

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. Petty cash transactions are generally intended for business purchases and are not to exceed \$50.00.

SECTION 2

Petty Cash Fund Operating and Reimbursement Procedures

1. 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:
 - A. Location of the fund (campus address)
 - B. Reason a fund is needed
 - C. Amount
 - D. Custodian
 - E. Date
 - F. Supervisors name and signature
2. If approved, a check will be made payable to the custodian. The check may be cashed at 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)
3. Standard Petty Cash Receipt forms should be filled out for an employee to be reimbursed for related business expenses incurred (Attachment #2). Receipts supporting the expenses must be submitted and include the following information:
 - A. Amount - Full amount spent for a particular business related expenditure
 - B. Date - Date monies disbursed from petty cash fund
 - C. For:
 - D. Vendor - Name of supplier from whom goods and/or services were purchased
 - E. Description - Of goods and/or services purchased
 - F. Business Purpose - For which goods and/or services were purchased
 - G. Charge To - Institute FOAPAL number(s) for amounts spent
 - H. Approved By - Custodian signature
 - I. Received By - Signature of individual incurring costs and requesting reimbursement

SECTION 2

Petty Cash Fund Operating and Reimbursement Procedures (continued)

4. 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.
 - A. 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 (completed as instructed in Step #3)
 - B. 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 (completed as instructed in Step #3)
 - C. If a receipt or request is greater than \$50.00 this must be reimbursed by using the Direct Payment/Request Form. The check will be issued to the requesting individual (not the custodian).
5. When the amount of cash in the petty cash fund is low and needs to be replenished, a Petty Cash Summary is completed. A memo sent to the Cashier is unacceptable. The custodian must sign the form and then the supervisor must sign the form after he/she has approved the reconciliation. (Attachment #3)
6. The petty cash accounts should be reconciled monthly. A reconciliation procedure similar to the one necessary when requesting a replenishment of the fund is appropriate. A file should be maintained storing reconciliations and copies of reports submitted to the cashier for reimbursements.

SECTION 2

Petty Cash Fund Operating and Reimbursement Procedures (continued)

7. 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 the B & Es (Acct. 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 Acct. Code 095.

Overages:

If there is an overage the cash should be brought to the cashier's office and deposited to the Department FOAPAL using Acct. Code 095.

8. 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.
9. 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

SECTION 2

Petty Cash Fund Operating and Reimbursement Procedures (continued)

10. 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 Departments over/short account in order to replace the fund.
11. Temporary additions to the department from photocopy or other business receipts should be deposited at the cashier's counter as soon as they are earned and not used to replenish the petty cash fund.

SECTION 3

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.

SECTION 4

Petty Cash Fund Replenishment for Off-Site Locations

In order to accommodate those departments or organizations that are off campus (outside of the Troy area) where it is impossible to obtain replenishment from the Cashier's Office, a completed/approved Direct Pay Request Form will be submitted to the Accounts Payable department (in the Rice Building) and will include:

- The completed/approved Petty Cash Summary
 - **Including FOAPAL for all Transactions on the Petty Cash Summary.**
 - FOAPAL will not be provided on the Direct Pay Request for replenishments.
- All receipts that support the Petty Cash Summary.
- The name of the custodian and Rensselaer identification number.

Replenishment will occur in the form of a check from Accounts Payable; made payable to the custodian.

All other rules and policies apply to handling petty cash funds.

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**

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, explain _____

6. Listing of Bills (ORIGINALS REQUIRE) attached: (should equal Line 2 total)

COMMODITY	Fund	Org	Acct.	Prgm	Activ	Loc	AMOUNT
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	\$ _____
						TOTAL \$	_____

SIGNATURES: _____ Authorized
 _____ Receiving Reimbursement

NOTE: Each individual receipt must be less than \$50.00 to be reimbursed by the cashier's office. If there is a receipt greater than \$50.00 you must submit a Direct Payment Request Form to Accounts Payable (Rice Building) for reimbursement.

