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**Petty Cash Fund Procedure**

1. **Purpose:**

The purpose of this procedure is to comply with the California State University (CSU) policy to utilize petty cash funds for the reimbursement of small-dollar University business-related expenses paid by cash. This procedure complies with the CSU Policy and the Integrated CSU Administrative (ICSUAM) policy number 6320.00, *Petty Cash Funds and Change Funds*.

1. **Definitions:**

*Campus/University:* California State University, Los Angeles (Cal State LA) sites and locations.

*Campus Cash Handling Coordinator:* The Cal State LA Executive Director of Financial Services. (CFO designee)

*Cash:* United States currency and coins.

*Cash Equivalent:* Checks and electronic fund transfers.

*Cash Control:* Segregation between accountability and custodianship that might be demonstrated using a safe, receipting and disbursing systems, locked box, pre-numbered cash receipt, or cash handling procedures.

*Petty Cash:* Cash used to reimburse employees for emergency/minor purchases made on behalf of the University or Department.

*Petty Cash Fund:* Petty cash funds for the reimbursement of small-dollar University business-related expenses paid by cash.

*Petty Cash Custodian:* The Administrator or designee responsible for the administration and maintenance of the Petty Cash Fund.

*Disbursement Voucher:* Voucher used to justify the Petty Cash expenditure. (See appendix 8.2)

*Chief Financial Officer (CFO):* The Cal State LA Vice President of Administration and Finance is the Cal State LA Chief Financial Officer.

3.0 **Applicability:**

This procedure applies to One-Stop Financial Services and all departments and University entities authorized to operate a petty cash fund.

4.0 **Policy:**

4.1The campus CFO or his/her delegate may authorize the establishment of petty cash funds at department offices or other approved locations. Requests/authorization for such funds must be in writing.

4.2 All Departments and University entities are responsible for the security of their petty cash fund once such funds are authorized by the CFO or the CFO designee.

4.3 Custodianship of a given petty cash fund is assigned to a single individual and cannot be independently transferred to another individual. The custodian should be trained on their responsibilities before accepting a petty cash fund. The custodian is responsible for ensuring the cash on hand always equals the authorized amount of the funds. The cash should be counted often.

4.4 Petty cash funds must not be commingled with other funds. Change cash must be kept separate from petty cash funds, cash drawers, personal funds, and any other collected revenue.

4.5 All funds and other applicable documents of the fund should be secured and safeguarded in a metal locking box and placed in a locked desk, locked cabinet, or locked safe.

4.6 Petty cash purchases may not exceed $50.00 (not including tax) per vendor per receipt per day. Any amount in excess will not be approved and the individual will absorb the difference. The combined total of expenditures may not exceed $150.00 per week. (See appendix 8.2)

4.7 An unannounced cash count and audit of petty cash funds for which employees are accountable will be performed by the Controller’s Office on an unannounced periodic basis. The audit of cash balances must be performed in the presence of the petty cash fund custodian and must be documented. The minimum frequency of such audits are as follows:

**Fund Size Minimum**

$200.00 or less Annually

$200.01 to $500.00 Quarterly

$500.01 and more Monthly

4.8 The petty cash fund will be closed out when a given petty cash fund is no longer needed, or upon termination or departmental transfer of the custodian. If a successor is to be furnished with the petty cash fund, a new request is required.

4.9 Failure to comply with the procedures set forth herein, and Internal Audit’s guidelines, may result in the closing of the petty cash fund.

**5.0 Establishing a Petty Cash Fund:**

5.1 Petty cash funds can be established by written request to the CFO or CFO designee for authorization. The memo must be signed by the requestor, custodian, and the CFO or CFO designee for approval. (See appendix 8.1)

5.2 A Direct Pay form for the established amount of the petty cash fund must accompany the memo request. A check will be issued to the custodian by Accounts Payable upon approval.

5.3 The custodian assumes responsibility for safeguarding and proper utilization of the funds.

**6.0 Disbursement of Petty Cash Fund Voucher:**

6.1 Employee must submit the original sales receipt attached to the Disbursement Voucher to be reimbursed. Submit the sales receipt to the department administrator for processing.

6.2 Department administrators must prepare a Disbursement Voucher indicating the expense account to be charged. Obtain the signature of the employee who made the purchase and sign the Disbursement Voucher. A separate Disbursement Voucher is required for each vendor. (See appendix 8.2)

6.3 Petty cash custodian will ensure that the Petty Cash disbursement follows state regulations, University policy and ensure original sales receipts are attached to the Disbursement Voucher. (See appendix 8.2)

6.4 The approved Disbursement Voucher and original sales receipts will be submitted to One-Stop Financial Services for reimbursement to the employee. The employee can submit One-Stop Financial Services during the hours of 10:00 am – 1:00 pm daily. Only a staff employee can pick up petty cash reimbursement.

**7.0 Lost or Stolen Petty Cash:**

7.1 In the event the petty cash fund or a portion thereof, is lost or stolen, the following procedures should be followed:

A. Immediately inform the University Police Department.

B. Obtain a copy of the Police report.

C. A new request memo should be submitted requesting reimbursement of the fund which includes the following:

a. Date and time of loss or theft

b. Amount of lost or theft

c. Circumstances involved

d. Copy of the police report

e. Prevention taken against future occurrences

7.2 Other Responsibilities related to the Petty Cash Fund not written is this procedure is defined in the Campus Administrative Procedure. (See appendix 8.3)

**8.0 Appendices:**

8.1 Petty Cash request fund form

8.2 Petty Cash Disbursement voucher

8.3 Campus Administrative Procedure – Petty Cash Fund

**9.0 References:**

6200.00 Campus Administration of Systemwide Cash Management Policy

6201.00 Sensitive Positions and Cash Handling

6202.00 Segregation of Cash Handling Duties

6303.00 Cash and Check Handling

6320.00 Petty Cash and Change Funds