

RENSSELAER POLYTECHNIC INSTITUTE

PETTY CASH FUND

CUSTODIAN MANUAL

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Introduction

The purpose of this manual is to provide guidance and instruction to custodians of Rensselaer's petty cash funds and develop standard procedures for processing petty cash transactions. The manual provides procedures required to establish, maintain, and safeguard petty cash funds.

Petty cash funds are the property of Rensselaer, not the associated departments or individuals maintaining the funds. It is therefore acceptable to process the expenses of several departments through one fund. Each individual petty cash transaction is generally intended for business purchases and is not to exceed \$50.00.

Petty Cash Fund Operating and Reimbursement Procedures

Request the Establishment of a Petty Cash Fund

To request the establishment of a petty cash fund, it is necessary to submit a memorandum to the Accounts Payable section of the Controller's Office. The memorandum should include the following:

- Location of the fund (campus address)
- Reason a fund is needed
- Amount
- Custodian
- Date
- Supervisors name and signature

If approved, a check will be made payable to the custodian. The check may be cashed at the tellers in the Bursar's Office. The custodian must sign a statement, acknowledging the receipt and control of the cash. An authorized signature for the account should also be supplied to the Controller's Office. (Attachment #1)

Petty Cash Receipts

A standard Petty Cash Receipt form (which can be purchased through Staples) should be filled out for an employee to be reimbursed for related business expenses incurred. Receipts supporting the expenses must be submitted and include the following information:

- Amount: Full amount spent for particular business related expenditure
- Date: Date monies disbursed from petty cash fund
- For: Vendor name from whom goods and/or services were purchased
Description of goods and/or services purchased
Business Purpose for which goods and/or services were purchased
- Charge To Institute FOAPAL number(s) for amounts spent
- Approved By: Custodian signature
- Received By: Signature of individual incurring costs and requesting reimbursement

Advancing Funds

If it is necessary to obtain funds prior to a purchase, the requesting employee must fill out a Petty Cash Receipt. The custodian will retain the Petty Cash Receipt until the employee submits a receipt for supplies purchased. Note: Rensselaer does not reimburse any tax. If tax was paid you cannot reimburse this money.

If the employee **spent less** than the amount advanced:

1. The employee must return the change
2. Staple the employees' receipts to the corresponding petty cash receipt.

If the employee **spent more** than the amount advanced but not more than \$50 per transaction:

1. The custodian will reimburse the employee for the amount owed
2. Staple the employees' receipts to the corresponding petty cash receipt.

Requests => \$50.00

If a **receipt or request is \$50.00 or greater** this must be reimbursed by using the Direct Payment/Request Form. The check will be issued to the requesting individual (not the custodian).

***EXCEPTION:** The Union Petty Cash Fund is an exception to this rule due to the large volume of club transactions. For this Petty Cash Fund only: If a receipt or request is \$100.00 or greater this must be reimbursed by using the Direct Payment/Request Form. The check will be issued to the requesting individual (not the custodian).*

Replenishment of Petty Cash Fund

When the amount of cash in the petty cash fund is low and needs to be replenished, a Petty Cash Summary must be completed (see attachment 2). The custodian must sign the form and submit to the supervisor for review and approval. The custodian (or someone within the office who has a Rensselaer Credit Card) must go to a bank and obtain a cash advance off the credit card for the exact amount of the replenishment. *Be aware that Banks will ask for your DRIVER'S LICENSE, not your RPI ID as proof of identification.* Record the TE number on the log when received. The individual withdrawing the replenishment money is responsible for the completion of the JV and the data entry of the FOAPALs to be charged. The paperwork (including the Petty Cash Summary, all the **original** receipts, and the bank withdrawal slip) is to be filed with the credit card statement supporting the withdrawal. All credit card rules and regulations apply (see Purchasing Web site for PCard regulations http://www.admin.rpi.edu/purchasing/ie40_index.asp).

Departments that are reimbursing FOAPAL's that they do not have access to post to will need assistance in completing TE journal vouchers. Enter the FOAPALs per the summary sheet and prepare the JV to the point of completion. Fax a copy of the Petty Cash Summary to the Associate Director, Disbursement Operations. You **MUST** include a document with an authorized signature of the department being charged (such as the Petty Cash Receipt). The JV will be completed in Banner by the central Finance Office.

Overages and Shortages

Should the custodian discover that the fund contains an unexplained overage or shortage, it should be explicitly documented at the time noted. The custodian's supervisor is to verify the overage or shortage and authorize the write-off. Fund overages and shortages should not be covered by a "slush fund". The supervisor should monitor the charges to the cash overage or shortage account by reviewing any activity on account code 095 to see if any patterns occur indicating misappropriation of funds. The Controller's Office must be notified of this occurrence.

Shortages:

If a shortage occurs record the amount on the Petty Cash Summary using the Department FOAPAL with account code 095.

Overages:

If there is an overage the cash should be brought to the Bursar's Office tellers and deposited to the Department FOAPAL using account code 095.

Security

The petty cash fund must be secured in a lockable cash box and locked drawer with only the custodian having access. The alternate custodian will have access to a duplicate cash box key and the supervisor will have access to a duplicate file drawer key. Any similar security method is acceptable.

Proxy

There must be an employee identified as an alternate custodian in the event of a planned or unplanned absence of the custodian. The following procedures are appropriate:

Unplanned absence:

- supervisor uses the duplicate file drawer key and the alternate custodian uses the duplicate cash box key to access the fund
- supervisor and alternate custodian count and reconcile the fund together and document results
- when custodian returns, the fund is counted again while the two custodians are present

Planned absence:

- custodian will give the alternate custodian the keys necessary to access the funds
- custodian and alternate custodian count the fund together
- when custodian returns, the fund is counted again while the two custodians are present

Theft

Stolen assets require a formal written report with the Safety Office. A copy should be sent to Accounts Payable to authorize charging the loss to the Department's over/short account in order to replace the fund.

Restricted Items:

Items that cannot be purchased with petty cash include:

- ♦ Firearms, narcotics, syringes, needles, or radioactive material
- ♦ Publications or printing services that are subject to Library control
- ♦ Transactions involving exchanges or trade-ins
- ♦ Services involving an employer/employee relationship

General

1. No bank accounts may be established for petty cash funds. Rensselaer has a formal approval process for establishing bank accounts.
2. Petty cash accounts authorized levels are not to be adjusted without the Controller's approval.
3. The supervisor of the custodian should conduct surprise cash counts, in the presence of the custodian, to monitor the proper accounting of the fund.
4. IOUs to employees for personal loans, etc. are not permitted.
5. The custodian for the petty cash fund must not maintain other non-business funds (Ex. Coffee, party, slush, etc.) or commingle other funds with the petty cash fund. Each fund must be maintained separately.
6. Travel and living expenses are not to be reimbursed through petty cash. All reimbursements for travel and entertainment expenses, except local mileage, must be processed by submitting a Travel Reimbursement/Advance Request Form to Accounts Payable for payment.
7. Hand written receipts (except for mileage reimbursement) are unacceptable unless verified by the custodian.
8. Personal checks must not be cashed through the fund.
9. Cash advances that are issued to employees and not repaid with appropriate receipts should be reported to the employee's supervisor.
10. Supporting receipts and details should be canceled by the custodian writing "PAID", the date, and initialing the face of the document, at the time of reimbursement, to preclude possible fraudulent reuse.
11. When fiscal year end approaches, the custodian must exercise care to ensure disbursements from the fund are vouchered in the proper year's business.
12. Each individual receipt must be less than \$50.00 (the Union Petty Cash Fund is an exception to this rule with a \$100 limit). If there is a receipt greater than \$50.00 you must submit a Direct Payment Request Form to Accounts Payable (Rice Building) for reimbursement.

Rensselaer

Petty Cash Fund Receipt of Funds Acknowledgment

Date

Organization Name

I, _____, have received the check in my name
(please print)
which has an authorized level of \$_____. I acknowledge receipt of this money
and agree to perform responsibilities as the official custodian.

Received by:

Official Custodian

RETURN THIS MEMO TO ACCOUNTS PAYABLE, RICE BUILDING.

RENSELAER Petty Cash Summary and Replenishment Form

Organization _____ Date _____

- 1. Original amount of fund \$ _____
- 2. Amount of unreimbursed Petty Cash Expenditures \$ _____
- 3. Amount of Cash on Hand \$ _____
- 4. Total of Lines 2 and 3 \$ _____

5. Compare Line 4 to Line 1; if not equal, attach an explanation and send a copy of this form explaining the out-of-balance to Disbursement Operations, Rice Building.

6. Listing of Receipts (Originals Receipts Attached): (should equal Line 2 total)

Fund	Org	Acct.	Prgm	Activ	Loc	AMOUNT
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _
_____	_____	_____	_____	_____	_____	\$ _

If additional lines are needed please attach additional forms and enter the total here \$ _____

Total Replenishment Needed \$ _____

Cash Withdrawal from Bank on _____ (Date) \$ TE _____

Custodian Signature: _____ Date: _____

Custodian Supervisor Signature: _____ Date: _____

NOTE: Each individual receipt must be less than \$50.00 to be reimbursed by petty cash. If there is a receipt greater than \$50.00 you must submit a Direct Payment Request Form to Accounts Payable (Rice Building) for reimbursement. The TE transaction number must be recorded and the FOAPAL distribution completed in Banner in a timely manner.

