

# Vincennes University Petty Cash Fund Procedures

## *Maintenance and Establishment of a Fund*

Date revised: 6/05/09

### Overview

### Petty Cash Purchases

An employee who makes an authorized small incidental purchases on behalf of the University may be reimbursed for the purchase. This procedure will detail how the employee will be reimbursed, the authorized use of petty cash funds, and restrictions on purchases.

### Petty Cash Fund

A petty cash fund is used by departments to reimburse employees for petty cash purchases. Funds may generally be classified into one of two types:

1. **Departmental Petty Cash Funds** - Departments may request approval to establish departmental petty cash funds to reimburse petty cash expenditures. All requests must be submitted in writing to the Controller's Office with an invoice voucher addressed to the custodian of the fund. The Controller may reject or adjust any request for a petty cash fund. The custodian must pick up the initial check to setup the fund in the Controller's office and sign this form.
2. **Bursar's Office Petty Cash Fund** - Departments that do not have their own petty cash funds may use the Bursar's Office petty cash fund for reimbursement of petty cash purchases.

### Allowable Transactions

The following are allowable petty cash transactions:

1. Purchases for small incidental purchases.
2. Purchases for which the goods are received at the time of purchase.

Typical allowable transaction types include small dollar purchases of office supplies, lab supplies, and postage. State and local sales taxes are not reimbursable. Contact the Controller's office prior if you need further clarification on whether a transaction qualifies for petty cash reimbursement. **Most reimbursements will be processed electronically.**

Purchases are not to exceed \$50.00.

### Unallowable Transactions

The following transactions and purchases **are not reimbursed** through petty cash. These transactions should be processed on the appropriate invoice/travel voucher and submitted to Accounts Payable:

1. Entertainment
2. Travel reimbursements (meals, lodging, taxi, airfare, gasoline and oil)
3. Per diem and fees and other service payments
4. Gifts, awards, prizes
5. Memberships
6. Personal check cashing and loans
7. Food, beverages, and catering
8. Telephone Calls
9. Gift Certificates
10. Holiday parties

Items that may not be purchased by the University's Purchasing department, for example, alcoholic beverages, may not be purchased with petty cash funds. Also, items that are required to be purchased through the Purchasing department may not be purchased with petty cash funds even if the shipment of the item has been delayed or it is out of stock. Violations of petty cash policy may result in non-reimbursement.

## Security Guidelines

Petty cash custodians must use the following guidelines in protecting the integrity of the petty cash fund:

1. Petty cash must be held in a locked cash drawer or locked cash box (a metal box is recommended). A primary key to the drawer or box must be held by the custodian while a secondary key should be held by the department head or delegate for emergency purposes.
2. In the event the fund custodian has a scheduled absence, a temporary custodian can be assigned by the department head. However, the funds must be counted in the presence of the authorized custodian before the leave period begins and again once the custodian returns. This procedure is used when the petty cash fund is greater than \$200.
3. The total amount of the petty cash fund should always equal the cash on hand plus any unreimbursed amounts.
4. Unannounced cash counts may be performed by someone other than the custodian.
5. In the event of a theft of petty cash funds, the custodian should immediately notify the Controller's office.
6. Upon departure/termination of custodian or department head, keys to secured petty cash area must be returned to the appropriate departmental authority. A change of custodian requires the signature of the new custodian on this form.

## Reimbursement Requirements

The following must be submitted with your petty cash reimbursement form:

1. The requestor's identifying "A" number must be recorded (if request is processed electronically)
2. A brief explanation justifying the relevance of the purchased items to the functions of the department (i.e., lab supplies)
3. The signature of the responsible administrator of the department or division
4. Original Receipts including the date of purchase and the vendor name
5. The reimbursement form must be properly coded with the correct fund/org/account

Department petty cash funds may be replenished through a direct pay invoice by completing the invoice voucher and forwarding it to accounts payable. The approved petty cash reimbursement receipts along with the original receipts must be submitted with the invoice voucher.

All requests must be submitted before the close of the fiscal year in which the purchase was made. Receipts dated more than two months prior to the reimbursement will not be accepted. There will be no exceptions.

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As custodian of the petty cash for \_\_\_\_\_, I understand that it my fiduciary responsibility to follow the aforementioned petty cash procedures and I understand it is my responsibility to report any violations to the Controller's Office.

Custodian's Name \_\_\_\_\_ Date \_\_\_\_\_