UTAH STATE UNIVERSITY
CONTROLLERS OFFICE

CASH HANDLING GUIDELINES AND PROCEDURES

(Updated August 17, 2006)

Permanent Change Funds

Purpose

Permanent change funds are to be used as a change fund only for University departments and auxiliary retail operations to facilitate daily business needs. These funds are used primarily in the operation to make change for customers at the till or register.

Procedures

- To establish a permanent fund, a request with complete justification should be sent by the Department Head or Business Manager to Randy Coleman, Director of Treasury Services, in the Controllers Office.

- The balance of the change fund should always be maintained at the original established amount.

- University departments should never establish or increase a permanent change fund with money from departmental revenue or from operating accounts. New or modified change funds must be coordinated through the Controllers Office.

- In the event of a change in the person responsible for the change fund or if the change fund is to be modified or closed, the Controllers Office should be contacted immediately. A count of the funds should be conducted at that time.

- Overages and shortages should be accounted for on a daily basis and booked accordingly. Overages and shortages greater than $100, which cannot be reconciled with the aid of the Controllers Office, should be reported to Internal Audit Services.

- Till operators should prepare daily cash count sheets to record all cash received. To ensure proper segregations of duties, someone other than the till operator should reconcile the daily cash counts to the daily sales records.

- In accordance with Utah Code Title 51, Chapter 4, cash should be deposited daily, if practicable, but no later than every three banking days.

Petty Cash Funds

Purpose

Petty cash funds can be used to make small purchases or to reimburse employees for ordinary, non-travel, out-of-pocket expenditures when it is infeasible or impractical to use normal purchasing methods (e.g. P-Card). Petty cash funds should be handled in such a way as to provide the proper controls to safeguard the funds and eliminate the possibility of misappropriation.

Prohibitions

Petty cash must not be used for the following:

- Travel expense reimbursement.
- Payments to vendors for invoices submitted directly to the department.
- Payments to independent contractors or consultants, or awards to non-university employees.
- Payments to employees for services, awards, bonuses, etc.
- Payments to University auxiliaries (e.g. Bookstore, etc.).
- Personal borrowing (IOUs).
- Cashing checks.
- Any other purchased item which is prohibited or restricted by University Purchasing policy (http://www.usu.edu/purchsvs/rules&regulations.html).

Establishing, Modifying or Closing a Petty Cash Fund

- A Department Head or Business Manager should contact Randy Coleman, Director of Treasury Services, in the Controllers Office to establish, modify, or close a petty cash fund.

- When establishing or modifying a fund, the department should provide the following details concerning the use of the petty cash fund:

  a) Names of the fund custodian and immediate supervisor
  b) Amount requested
  c) Physical location of the fund

  The Controllers Office will review each request for appropriateness based on the department's needs.

- University departments should never establish or increase a petty cash fund with money from departmental revenue or from operating funds. New or modified change funds must be coordinated through the Controllers Office.

Petty Cash Custodian – Appointment, Storage and Access

- The department is responsible to appoint a custodian who monitors the use of funds, retains documentation, and requests replenishment. Appointment and approval should be made by the Department Head or Business Manager. A custodian may not appoint or approve himself/herself.

- The petty cash fund should be secured at all times. A cash box locked in a safe or file cabinet is recommended, depending upon the amount of the fund.

- Access to the fund should be limited. The fund custodian's supervisor should conduct periodic, documented cash counts to verify the proper use and accounting of funds.

Responsibilities

- It is the responsibility of the custodian to ensure that this fund is used to cover only those expense reimbursements for which it is not possible, or is infeasible, to use normal purchasing methods such as a P-Card.

- The fund custodian must retain original receipts to substantiate each purchase. The custodian is also responsible to enforce University practices regarding sales tax exemption.

- The fund custodian is responsible to perform a full reconciliation to ensure that all funds are accounted for. The custodian is also responsible for fund replenishment when funds are depleted and for reporting all instances of loss of funds, including filing a report with Campus Police, as soon as any loss is discovered.

- In the event of a change in the person responsible for the change fund or if the change fund is to be modified or closed, the Controllers Office should be contacted immediately. A count of the funds should be conducted at that time.

Documentation

Each transaction should be properly documented in the following manner:

- A detailed log of all transactions, identifying all pertinent information (name, purpose, transaction detail, and date of expense). Each cost should be identified including the account to be charged.

- Original receipts retained, referencing each receipt's corresponding transaction on the detailed log. Receipts should be marked "voided" or "paid" and should be signed and dated to prevent duplicate reimbursements.

Reimbursement Process

- When the fund becomes depleted, the custodian should perform a reconciliation and submit a request to replenish the fund to the Controllers Office. Before being submitted, the reimbursement request must be approved by the immediate supervisor of the fund custodian.

  Reimbursement greater than $50
  Once the Controllers Office reviews the documentation and the reimbursement request is approved, a check will be prepared for the fund replenishment. The check will be made payable to the custodian.

  Reimbursement less than $50
  For convenience and administrative efficiency, the custodian may request a cash reimbursement by completing the "Cash Reimbursement Form". This form may be downloaded from the Controller Office website: http://controller.usu.edu/cashier/forms/cashreimbform.pdf.