



Policy Title:	Petty Cash and Change Funds
Policy Number:	UNIV-461
Revision Date:	October 2022
Policies Superseded:	None
Policy Management Area(s):	Finance and Administration

SUMMARY:

Coastal Carolina University has authorized selected funds to be used solely for the purpose of covering small emergency purchases (petty cash fund) and making change in cashiering operations (change funds). Petty cash and change fund policy standards will be in compliance with University and State of South Carolina guidelines. For the purposes of this policy, petty cash and change funds will be referred to as “funds” unless otherwise specified.

POLICY:

I. FUND ESTABLISHMENT

- A. To establish a fund, a budget officer must submit a fund request form to the Office of Financial Services containing the following criteria:
 - 1. Purpose for the fund.
 - 2. Amount requested.
 - 3. Internal control procedures in place to safeguard the fund and prevent misuse.
 - 4. Custodian’s name.

- B. The controller or controller’s designee will review the request to determine the adequacy of internal controls over the fund before approving the request. When approval has been granted, a new account will be established in the chart of accounts by the Office of Financial Services.

- C. If the need for the fund ceases to exist, is handled improperly, or is in conflict with written policies and procedures, the fund will be removed.

II. CUSTODIAN

- A. The budget officer must ensure that the custodian understands the written procedures for administering the fund, and that custodian is responsible for maintaining adequate records to support the amount of the fund.
- B. The custodian will be personally responsible for the amount of the fund and must keep the fund under lock and key at all times, with the key in his/her possession. By accepting the responsibility, the custodian agrees that the University can payroll deduct the amount of any short funds.
- C. Responsibility for the fund may not be shared between two or more people. The custodian may have a backup with the written consent of the Office of Financial Services. However, the custodian will be solely responsible for the full amount of the fund.
- D. Funds cannot be transferred to a new custodian. To change custodians, the current fund must be closed and reconciled before a new fund can be issued. Subsequently, a budget officer will submit a new fund request form.

III. PETTY CASH OPERATION

- A. A petty cash fund should not be used when it is possible to arrange for the University to be billed for the purchase and paid through normal channels. Petty cash is usually the mechanism of last resort to access cash for payments, when other disbursement methods are impractical or cannot be used. These instances should be extremely rare and limited to special circumstances.
- B. Cash on hand plus paid receipts must equal the approved amount of the fund. Custodians cannot self-approve reimbursements or other changes to the petty cash account.
- C. Disbursements
 - 1. The custodian must obtain original receipts for each expenditure reimbursed, not to exceed \$30, using petty cash funds.
 - 2. The following expenditures are not permitted to be reimbursed from a petty cash fund:
 - a) Wages.
 - b) Cash advances (except to CCU students).
 - c) Loans.
 - d) Travel expenses.

- e) Employee awards.
 - f) Holiday decorations.
 - g) Stolen personal items.
 - h) Local mileage.
 - 3. Petty cash disbursements should be made in accordance with the University's expenditure policy (FAST-BUFA-204).
- D. Reimbursements
- 1. It is the custodian's responsibility to replenish the fund on a monthly basis by reconciling and turning in receipts to the Office of Accounts Payable. Receipts older than 90 days shall not be reimbursed.
 - 2. The department budget officer must approve all petty cash vouchers prior to submission to the Office of Accounts Payable for reimbursement.
 - 3. When petty cash funds are reimbursed, the total of the reimbursement cannot exceed the authorized balance of the fund.
- E. The custodian's other regular duties may not include the receipt or disbursement of cash, nor the recording of charges or credits to customer or vendor accounts.

IV. CHANGE FUND OPERATION

- A. Change funds are to be used solely for making change in cashiering operations. The amount of the fund should never change.
- B. Change funds cannot be used for any other purpose, including advances or expenditures. Change funds must not be commingled with any other funds or used for any purposes other than those listed in this policy document.
- C. The Office of Student Accounts is responsible for making change to custodians as needed.

V. GENERAL

- A. The fund is subject to random audit by either a representative of the Office of Financial Services, the University's internal auditor, the auditor of the State of South Carolina, or the University's external auditors. Supervisors are encouraged to also perform surprise counts on a regular basis.
- B. If a fund is stolen, immediately notify University Public Safety, custodian's supervisor, and the Office of Financial Services.