

# **Davis Technical College**

## **Petty Cash Funds**

**Effective Date: 25 June 2015**

### **1. Purpose**

To define the policy and related procedures of the Davis Technical College (College) regarding the establishment and use of petty cash funds.

### **2. References**

- 2.1.** Davis Technical College Procurement/General Policies
- 2.2.** Davis Technical College Travel Reimbursement Policy and Procedures

### **3. Policy**

- 3.1.** Petty cash funds will only be established under the direction of the Controller.
- 3.2.** Auxiliary department cash drawer funds will not be considered petty cash funds for the purpose of this policy.
- 3.3.** Petty cash is a limited payment method to reduce the transaction costs associated with small incidental items that are not available through the Bookstore or other contracted sources incidental for day to day operations. It may also be utilized for reimbursements for minor travel related expenses such as parking fees.
- 3.4.** All payments are subject to the College Purchasing and Travel Reimbursement policies. It is a supervisor's responsibility to ensure that those guidelines have been followed before approving the Petty Cash Voucher.
- 3.5.** Petty cash vouchers are limited to a maximum of \$50.00 and cannot be submitted by the same individual more than once per week.
- 3.6.** Petty cash funds may not be used for:
  - 3.6.1.** Cashing of personal checks
  - 3.6.2.** Loans (IOU's) to employees or others
  - 3.6.3.** Non-College functions or activities such as employee activity funds
  - 3.6.4.** As a method to avoid compliance to College purchasing procedures and policies.
- 3.7.** Each disbursement is to be supported by a Petty Cash Voucher or eform and accompanied with a receipt, which indicates the amount paid. This document is initiated by the employee and approved by the fund custodian and/or the employee's Division or Program Director. All receipts should have the vendor's logo or designation. For receipts where this is not pre-printed, the payee must write the name of the vendor on the receipt.
- 3.8.** The total of cash and approved receipts in the petty cash fund shall equal the total authorized funding amount for that fund at all times. The Controller or a designee shall perform periodic audits to verify fund levels. Petty cash funds will be assigned a single cashier who shall be responsible to control and safeguard the funds. All funds shall be kept in a secure location with limited access.

#### 4. Procedures

##### 4.1. Establishing a Petty Cash Fund

4.1.1. The requesting department must send a written request to the Controller requesting the establishment of a petty cash fund indicating the amount requested, outlining the justification for the fund, and identifying a single custodian for the funds.

4.1.2. The Controller will review and either reject or approve request. If approved, the Controller will reply in writing to the Requesting Department indicating approval, assigned custodian, and any special restrictions. If rejected, requesting department will be notified why request was rejected.

4.1.3. The Controller will direct the Head Cashier to request a check be written for "Petty Cash" for the amount approved.

4.1.4. The Head Cashier will cash the check and give funds to the assigned cashier and a Petty Cash Custodian form will be signed by both the Head Cashier and the Cashier acknowledging the transfer of responsibility of the funds. This form is to be kept on file by the Head Cashier.

4.1.5. The assigned cashier will implement departmental controls to properly safeguard cash within the guidelines established by the Controller.

4.1.6. When a petty cash fund is turned back in, the Head Cashier and the Controller will sign the original Cash Custodian form as verification of receiving the cash. The Head Cashier will keep the form on file.

4.1.7. If the custodian of a fund changes, the Controller must be notified in writing prior to the change taking place and a new Cash Custodian Form must be completed

##### 4.2. Making a Purchase, or Applying for Reimbursement

4.2.1. The employee will make the needed purchase, with approval of their Supervisor, from their own personal funds or with a petty cash advance up to \$50.

4.2.2. If a petty cash advance is utilized, a Petty Cash voucher must be completed prior to receiving the advance.

4.2.3. The petty cash voucher must be approved by a both the recipient and a Budgetary Program Manager. Once the form is completed, the Cashier will take the form in exchange for the funds.

4.2.4. Employees who receive advances have one working day to return to the Cashier with a receipt and the change totaling the amount of the advance.

4.2.5. If an employee uses their own funds, the receipt may be turned in with a completed Petty Cash Voucher form to the Cashier for reimbursement.

##### 4.3. Replenishing the Fund

4.3.1. The Cashier will determine that the fund is low and will prepare a Petty Cash Reimbursement form with Petty Cash Vouchers and related receipts attached and submit to the Controller or designee.

4.3.2. The Controller or designee will verify vouchers and receipts match amount requested, verify the general ledger account numbers, and reconcile any differences.

4.3.3. The Controller or designee will forward the Petty Cash Reimbursement Form to Accounts Payable who will issue a check payable to "Petty Cash", and give the check to the Cashier to redeem at the bank.

#### 5. Approval and Notes

Revised Board Approval: 25 June 2015  
Revised Presidents Council Approval: 8 June 2015  
Board Approval: 28 March 2013