

	<p>POLICY & PROCEDURE MANUAL</p> <p><u>Associated Students of California State University Channel Islands, Inc.</u></p>	<p>Policy No.:ASI 2.0 Number of Pages1 of 4</p>
--	--	---

Policy on Petty Cash

Policy:

The purpose of this document is to outline policy on establishing and managing the ASI petty cash fund.

Procedure:

1. ESTABLISHING A PETTY CASH FUND

b. Size of a Petty Cash Fund –The petty cash fund should be small enough to require replenishment at least twice monthly and large enough to require no more than three replenishments per month. Reimbursements are authorized for amounts up to and including \$50 per transaction (including sales tax) unless a higher limit for the petty cash fund is requested, and the Controller approves such request.

c. Petty Cash Custodian –The University’s Controller must appoint an individual to be custodian of ASI’s petty cash fund. The custodian must be trained by the Controller or her designee before taking on petty cash custodian responsibilities.

d. Establishing or Changing a Petty Cash Fund –An individual may request a new petty cash fund or an increase or decrease in an existing fund by sending a memorandum to the Controller along with a completed ASI Disbursement Check Request (increase only). The memorandum should include the reason for the request, the amount requested, the name of the petty cash custodian and location. When a petty cash fund is to be decreased, an ASI Petty Cash Reconciliation Form should be prepared and the form and unneeded cash should be returned to the Controller’s Office by the custodian. A cash receipt will be given to the custodian and a copy of the receipt will be attached to the deposit.

2. USES OF PETTY CASH

a. Purpose of Petty Cash Funds –Petty cash funds enable students to pay cash for minor business expenditures.

b. When Petty Cash May be Used –Reimbursements from petty cash are authorized for purchases and expenditures up to and including \$50 per transaction (including sales tax), with a maximum reimbursement of \$50 per person, per day. A petty cash recipient cannot submit a receipt for more than \$50 and elect to waive reimbursement for an amount in excess of \$50. In general, petty cash can be used to reimburse for valid, budgeted business expenses, including business-related meal expenses, parking expenses, mileage and emergency supplies. Expenses for promotional items and awards may be charged to ASI funds subject to the policies and restrictions established by ASI for this policy.

c. Accounting Accuracy —Reimbursement for petty cash must be the exact amount of the expense. Splitting one transaction over \$50 into several parts specifically not allowed.

d. When Petty Cash May Not be Used —Petty cash may NOT be used for:

- Amounts over \$50 (exceptions must be approved by the Controller)
- Buying hazardous materials
- Interest charges (personal expense)
- Membership dues
- Payment for services performed by employees or non-employees
- Personal expenses
- Personal loans and cashing personal checks
- Social or travel club dues (personal expense)
- Traffic citations (personal expense)
- University parking permits (personal expense)
- Alcohol or tobacco products

3. CUSTODIAN RESPONSIBILITIES

a. Assignment of Petty Cash Funds to Custodian —The Controller's Offi

d. Change of Custodian —The Controller may transfer the petty cash fund to a new custodian. A memorandum documenting the transfer should include the date of the transfer, amount in the petty cash fund, name of current custodian, and name of new custodian. A personal audit of the fund must be made by the employees concerned using the ASI Petty Cash Reconciliation Form and a receipt in the form of the ASI Petty Cash Transfer Request Form must be given to the custodian being relieved by the newly assigned custodian. A copy of the receipt form signed by both parties should then be submitted to the Controller's Office.

e. Closing a Petty Cash Fund —If a petty cash fund is no longer needed, the custodian must close the fund by completing a final ASI Petty Cash Reconciliation Form and taking the cash remaining to the Controller's Office. Do not use cash through inter-campus mail. The Controller's Office will prepare a cash receipt. The remaining expenses are recorded as a journal entry. In cases when a custodian leaves without closing the fund and there are no receipts or records, the remaining cash will be charged to the operating budget of ASI. Should the IRS as income to the custodian, and may be reported to Internal Audit or the police for investigation.

f. Confirmation of Petty Cash Funds— ASI will conduct random audits of selected funds once per year.

4. MAINTAINING A PETTY CASH FUND

a. Accounting for Petty Cash Transactions —Proper accounting for petty cash requires that custodians make payments for authorized expenditures only, obtain receipts, and record expenditures. Note that a sales slip, cash register, or other receipt must be submitted for each expenditure. An ASI Travel Expense Claim must be completed in order to be reimbursed for travel-related reimbursement expenses. When a receipt is not available, a Lost Receipt Memo should be completed and signed. The receipt must be signed by the person being reimbursed and approved by someone who has signature authority for the petty cash fund. The approver may be the custodian of the petty cash fund, but the custodian may not approve his or her own expenses and may not approve expenses for an individual to whom she reports either directly or indirectly.

b. Cash Disbursements —When presented with the appropriate documentation, the custodian will require that the recipient of the cash complete a small form in the Petty Cash Receipt Book to acknowledge receipt of the funds. The original receipt stays in the book until it is submitted with other supporting documentation when a replenishment request is submitted. The duplicate copy of the receipt remains in the book to be retained by the custodian for back-up documentation.

c. Balancing Petty Cash Funds —When reimbursements by the custodian deplete the amount of cash, receipts are totaled to account for the expenditures and to keep the petty cash fund in balance. At any time, the total cash on hand plus total receipts and reimbursement requests in process should equal the original amount of the petty cash fund. If the fund does not balance, the Controller's Office should be contacted for assistance. A petty cash fund should always be balanced before a request is made for replenishment. The ASI Petty Cash Reconciliation Form is available in the Outlook Public Folders.

d. Replenishing Petty Cash Funds – Approval To replenish a petty cash fund, ASI Disbursement Check Request and ASI Petty Cash Reconciliation Form completed by the custodian and sent to the Controller's Office. The Controller's Office will review all documents attached to the ASI Petty Cash Reconciliation Form to verify their approval by a person who has signature authorization for the activities/accounts to be charged. This person