.
- 5.4. Petty Cash Sub-fund--Allocation of cash issued to departments with high volumes of petty cash purchases.

6.0. RESPONSIBILITIES:

- 6.1. Departments without a Petty Cash Sub-fund:
 - 6.1.1. The Department Administrator will:
 - 6.1.1.1. Ensure that employees are correctly using University Petty Cash and that accurate records are maintained.
 - 6.1.1.2. Appoint an individual to be responsible for administering department Petty Cash records.
 - 6.1.1.3. Approve Petty Cash requests.

6.1.2. Employees will:

- 6.1.2.1. Retain the sales receipt.
- 6.1.2.2. Submit the receipt to the department administrator or designee for the preparation of the Disbursement Voucher (Std. 439 - Appendix 8.1).
- 6.1.2.3. Submit receipt and Disbursement Voucher (Std. 439 - Appendix 8.1) to the Cashiers' Office during the hours of 10:00 a.m. - 1:00 p.m.

6.1.3. The Cashiers' Office will:

- 6.1.3.1. Review the Disbursement Voucher (Std. 439 - Appendix 8.1.) for compliance with state regulations and University policy, ensure appropriate signatures and original sales receipts are attached.
- 6.1.3.2. Inform the employee at the time of submission if the Petty Cash is not approved.
- 6.1.3.3. Sign and date the Disbursement Voucher (Std. 439 - Appendix 8.1.) at the time of payment.
- 6.1.3.4. Reimburse the employee and retain original Disbursement Voucher (Std. 439 - Appendix 8.1.) and sales receipt.
- 6.1.3.5. Request for reimbursement to the Accounting Office.

6.1.4. The Accounting Office will:

- 6.1.4.1. Ensure that the Petty Cash disbursement is in compliance with state regulations, University policy and ensure original sales receipts are attached to the Disbursement Voucher (Std. 439 - Appendix 8.1.).
- 6.1.4.2. Issue checks to the Cashiers' Office for reimbursement.
- 6.1.4.3. Request reimbursement from Sacramento to the Revolving fund.

6.2. Departments with a Petty Cash Sub-fund:

6.2.1. The Department Administrator will:

- 6.2.1.1. Request a Petty Cash Sub-fund from the Director of Accounting and Financial Management based on frequency (at a minimum, \$150 per week for four consecutive weeks) and the ability to safeguard cash in compliance with SAM Section 8112.
- 6.2.1.2. Appoint a Petty Cash Custodian for the department.

6.2.2. The Department Petty Cash Custodian will:

- 6.2.2.1. Ensure that employees are correctly using University Petty Cash and that accurate records are maintained.
- 6.2.2.2. Inform the employee at the time of submission if the Petty Cash is not approved.
- 6.2.2.3. Reimburse the employee and retain the original Disbursement Voucher (Std. 439 - Appendix 8.1) and sales receipt.
- 6.2.2.4. Request reimbursement from the Accounting Office.
- 6.2.2.5. Pick up reimbursement check from the Accounting Office.

6.2.3. Employees will:

- 6.2.3.1. Retain the sales receipt.
- 6.2.3.2. Submit the receipt to the Department Petty Cash Custodian for reimbursement.

6.2.4. The Accounting Office will:

- 6.2.4.1. Ensure that the Petty Cash disbursement is in compliance with State regulations, University policy and ensure original sales receipts are attached to the Disbursement Voucher (Std. 439 - Appendix 8.1.).

6.2.4.2. Issue checks to the Department Petty Cash Custodian for reimbursement.

6.2.4.3. Request reimbursement from Sacramento to the Revolving Fund.

6.2.5. The Cashiers' Office will:

6.2.5.1. Cash the department reimbursement check, based upon availability of funds.

6.2.6. Director of Accounting and Financial Management will:

6.2.6.1. Approve/deny all Department Administrators' requests for Petty Cash Sub-funds.

7.0. PROCEDURES:

7.1. Departments without a Petty Cash Sub-fund:

7.1.1. Employees will:

7.1.1.1. Review campus stores E-Z Order catalog and full-line vendor catalog to determine availability of item to be purchased. (If available, the item should be requisitioned through Campus Stores. Purchase of items available through Campus Stores is not a valid use of Petty Cash funds).

7.1.1.2. Request a sales receipt at time of purchase.

7.1.1.3. Submit the sales receipt to the department administrator for processing.

7.1.2. The Department Administrator will:

7.1.2.1. Obtain the sales receipt from the employee who made the purchase.

7.1.2.2. Prepare a Disbursement Voucher (Std. 439 - Appendix 8.1.) indicating the expense account to be charged. Obtain the signature of the employee who made the purchase and sign the Disbursement Voucher. A separate Disbursement Voucher is required for each vendor.

- 7.1.2.3. Approve the Disbursement Voucher (Std. 439 - Appendix 8.1.) and inform employee to submit the receipt and Disbursement Voucher to the Cashiers' Office for reimbursement to the employee. The Petty Cash expenditures of individuals in a reporting unit are to be combined and submitted for reimbursement. This combined total of expenditures cannot exceed \$150.00 per week per reporting unit.
- 7.1.3. The employee will submit sales receipt and Disbursement Voucher (Std. 439 - Appendix 8.1.) to the Cashiers' Office for reimbursement during the hours of 10:00 a.m. - 1:00 p.m.
- 7.1.4. The Cashiers' Office will:
 - 7.1.4.1. Review the Disbursement Voucher (Std. 439 - Appendix 8.1.) for compliance with State regulations, University policy, ensure appropriate signatures and original sales receipts are attached.
 - 7.1.4.2. Inform the employee with an explanation at the time of submission if the Petty Cash is not approved.
 - 7.1.4.3. Reimburse the employee, sign and date the Disbursement Voucher (Std. 439 - Appendix 8.1.) for retention with the original sales receipt.
 - 7.1.4.4. Request reimbursement from the Accounting Office.
- 7.1.5. The Accounting Office will:
 - 7.1.5.1. Review documentation for compliance with State regulations, University policy and ensure original sales receipts are attached to the Disbursement Voucher (Std. 439 - Appendix 8.1.).
 - 7.1.5.2. Issue a check to the Petty Cash Custodian.
- 7.1.6. The Cashiers' Office will cash the reimbursement check.
- 7.1.7. The Accounting Office will prepare claim schedule to Sacramento for reimbursement to the Revolving Fund.

7.2. Departments with a Petty Cash Sub-fund:

7.2.1. The Department Administrator will:

7.2.1.1. Prepare a written request for a Petty Cash sub-fund to the Director of Accounting and Financial Management based upon frequency (at a minimum, \$150 per week for four consecutive weeks) and the ability to safeguard cash in compliance with SAM Section 8112.

7.2.1.2. Appoint a Department Petty Cash Custodian.

7.2.2. Director of Accounting and Financial Management will reply in writing of approval/denial of the Department Administrators' request for a Petty Cash Sub-fund.

7.2.2.1. If approved, the reply will detail the amount of the Petty Cash Sub-fund and the date at which the cash will be passed over to the department.

7.2.2.2. If denied, the reply will detail why the request was denied.

7.2.3. Employees will:

7.2.3.1. Review campus stores E-Z Order catalog and full-line vendor catalog to determine availability of item to be purchased. (If available, the item should be requisitioned through Campus Stores. Purchase of items available through Campus Stores is not a valid use of Petty Cash funds).

7.2.3.2. Request a sales receipt at time of purchase.

7.2.3.3. Submit the sales receipt to the Department Petty Cash Custodian for reimbursement.

7.2.4. The Department Petty Cash Custodian will:

7.2.4.1. Obtain the sales receipt from the employee who made the purchase.

7.2.4.2. Inform the employee at the time of submission if the Petty Cash is not approved.

7.2.4.3. Reimburse the employee and obtain their signature on the Disbursement Voucher (Std. 439 - Appendix 8.1.). Indicate the expense account to be charged and sign the Disbursement Voucher. A separate Disbursement Voucher is required for each vendor.

7.2.4.4. Submit the approved Disbursement Voucher (Std. 439 - Appendix 8.1.) and receipt to the Accounting Office for reimbursement. The Petty Cash expenditures of individuals in the department are to be combined and submitted for reimbursement on a monthly basis (at a minimum).

7.2.5. The Accounting Office will:

7.2.5.1. Review receipts and Disbursement Voucher (Std. 439 - Appendix 8.1.) for compliance with State regulations, University policy and ensure that original sales receipts are attached.

7.2.5.2. Issue a check to the Department Petty Cash Custodian.

7.2.6. The Department Petty Cash Custodian will pick up the reimbursement check from the Accounting Office and take to the Cashiers' Office for cash.

7.2.7. The Cashier's Office will cash the department reimbursement check based upon availability of funds.

7.2.8. The Accounting Office will prepare a claim schedule to Sacramento for reimbursement to the Revolving Fund.

8.0. APPENDICES:

8.1. Disbursement Voucher (Std. 439)