

California State University, Sacramento
Office of the Associate Vice President for Financial Services

Procedure for Establishment of Petty Cash Purchase Funds
Updated August 2011

TO REQUEST PETTY CASH PURCHASE FUNDS

Petty Cash Purchase Funds are used to reimburse purchases that cannot typically be made by direct payment request, procurement card, or purchase order. Only departments that cannot feasibly have employees or customers reimbursed through the University Petty Cash process in the Student Financial Services Center are eligible to request a fund.

You must provide a written request to the Director of SFSC/University Bursar to establish the Petty Cash Purchase Fund.

You must indicate a dollar amount of the fund requested and the purpose for which the fund is to be used. Cash purchase funds exceeding \$200.00 may be authorized only if safes, vaults or money chests that are adequate to safeguard cash are used to maintain these funds. The amount of the fund will be determined by the Director of SFSC/University Bursar based on departmental needs.

You must provide a name, employee ID number and telephone number of the staff member who will be personally responsible (custodian/administrator) for the Petty Cash Purchase Fund. This individual will be accountable for the safekeeping of the fund, and will be responsible for **any** cash shortages within the fund. For internal control purposes, only one individual shall be assigned custodianship of the fund.

The request for a Petty Cash Purchase Fund will be forwarded to the Associate Vice President for Financial Services, Sacramento Hall 259 for final approval.

TO RECEIVE PETTY CASH PURCHASE FUNDS

1. After the Associate Vice President for Financial Services has approved the request to establish the fund, the request is forwarded to the University Controller in Accounting Services, Sequoia Hall 311.
2. Accounting Services will request a check to be prepared in the name and employee ID number of the custodian of the fund. The custodian will be notified when the check is available at the Student Financial Services Center. The custodian will be required to sign and date a memo acknowledging receipt of the check. A copy of the procedures will be given to the custodian when the check is made available.

In addition, the custodian of the fund will be informed that he/she is personally responsible for the loss or misappropriation of the cash purchase fund, and that he/she will be required to certify periodically that their cash purchase fund and/or receipts totaling the dollar amount advanced are available at the specific location. The custodian will also be informed that they must return the funds in full if they terminate their employment with the University.

3. The custodian of the fund must cash the check at the Student Financial Services Center. The Petty Cash Purchase Fund shall not be removed from the campus, or deposited and/or co-mingled with personal funds, other campus cash change funds, nor placed in a personal, or off-campus bank account, for safekeeping.

SUBMITTING DIRECT PAYMENT REQUEST FOR PETTY CASH PURCHASE FUND REPLENISHMENT

1. The custodian of the fund is responsible for having the fund replenished at least once a month by submitting a Direct Payment Request Form with authorized signature to Accounts Payable. The Direct Payment Request must include the Petty Cash Reimbursement forms, receipts and calculator tapes. Accounts Payable will issue a check to reimburse the custodian.
2. The custodian of the fund must cash the check at the Student Financial Services Center.

IN THE EVENT OF THEFT

1. Notify Public Safety and Auditing Services immediately.
2. A new request should be submitted requesting reimbursement of the fund which includes: date and time of theft; amount of theft; circumstances involved; copy of police report; and prevention taken against similar occurrences.

CLOSING THE PETTY CASH PURCHASE FUND

When the custodian responsible for the fund no longer has occasion to utilize the fund, he/she must return the entire amount to the Director of SFSC/University Bursar via a Student Financial Services Center cashier and be relieved of accountability. If the department still has need for a petty cash purchase fund, they should submit another request identifying a new Custodian to the Director of the Student Financial Services Center.

AUDITS OF PETTY CASH PURCHASE FUNDS

1. The Petty Cash Purchase Fund Procedure will be updated only as needed to document changes.
2. The Director of the Student Financial Service Center/University Bursar or designee will count and audit all Cash Purchase funds. These audits are dictated by SAM Section 8111.2 and are to be performed in accordance with the following schedule:

<u>Amount of Fund</u>	<u>Frequency of Audit</u>
\$200.00 or less	Annually
\$200.01 to \$500.00	Quarterly
\$500.01 to \$2,500.00	Monthly

3. Auditing Services will perform a periodic operational audit which will cover compliance with internal controls/regulations and verification of the monthly, quarterly and annual audits.