

Petty Cash/Change Fund Guidelines



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Petty Cash/Change Fund Guidelines



I. Introduction

All Petty Cash and Change Funds are the property of University of California, Berkeley and are subject to handling and accounting policies established by the University and Residential and Student Services Programs. The Petty Cash Policy and Procedure; C-173-61; is available at website <http://www.ucop.edu/ucophome/policies/acctman/c-173-61.pdf>.

II. Definition

A. Definition of Petty Cash

Petty Cash was established to pay for small expenditures, less than \$100.00. Residential and Student Services Programs Petty Cash funds are prohibited from being used for making loans of any type. Petty cash funds are not to be used for cashing personal checks or for reimbursement of travel and entertainment expenses.

B. Definition of Change Fund

A change fund is established to make change at locations where sales are made involving cash. University change funds shall not be used to provide reimbursement for any expenditure and may not be used for cashing personal checks.

C. Definition of Entertainment Expenses

Entertainment is the provision of meals or light refreshments for a bona fide UCB business purpose, with no personal benefit to the host or other university employees. Find out more about the entertainment guidelines, approval, and reimbursement at the following website; http://travel.berkeley.edu/pol_ent_overview.asp.

D. Definition of Travel Expenses

The University's policy is to reimburse employees for necessary and reasonable travel expense incurred for authorized University business. The intent of this policy is that reimbursement be fair and equitable to both the traveler and the University and consistent with federal regulations. Individuals traveling on business are responsible for complying with University travel policy as described at the following website; <http://travel.berkeley.edu/>.

III. Procedures

A. Establish Funds

- Requests to establish a petty cash fund or change fund must be submitted to the RSSP Cashiers Manager (Annie Donato). The request for petty cash or change fund can be submitted with the Petty Cash / Change Fund Transaction Form (See Attachment A).



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The amount will be reviewed for need and will be granted or denied by the RSSP Cashiers Manager (Annie Donato) and RSSP Chief Financial Officer (Peter Hoenig). Once the petty cash or change fund request has been approved, the custodian will be given a Campus Petty Cash/Change Fund Agreement (see attachment **E**) to review and sign. The final step will be a check issued to the custodian.

B. Audit Procedures

- All petty cash or change funds are subject to audit by the RSSP Cashiers Office and the campus internal auditors. Audits may be scheduled or unannounced. Documentation should include the reimbursement request, the original receipt and authorized signatures. The person being reimbursed and the authorized signature should not be the same person. The authorizing persons should not be a subordinate of the requesting person.
- For Change Funds, all transactions (sales, voids or corrections) must be documented, recorded and attached to the daily CDS (Campus Depositing System) report. The CDS website is: <http://cdsonline.berkeley.edu/Logon/Logon.cfm>.

C. Excluded Items from Petty Cash

- The following items are excluded from petty cash reimbursement:
 - Advertisements of positions.
 - Carcinogens.
 - Check Cashing
 - Clerical Services/Personnel Services.
 - Compressed gas in cylinders.
 - Controlled substances including narcotic and non-narcotic.
 - Custodial Services.
 - Cut Paper
 - Employee/Vendor Transactions (i.e. Employee Birthdays)
 - Entertainment /Meals
 - Equipment Inventoried
 - Equipment Rental.
 - Equipment Repairs.
 - Ethyl Alcohol.
 - Firearms and Explosives.
 - First Aid Kits and/or Refills.
 - Food
 - Furniture
 - Individual Services as an Independent Contractor.
 - Library Materials
 - Loans/ Cash Advances
 - On-site Construction (Planning, Design and Construction).
 - Parking/Driving Citations
 - Postal Equipment.
 - Printing of Departmental Letterhead, Business Cards, Envelopes, etc.
 - Purchasing Animals.
 - Radioactive Material.
 - Recycled Products (Toner Cartridges/ Cut Paper).



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- Refrigerator/Freezers.
- Rental of Real Estate (Real Estate Services).
- Rental of Vehicles.
- Stamps, Courier Services and Mail.
- Telecommunications Equipment and/or Services.
- Travel (i.e. Event Registration, Hotel, Overnight Parking)

D. Increasing Petty Cash or Change Funds

- Increasing an existing petty cash or change fund requires the completion of the Petty Cash / Change Fund Transaction Form (See Attachment **A**). Increases to petty cash or change funds will be considered by the RSSP Cashiers Manager (Annie Donato). Denied requests may be appealed to the RSSP Chief Financial Office (Peter Hoenig).

E. Loss of Petty Cash or Change Fund (Shortage)

- For any shortage, complete the Internal Cash Operations Incident Report (see attachment **B**). If the shortage exists, contact the RSSP Cashiers Field Agent (Shirleen Lee, 3-9868) and the Cashiers Manager (Annie Donato, 3-6955) immediately so that a complete investigation and report can be made of the circumstances involved. Internal procedure for replenishment of funds, complete a Form 5 Check Request (see attachment **C**) and charge your department budget for the shortage. For shortages over \$100.00, the University Police Department must be contacted immediately to file a report. For overages, see Overage section.
- The custodian may be held responsible for the total loss. Common causes of shortages that can be prevented include:
 - The money in the Petty Cash Fund has been commingled with revenue collected by the department that should have been deposited to Bank of America.
 - An on-going record of activity has not been maintained.
 - The money in the Petty Cash/Change Fund has not been secured in a secured (bolted) or fireproof safe.
 - Payments have been made for purposes for which the Petty Cash Fund is not authorized (including, but not limited to: personal check cashing, travel advances, lunches, personal use, or change fund transactions).

F. Reconciliation of Petty Cash or Change Fund

- For Petty Cash, the custodian is responsible for maintaining a permanent, continuous documentation for every expenditure and reimbursement made. The amount assigned must be maintained at all times. The sum of the receipts not yet replenished and the remaining cash must equal the authorized amount of the petty cash fund.
- For Change Fund in retail locations, funds must be counted at least twice per day, at the beginning and end of shift. The change funds must equal the authorized amount to the change fund.

G. Reimbursement/Replenishment

- For reimbursements less than \$100.00, use the Petty Cash Reimbursement Form (See attachment **D**). The form must include the following information:
 - Date (Receipts should not be older than 30 days)



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- Reimbursement Amount
- Description of the receipt and the reason for the reimbursement (Specify the business purpose)
- Who the reimbursement is for
- Department Name
- Chart-string the fund(s) should be charged to
- The Manager's Signature (The Manager's signature shall not be the same as the person reimbursed)
- Attach the original receipt (Receipt should include the name of the vendor and the amount paid)

Please contact the RSSP Petty Cash Custodian (Genia Freeman) at 3-9867 for hours to submit your Petty Cash Reimbursement Form.

- Reimbursements over \$100.00 must not be made via petty cash. RSSP procedure for Petty Cash reimbursement over \$100.00 is to submit a reimbursement request through Form 5 Check Request; (see attachment C) and send it to the RSSP Cashiers Manager (Annie Donato) for review and approval. Review is to ensure appropriate documentation is attached.
 - Attach the original receipt (receipts should include the name of the vendor and the amount paid).
 - Any supporting documentation to validate the business purpose, such as program, flyers, contract, agreements, etc.

Please make copies for your own records. Approved Form 5 Check Request will be sent to RSSP Purchasing Unit to post to BFS (Business and Financial System), Campus Billing and Payment Office for second review and then to the Campus Disbursements Office to generate the check. Posting from RSSP Purchasing should take approximately 36 business hours and a check will be generated from the Campus Disbursements Office which will take approximately 2 to 3 weeks from date of approval from RSSP Cashiers Manager. For status regarding check requests, please contact the RSSP Petty Cash Custodian (Genia Freeman, 3-9867).

H. Security of Funds

All Petty Cash and Change Fund must be maintained or when not in use kept in a secured (bolted, fireproof) safe to prevent loss. Funds are to be secured only in University buildings. Funds are not to be taken home or stored at a private residence or in a motor vehicle. Contact RSSP Cashiers Manager (Annie Donato) for further questions regarding security.

I. Termination or Reduction of Petty Cash or Change Fund

- Petty Cash or Change Fund may be eliminated or reduced at any time at the request of the RSSP Cashiers Manager (Annie Donato) or the RSSP Chief Financial Office (Peter Hoening). To close the Petty Cash or Change Fund, RSSP Cashiers will initiate terminating funds by notifying the Campus Billing and Payment Office. The Petty Cash (#1-10100-69995-00800) or Change Fund (#1-10110-69995-00800) cash balance on hand and all receipts for these funds must be returned to the RSSP Cashiers for depositing.
- Upon request to terminate or reduce Petty Cash or Change Fund, complete the Petty Cash/Change Fund Transaction Form and submit it to the RSSP Cashiers Office.



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- If a shortage exists, refer to section; Loss of Petty Cash or Change Fund (Shortages). If an overage exists, refer to the section Overages.

J. Transfer of Custodial Responsibilities

To transfer custodianship to another person, the request must be submitted with the Petty Cash / Change Fund Transaction Form (see attachment **A**). Once the transaction form is completed, you will receive instructions to close the original account and a Petty Cash/Change Fund packet to fill out for your own account. The Petty Cash/Change Fund packet is an agreement with you and the Campus Billing and Payment Office.

K. Overages

- If an overage condition exists, an entry will be made crediting the RSSP Miscellaneous Income Chart-string. The overage amount must be submitted to the RSSP Cashiers Office with a memo that states the reason for the overage.
- For Shortages, see Loss of Petty Cash or Change Fund (Shortages).

IV. Forms

- [Petty Cash / Change Fund Transaction Form](#)
Used for Establishing Fund, Increasing Fund, Decreasing Fund, Transfer (Custodian) Fund and Terminating Fund, see attachment **A**.
- [Internal Cash Operations Incident Report](#)
Used for documentation of cash discrepancy over \$100.00, see attachment **B**.
- [Check Request Form 5](#)
Used for Petty Cash Reimbursement over \$100.00 or for items excluded from petty cash reimbursement, see attachment **C**.
- [Petty Cash Reimbursement Form](#)
Used for reimbursement less than \$100 for petty cash, see attachment **D**.
- [Campus Petty Cash/Change Fund Agreement](#)
Used as an agreement with the Petty Cash/Change Fund Custodian and Campus Billing and Payment Office, see attachment **E**. Please contact Annie Donato for more information.

