

PETTY CASH POLICY		<i>Department:</i> Finance-Accounting	
		<i>APP No.</i> FIN-004	
<i>Department Manager:</i> Controller	<i>Revised:</i> 6/8/2015	<i>Effective Date:</i> 6/1/2015	Page 1
<i>Subject:</i> Guidance for custodians of petty cash accounts		<i>Applicable Divisions:</i> All	

Section

1.0 PURPOSE

The purpose of this Policy is to communicate the effective use and security of Linfield’s petty cash funds. This policy guides individual departments on the use of petty cash, their responsibilities in preventing loss and/or discrepancies in the balance of their petty cash fund, and satisfying financial audit requirements through compliance with established procedures.

2.0 POLICY SCOPE

This policy applies to all custodians of Linfield’s petty cash funds and their supervisors.

4.0 RESPONSIBILITIES

4.1 Custodians will secure petty cash funds at all times in a locked cabinet or drawer. Access to these funds is restricted to the custodian and his/her department supervisor.

4.2 Cash on hand and receipts for disbursements must always equal the assigned amount of the petty cash fund. The department supervisor must reconcile the petty cash fund at the time of approving reimbursement.

4.3 Accounting personnel, or a designated representative from accounting, will perform a physical audit of the petty cash accounts each fiscal year end.

4.4 When a petty cash custodian leaves campus for more than a 2 week vacation, all receipts must be turned into accounting and the cash fund must be delivered to accounting for an audit then locked in the safe in the office of the CFO. Upon return to campus, the petty cash account may be retrieved.

4.5 Accounting must advise Human Resources of any change in custody of petty cash accounts.

5.0 PETTY CASH INITIATION PROCEDURE

5.1 Requests for establishment of petty cash funds from Departments should be directed to the Controller. All requests are subject to the approval of the department’s Vice President. The custodian must be an employee of the College and, by signing the Petty Cash Request Form, accepts responsibility for the fund. To establish a petty cash fund, the department must submit a request by completing the attached Petty Cash Request form (see Appendix A.)

5.2 The request will be reviewed for approval by the Controller. Once approved, the new custodian submits a check request to Accounts Payable to fund the Petty Cash Account.

6.0 PETTY CASH EXPENDITURE AND REIMBURSEMENT PROCESS

6.1 Merchant receipts must be obtained for each petty cash expenditure, such as a cash register receipt. Each merchant receipt should be attached to the “Petty Cash Receipt” form (see Appendix B.) For each expense, the following information must be documented.

- (a.) Date of purchase,
- (b.) Amount,
- (c.) Description of purchase,
- (d.) Account code to be charged,
- (e.) Employee who used petty cash funds for the purchase , and
- (f.) Approval for purchase.

6.2 To replenish the petty cash fund, the custodian must submit all receipts attached to an “AP Check Request for Reimbursement and Advances” form properly coding the expenditures. To assist in this process, a “Petty Cash Log” is provided which will tabulate the running balance in the fund (See Appendix C.) This reimbursement request must submitted, at least, semi-annually as follows:

<u>Expenditure period:</u>	<u>Petty Cash submission date:</u>
January – June	July 10 th unless custodian leaves campus for the summer (see 4.4 above)
July – December	January 10 th

6.3 All purchases made from a petty cash fund must conform with College policies as allowable purchases and must be for College business.

7.0 PROHIBITED USES

7.1 Petty cash funds may not be deposited into personal bank accounts. Petty cash check must be cashed and funds locked in a secured location for department use.

7.2 Petty cash funds may not be comingled with other monies, such as personal funds of employees.

7.3 Petty Cash reimbursement limit is \$49.99 for a single transaction.

7.4 Petty cash funds may not be used for the following:

- A. Wages and travel expenses
- B. Cashing checks for anyone
- C. Payroll advances, travel advances and loans to employees or students
- D. Buying and selling not related to College business (i.e. selling postage stamps for personal use.)

- E. Purchase of alcohol or other purchases prohibited by the College
- F. Purchase of gift cards or payment for services (as they have tax consequences.)

8.0 ADDITIONAL INFORMATION

- 8.1** Dormant (inactive for 6 months or more) petty cash accounts should be closed by returning all unspent cash to the cashier, all receipts to Accounts Payable to offset the petty cash GL account code and by reporting the closure to Human Resources so the custodian can be relieved of responsibility for the funds.
- 8.2** In case of theft, Campus Safety should be immediately notified and a copy of the incident report should be submitted to the Controller.
- 8.3** A copy of this policy is issued annually to all custodians.
- 8.4** The petty cash process is reviewed by the accounting staff annually.

Approval and Issue Date

This policy is hereby approved. This policy is effective immediately and supersedes all previous editions.

Date Issued: June 8, 2015
Date Last Revised: June 8, 2015
Responsible Executive: Vice President for Finance and Administration
Responsible Office: Accounting

M. O'Neil
Vice President, Finance and Administration

6-8-15
Date

Appendix A Petty Cash Request Form

_____ New Request

_____ Increase Request

Amount Requested: _____

Purpose for Petty Cash Funds: _____

Department Number to be charged _____

Assigned Custodian of Funds (Print Name) _____

I have read the Petty Cash Policy and will comply with procedures therein:

Signature of Petty Cash Custodian

Signature of Petty Cash Custodian's Supervisor

Petty cash funds must be kept in a lock box or safe at all times.

This petty cash account is CLOSED and all money has been re-deposited to Linfield's accounts or otherwise expensed.

By: Accounting authorized representative

Date: _____ (SEND COPY TO HUMAN RESOURCES)

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
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Petty Cash Receipt	
Date	No.
Amount \$	
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Description	
Charged to	
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Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Receipt	
Date	No.
Amount \$	
Payee	
Description	
Charged to	
Received by	
Approved by	

Petty Cash Policy
Appendix C

Linfield College Petty Cash Log

Balance in Petty Cash Account \$0.00

Date	Receipt#	Description	Amount Deposited	Amount Withdrawn	Charged To	GL Account	Received By	Approved By
		Deposit to petty cash			petty cash			
Total			0	\$0.00	\$0.00 Equals amount of check request			