



## Eastern Oregon University – Finance & Administration Petty Cash Policy

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### .100 Policy Statement

This policy sets forth the guidelines and responsibilities associated with petty cash accounts at Eastern Oregon University (EOU).

### .110 Policy Rationale

EOU strives to provide clear guidelines for departmental purchases and petty cash handling processes and procedures.

### .120 Definitions

None

### .130 Purpose

A. The petty cash fund may be established in a department to improve the efficiency of departmental operations. These funds are available for making change, buying small office supplies, and for making small volume purchases when a procurement card is not available. *NOTE: Use of petty cash is discouraged. Whenever possible, departments are encouraged to use a procurement card to handle small volume purchases.*

B. The Petty Cash funds should be kept as small as possible. The cash should be kept in a locked and secured area. The petty cash custodian is personally responsible for the cash which is specifically issued to him/her. Therefore, access to the fund must be limited to the custodian. Petty cash purchases have the same documentation requirements and fall under the same restrictions as other OUS purchases. Petty cash is not for the purpose of paying for refreshments, meals, entertainment, travel, or cashing checks. (Exceptions to this may be made on a case by case basis.)

### .140 Responsibilities

The Petty Cash Fund is monitored by the Petty Cash Administrator, Petty Cash Custodian and the Department Head.

A. Petty Cash Administrator:

- Business Affairs Office employee who is responsible for implementing and administering the EOU Petty Cash Policy and Procedures.
- Performs one surprise audit per year for all departmental Petty Cash Funds. See Section .160 C Fiscal Year End.
- Performs quarterly surprise audits per year for the cashier and bookstore vault petty cash, as those funds are maintained year around by the respective department.

B. Petty Cash Custodian:

- Ensure that the funds are kept in a secure location, such as a locked cash box or a locked desk drawer. The custodian should maintain possession of the key. It is the responsibility of the department head to inform the Petty Cash Administrator (2-3377) when there is a change in the designated custodian. A new request for petty cash advance form should be completed immediately reflecting the change in designated custodian.
- Ensure that appropriate receipts are obtained to support any disbursement.
- Ensure that the expenditure is appropriate in nature.
- Ensure that the Petty Cash Fund is reconciled at all times. The paid receipts or invoices plus the cash should always equal the fund balance.
- Maintain a Petty Cash log with dates and transactions.
- Ensure that if the custodian of the fund is the same individual that will be creating the reimbursement invoice, an authorizing signature of approval is obtained from the department head or another authorized individual who is senior to the custodian.

C. Department Head:

- Responsible for appointing the Petty Cash Custodian and approving the use of petty cash at the department level. Also responsible for notifying the Petty Cash Administrator when there is a change in the Petty Cash Custodian. These individuals are appointed by the President or designee. This includes the Provost, Deans, Directors, Division and Department Heads, as well as other managers authorized to determine and assign duties to University employees.

.150 Procedures

A. Contact the Petty Cash Administrator to set up a Petty Cash Fund. The fund is established under an individual's name, and that person will be the petty cash custodian. The department head is responsible for informing the Petty Cash Administrator when there is a change in the designated custodian. The Petty Cash Administrator must approve and process any changes to the custodian information.

B. Establishing a Petty Cash fund:

- Complete a Request for Petty Cash Form, found at .....

C. Petty Cash Fund Reimbursement:

The following process should be used to replenish Petty Cash Funds:

- Create a BANNER FIS invoice using your department's petty cash fund as the vendor. The invoice amount is for the total amount of expenses. This should bring your petty cash account back to the original amount of cash on hand.
- Mail a hard copy of the invoice and original receipts to Accounts Payable for approval. Be sure to include the custodian's name, phone number, and document number on the hard copy.
- The custodian may pick up the check at the Cashier's Office on the designated day of issue. It may be necessary to present photo identification.

.160 Additional Information

A. Segregation of duties:

- If the fund is used for making change, or is inactive, a periodic accounting of the fund should be completed. A quarterly review is acceptable. The review should include documentation showing the date and initials of the reviewer as evidence that this procedure is occurring.

B. Storage and Security of Petty Cash Funds:

- Funds should never be left unlocked or unattended and should be concealed from general view when not in use.
- No one other than the custodian should have access to the Petty Cash Fund.

C. Fiscal Year End:

- Any time the fund is not in use, it needs closed.
- At the beginning of each fiscal year, it is required that each department renews their petty cash account. This is done by a final reconciliation of the prior year's account and completing a new petty cash form for the current fiscal year.