

POLICY SOURCE: Office of Financial Services Treasury Operations	PROCEDURE NO. SUPERCEDES:
TITLE: Petty Cash Policy	SUBMITTED BY: Treasury Operations
REVISED DATE: February 21, 2017	APPROVED BY: Dr. T. Dwayne McCay, President

Petty Cash Policy

Policy Statement

This policy provides guidance governing the proper uses and administration of Florida Institute of Technology (“the University”) petty cash funds. Petty cash is the payment method of last resort for small dollar transactions. Keeping cash in an office, or any environment, creates a level of risk. Whenever possible, other methods of payment should be used. All applicable university policies and procedures that may relate to or impact the use or administration of petty cash must be followed at all times.

Administration and Oversight

[Student Financial Services](#), located on the first floor of Harris Commons (Babcock Street and University Boulevard) is responsible for establishing, monitoring, and closing petty cash drawers and processing petty cash vouchers. The Director of Student Financial Services has authority over establishing, closing, increasing/decreasing the amount of the drawer, and making any changes to petty cash drawers or custodians. Petty cash drawers are subject to audit at any time.

Definitions

- Departmental Petty Cash Drawer – Cash fund, generally \$50.00 or less, physically located outside of Student Financial Services. Used for reimbursement of small university expenses.
- Petty Cash Drawer “Change Fund” – Several locations on campus are provided with a petty cash drawer that operates as a change fund. These locations, primarily Food Service locations, utilize this cash to make change for customer purchases at the point of sale, rather than reimbursement for small expenses.
- Custodian – An approved University employee assigned to safeguard, maintain, and reconcile the petty cash drawer.
- Petty Cash Voucher – Small cash reimbursements can be made without a petty cash drawer. A Petty Cash Voucher Form, properly completed, can be presented to Student Financial Services (Student Accounting – Cashier’s Office). The funds will be charged to the department and cash given to the presenter.
- Imprest Fund – Petty cash drawers are fixed balance accounts that are maintained by regular replenishments and are used for paying small routine operating expenses. The balance of the drawer must always equal cash on hand plus receipts for petty cash expenditures given out.

Proper Use of Petty Cash

- Petty cash may only be used for small university expenses, less than \$50.00. Processing a reimbursement request through the University's Accounts Payable (AP) department is preferable and is required for larger payments.
- Reimbursement of personal expenses, cashing checks, loans/borrowing from the petty cash drawer are prohibited uses, as is any payment related to compensation of an employee. Petty cash may not be used for the purchase of gift cards or gift certificates.
- Un-deposited receipts received by the department or individual may not be incorporated into nor used as a substitute for petty cash. All funds received by university departments or employees should be deposited immediately in the University's bank accounts. Petty cash drawers that function as "change funds" for retail sale locations are the only exceptions.
- Non-university funds (birthday fund, coffee fund, etc.) must be kept separately from petty cash funds. Such external funds cannot be commingled with or used as a substitute for petty cash funds.
- The [Office of Sponsored Programs](#) must approve, in advance and in writing, any use of petty cash involving grant funding.

Establishing a Petty Cash Drawer

- Requests for establishing a petty cash drawer must be made in writing to the Director of Student Financial Services by the Dean or Department Head.
- Requests must include:
 - Reason/Demonstrated Need for Petty Cash
 - Amount of Petty Cash Requested
 - Designated Custodian
- Petty cash drawers that might involve grant related funds should have prior approval from the Office of Sponsored Programs.

Responsibilities of the Custodian

- Safekeeping of the Petty Cash Drawer – All petty cash drawers must be secured against unauthorized access. Suggested measures include a locked steel file cabinet or small safe with limited access. Desk drawers, even when locked, generally provide minimal security. Any suspected breach of the petty cash drawer must be reported immediately to Student Financial Services. Any money missing from the petty cash drawer will be charged to the responsible department and the custodian may be subject to disciplinary action.
- Maintenance of Petty Cash Drawer – The custodian must maintain all receipts and records pertinent to the petty cash drawer. These records must be available at any time. Any discrepancy or irregularity must be reported immediately to Student Financial Services.
- Reconciliation of the Petty Cash Drawer - Petty cash drawers should be reconciled frequently since they are an invitation to pilferage and theft. The shorter the time between reconciliations, the faster any irregularities can be identified. Annual reconciliations are required at fiscal year end. Reconciliation forms are available from Student Financial Services.

- Replenishment – Cash funds used can be replaced by completing a Petty Cash Voucher, attaching receipts and presenting to Student Financial Services (Student Accounting – Cashier’s Office). Requests for replenishment must be accompanied by a current reconciliation. Change funds should not need replenishment as additional funds are collected through normal business activity. Requests for small bills and coins can be made to Student Financial Services (Student Accounting – Cashier’s Office).
- Budgetary Constraints – Expenses paid for with petty cash fall under and will be charged to the applicable departmental budgets for those items. Petty cash transactions may not be used as a supplement to or expansion of established departmental budgets.

Change in Custodian

- Student Financial Services must be notified immediately of any change in custodian. Failure to do so may result in the closing of the petty cash drawer.
- Any change in custodian must be accompanied by a reconciliation of the petty cash drawer, and an audit of the drawer will be performed.
- Any money missing from the petty cash drawer will be charged to the responsible department and the custodian may be subject to disciplinary action.

Closing a Petty Cash Drawer

- Requests to close a petty cash drawer must be made in writing to the Director of Student Financial Services by the Dean/Department Head or the current custodian.
- All requests to close a petty cash drawer must be accompanied by a reconciliation of the petty cash drawer, and an audit of the drawer will be performed.
- Any money missing from the petty cash drawer will be charged to the responsible department and the custodian may be subject to disciplinary action.

Petty Cash Voucher/Small Cash Reimbursement

Reimbursement to University employees and students can be done without having a petty cash drawer in the department. A petty cash voucher form must be completed and presented to Student Financial Services (Student Accounting – Cashier’s Office).

- The same guidelines for proper use of petty cash apply.
- Additional requirements:
 - All ORIGINAL receipts must be attached to the voucher.
 - If reimbursing mileage for travel, the trip must be a minimum of 10 miles round trip, and a map showing the mileage needs to be attached. (i.e. [MapQuest](#) printout)
 - The payee and the approver cannot be the same person
 - Maximum daily reimbursement amount is \$50.00.
 - If reimbursement is being charged to a grant, the [Office of Sponsored Programs](#) must sign the [Petty Cash Voucher](#) form.

- Petty Cash Voucher Form Fields/Required Information:
 - Payee - The printed name of the person being reimbursed
 - Date - The date the voucher is presented
 - Account # - All pertinent account information to charge the department including the fund, org, account, program, and activity code where applicable
 - Amount \$ - Reimbursement may not exceed \$50.00
 - Signature of Payee - Must sign and verify that purchase(s) was made on behalf of the University
 - Description - Detail description of all that was purchased
 - Approved By - Signature of Department Head, Budget Approver, or Financial Manager
 - Printed Approver - Printed name of approver and phone extension
 - Received By - Signature of person receiving the reimbursement
 - Printed Received By - Printed name of person receiving the reimbursement