Policy 2.28
Petty Cash

This policy version was not current at the time of printing. Please see http://policies.emory.edu/2.28 for the current version.

Responsible Official: Vice President for Finance/Chief Finance Officer
Administering Division/Department: Treasury Operations
Effective Date: March 22, 2007
Last Revision: March 28, 2007

Policy Details

2.28.1 Petty Cash

The current system of Petty Cash Funds at Emory allows for two methods of reimbursement:

I. University Petty Cash Reimbursement Voucher
II. Departmental Petty Cash Funds

The University Petty Cash Reimbursement Voucher is used whenever individuals expend their own funds and deliver a departmental-approved petty cash voucher with receipts to one of the designated persons in the Accounting Office for approval. Upon approval, one delivers the voucher to the University Cashier's Office and obtains a cash reimbursement. The Departmental Petty Cash Fund is requested through the Controller's Office by completing a Petty Cash request form. A dollar limit is requested, and two custodians are designated for each departmental fund.

Procedures for the reimbursement by both University Petty Cash Reimbursement Voucher and the Departmental Petty Cash Funds are below. The goal in publishing these procedures is to provide guidance and direction related to petty cash expenditures. It should be noted that purchases under the Petty Cash Reimbursement Voucher process are limited to a maximum of $75.

2.28.2 General University Petty Cash Voucher

The Petty Cash Voucher form must be used to obtain reimbursement when using this method. These forms are available from the Controller's Office, 305 Administration Building or may be downloaded on-line. Completed forms are submitted to authorized individuals in Room 305 Administration Building for Accounting approval. Cash reimbursement is subsequently made by the Cashier's Office in the B. Jones Center. Instructions are included on the Petty Cash Voucher Form.

Purchase(s) reimbursed by the General University Petty Cash Voucher method are limited to $75. No expenditures for personal items, memberships, subscriptions, dues, or wages are reimbursable through this method. Refer all questions regarding the use of General University Petty Cash Voucher to the Payment Services Department (7-6090).

2.28.3 Departmental Petty Cash Funds

2.28.3.1 General

I. A department which has a need to pay test subjects may request a departmental petty cash fund.
A Petty Cash Fund can be established by completing the Petty Cash Request Form, having it signed by the department and school/division head, and submitting it to the Controller's Office for approval. It must include information such as number of participants in the study as well as how much each one will be paid. The Controller will, after review and approval of the Request Form, advance a check through the Payment Services Department to the first custodian of the petty cash fund.

II. The initial Petty Cash Fund check will not appear as a charge to the department. The Petty Cash Funds are recorded on the University books as a temporary loan to the department. Charges are not made to the department's budget and reflected as expenditures on FAS accounts until a Petty Cash Fund Replenishment Request is submitted and paid (replenishing the petty cash fund).

III. Departmental petty cash funds are utilized with the approval of the department head and the account administrator of the account(s). The appropriate accounts will be charged at the time of reimbursement.

IV. No expenditures for personal items, memberships, subscriptions, dues, or wages can be made from petty cash funds. No checks can be cashed from Petty Cash Funds nor are loans or advances permitted.

2.28.3.2 Custody and Control

I. Two individuals, designated as Petty Cash custodians, must accept complete responsibility for the safekeeping of a petty cash fund. If a custodian is replaced for any reason, the Controller's Office must be notified by a memo with the old and new custodians' signatures.

II. An authorized signer for the department associated with the account number charged on the Petty Cash Fund Replenishment Request is responsible for ensuring that all petty cash fund activities comply with University policies and that proper documentation for each expenditure is maintained. The authorized signer (who may or may not be one of the custodians) is the person authorized to approve expenditures for a specific account.

III. Facilities for safekeeping the funds must be available and utilized. Such facilities should include, at a minimum, a lockable cash box which is kept in a secure area, such as a locked desk, file cabinet, or vault. Only the custodians may have access to the keys. The cash box must not be left unlocked. The keys must not be accessible to anyone else in the department. Safekeeping facilities and procedures must be fully described on the Petty Cash Request form.

IV. Petty cash funds must be kept separate from all other funds. Personal funds must never be included with petty cash Funds.

V. The petty cash fund must be reconciled internally each time replenishment is requested, or at least monthly by both custodians to ensure that the cash balance and the paid receipts on hand equal the total authorized amount of the fund.

VI. Petty cash funds are subject to surprise audit by any auditing entity as appropriate for use of funds. (These include the University Internal Auditing Department, external auditors, and Federal and State government auditors.) A yearly confirmation of the Petty Cash Fund balance is required by the Controller's Office. Both custodians are required to sign the confirmation.

VII. The Petty Cash Fund balance may not exceed $300, or the amount of money needed for an average of two months' expenditures, whichever is less. Requests for adjustments to the fund balance (up to the $300 limit) must be made in writing to the Controller's Office and approved by the Department Head and School/Division Head (if appropriate).

2.28.3.3 Replenishment of the Petty Cash Fund

I. When the fund needs replenishment, a Petty Cash Fund Replenishment Request, signed by both custodians, is sent to the Payment Services Office. If both custodians are not available, an authorized signer may substitute for a custodian. Supporting documents must accompany the request.

II. Original receipts must be obtained from vendors for all purchases made from petty cash funds. When an original receipt is unavailable, a written, signed explanation must accompany the request. A Supporting Documentation form (Exhibit 5) must be attached to the Petty Cash Fund Replenishment Request.

III. After reviewing the request for replenishment, the Payment Services Office will issue a check by the fifth working day following receipt, to the designated (requested) custodian of the petty cash fund. The check may be cashed at the University Cashier's Office up to a $300 limit.

2.28.3.4 Closing a Petty Cash Fund

I. When a department wishes to close an existing Petty Cash Fund, a final Petty Cash Fund Replenishment Request and remaining cash, if any, should be submitted to the Controller's Office. The loan recorded for that department will be removed if any cash was remaining. The Request form should be marked "FINAL" to distinguish it from a regular replenishment request.
2.28.4 Petty Cash Checking Account Procedures

These procedures apply in addition to the procedures which cover ordinary departmental petty cash funds.

I. The checking account may not exceed $2,000 without specific approval of the Board of Trustees of the University. The checking account, up to a $2,000 maximum, must have the approval of the Executive Vice President or the Vice President for Finance and Treasurer. In addition to the two departmental custodians, the Executive Vice President, the Vice President for Finance and Treasurer, and the Controller should be authorized signers on the account.

II. The checking account should be reconciled on a monthly basis and maintained on file by the department. Ideally, to maintain proper segregation of duties, the person reconciling the fund should not be the person responsible for the disbursements of the funds. When segregation of duties is not possible, the reconciliation should be prepared by one custodian, and be reviewed and approved by the second custodian. The reconciliation should also be reviewed and approved by a department head when possible. A copy of the reconciliation must be sent to the Controllers’ office each month.

III. Records must be maintained by the custodian identifying research subject’s social security number, address. This documentation should be included in the package sent to Payment Services requesting replenishment of the petty cash fund. Any person receiving $600 or more in a calendar year must receive a 1099 form from Emory University.

Related Links

- Current Version of This Policy: http://policies.emory.edu/2.28

Contact Information

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<th>Subject</th>
<th>Contact</th>
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Revision History

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