
CHANGE FUNDS AND PETTY CASH FUNDS

Purpose:

To provide guidelines for the establishment and use of change and petty cash funds.

Scope:

Applies to the procurement, use, and maintenance of University change and petty cash funds.

Responsible Party:

Finance and Administration, 426-1200

POLICY

I. Policy Statement

This policy put processes in place intended to prevent the mismanagement or abuse of change and petty cash funds.

II. Authority and Responsibilities

A. Authority to Establish Funds: The authority to establish either a change or petty cash fund must come from the Vice President for Finance and Administration (VPFA). A dean, department chair, or supervisor must make a written request for authority to maintain a change or petty cash fund. The person to whom such authority is granted holds overall responsibility.

B. Individual Responsibility: Individual responsibility is established by assigning the fund to a specific employee. This employee is responsible for the fund until the monies are either returned to the Controller or until another employee is assigned responsibility. Any employee assigned responsibility for a change or petty cash fund must sign a form provided by the Controller.

III. Procedure

A. Submittal for Authorization: To establish a change or petty cash fund, a "Petty Cash/Change Fund Action" form and a letter of request should be submitted to the VPFA. Once the VPFA has approved the change

or petty cash fund, a request with specified cash denominations should be submitted to Accounts Payable. Change or petty cash funds will be delivered by armored car service when appropriate.

B. Change Fund

1. Purpose and Depositing of Change Funds: Change funds are intended to provide a minimum amount of cash to facilitate change making when receiving revenues. Keeping portions of receipts to be used as change funds is strictly prohibited. Revenues greater than \$200 must be deposited through the Payment and Disbursement (P&D) Center within twenty-four hours. Revenues less than \$200 must be deposited at least weekly and kept in a secure location in between deposits.
2. Change Fund Balance: Change funds shall be kept at the authorized level, with the same amount of cash on hand as originally approved.
3. Types of Change Funds: Change funds may be for one-time, temporary, or long-term use. For one-time use, fund amounts are based on the need of a particular event and will be delivered to the location by armored car whenever possible.
4. Prohibited Use of Change Funds: The use of change funds to cash employee paychecks (payroll or personal) is prohibited. The use of I.O.U.s to borrow money from change funds is prohibited.
5. Change Funds in Relation to Other Funds: Change funds should be separate from all other funds, including personal funds and petty cash.
6. Handling of Change Funds: All departments receiving change funds must keep them secure and practice good cash handling controls. Refer to [BSU Policy #6010](#) "Cash Handling" for a description of good cash handling controls.
7. Verification of Change Funds: All change funds will be verified by the Controller's office annually. Change funds will be renewed or eliminated annually as appropriate.

C. Petty Cash Funds

1. Purposes of Petty Cash Funds: Petty cash funds are for small purchases that cannot be made with a P-card.

2. Permission for Petty Cash Funds: Petty cash fund requests will be granted on an exception base only.
3. Use of Petty Cash Funds: Petty cash funds shall be used for university business only and should not be used for items that would not be approved through normal channels.
4. Prohibited Use of Petty Cash Funds: The use of petty cash funds to cash employee paychecks (payroll or personal) is prohibited. The use of I.O.U.s to borrow money from petty cash funds is prohibited.
5. Handling of Petty Cash Funds: All departments receiving petty cash funds must keep them secure and practice good cash handling controls. Refer to [BSU Policy #6010](#) "Cash Handling" for a description of good cash handling controls.
6. Verification of Change Funds: All petty cash funds will be verified by the Controller's office annually. Petty cash funds will be renewed or eliminated annually as appropriate.
7. Replenishment of Petty Cash Fund: Receipts should be submitted to Accounts Payable in order to replenish the petty cash fund.
8. Receipts: Receipts for items purchased with petty cash funds must include the following information:
 - a. Vendor name
 - b. Date of purchase
 - c. Description of merchandise purchased
 - d. Amount
 - e. Purchaser
 - f. Business purpose.