

Benedictine University	S.O.P. 104
Approval	Date

PETTY CASH

General

The purpose of petty cash is to purchase goods when the University's present procurement system is not cost effective or when the dollar amount is low. The maximum petty cash expenditure is \$25.00. The following are **approved uses** of petty cash:

- Miscellaneous office supplies,
- Supplies needed for departmental operation,
- Postage for departments outside the Meter Mail program
- Personal check cashing (employees only)

The following are **prohibited uses** of petty cash:

- Travel advances to employees,
- Moving expenses,
- Third – party check cashing,
- Payment on payroll stipends

A *Sales Tax Exemption form* should be used for all purchases, as the University is exempt from paying sales tax. The requestor will not be reimbursed for sales tax, except where appropriate (i.e. meals and lodging).

Procedures for Establishing a Petty Cash Fund

1. A check requisition will be completed and signed off by the Associate Vice President for Business and Finance Services.
2. Accounts Payable will issue a check payable to "Benedictine University " to open up the petty cash fund.
3. The check should be cashed at Benedictine Central. Please call ahead, 829-6500, to ensure the denomination needed is available.

Fund Custodian

Benedictine Central Service Representative.

Fund Custodian's Duties

1. Maintains and balances the fund.
2. Reports any unusual activity, change in custodian, or change in fund status to the Associate Vice President for Business and Finance Services or Executive Vice President.
3. Responsible for the physical security of fund and the receipts reimbursed.
4. Responsible for assuring funds are not commingled with other funds.

Access to the petty cash fund and receipts reimbursed should be limited to the fund custodian.

Maximum Expenditure Amount

\$25.00 per expenditure. At no time should the petty cash exceed the established amount.

Reimbursement Procedures

1. The requestor should obtain the approval of his/her Departmental Budget Manager prior to incurring the expense.
2. The requestor should complete a [Petty Cash Voucher form](#).
 - 2.1. Recipient's Name,
 - 2.2. Budget numbers
 - 2.2.1. Account (5 digits)
 - 2.2.2. Fund (5 digits)
 - 2.2.3. Org (6 digits)
 - 2.2.4. Program (2 digits)
 - 2.2.5. Project/Grant, if applicable. Otherwise, leave blank.
 - 2.3. Purpose
 - 2.4. Amount
 - 2.5. Signature of Budget Manager
 - 2.6. Attach **original** receipt to the [Petty Cash Voucher](#) form
3. The petty cash custodian should review the validity of the vendor receipt and ensure that the voucher contains the signature of the Budget Manager.
4. The custodian should reimburse the requestor for the exact amount of the vendor receipt.
5. The requestor should sign and date the voucher upon payment from the petty cash fund.
6. The custodian should then initial the voucher to indicate the disbursement.
7. The custodian should maintain the voucher and attached receipt in the petty cash box until submission for petty cash fund replenishment.

The custodian may not reimburse him/herself.

Balancing the Fund

1. The custodian should balance the fund each week. Depending on the frequency of replenishment, it may be necessary to balance it more often.
2. Count the cash on hand.
3. Run a tape on receipts to be reimbursed.
4. Identify any reimbursements in transit.
5. The total of the cash receipts on hand, and replenishments in transit should equal the total fund.
 - 5.1. Total Petty Cash \$250.00

Cash on hand	\$175.00
Receipts on hand	\$ 75.00
Replenishments in Transit	<u>\$0.00</u>
Total	<u>\$250.00</u>
 - 5.2. Shortage Documentation
 - 5.2.1. The custodian should prepare a memo detailing the shortage and indicating the account control to be charged.
 - 5.2.2. The Associate Vice President for Business and Finance Services should carefully review, initial, and date the memo.

- 5.2.3. This memo, along with the other receipts, should be submitted for reimbursement when the fund needs to be replenished.

Replenishing the Petty Cash Fund

1. When the cash balance in the petty cash box is low (usually when three-fourths of the fund has been used), the custodian should request cash to replenish the petty cash box.
2. Balance the fund prior to it being replenished.
3. Run an adding machine tape twice to ensure receipts to be replenished equal the amount requested. Summarize by budget number.
4. Complete a [Check Requisition form](#) and attach the appropriate petty cash vouchers and receipts. Obtain the necessary signatures on the Check Requisition form.
5. The custodian should make a photocopy for back up to be maintained with the fund records.
6. Submit the [Check Requisition](#) form with appropriate support to Accounts Payable.
7. Accounts Payable will generate a check payable to "Benedictine University."
8. The custodian should cash the check at LaSalle Bank. Please call ahead, 829-6500, to ensure the denomination needed is available.
9. For planning purposes, allow at least ten workdays from the time the Check Requisition form is sent to Accounts Payable for the replenishment check to be issued.

Petty Cash Audit

1. The Department of Internal Audit performs unannounced physical counts of petty cash funds each month.
2. A short report of the results of the audits, identifying control weakness, shortages, etc. is submitted to the Associate Vice President for Business and Finance Services.

Business Office Forms

All Business Office forms are available on the I Drive under ***I:\BUSINESS AND FINANCE POLICIES.***

