

OLD DOMINION UNIVERSITY  
ACCOUNTS PAYABLE PROCEDURE MANUAL

TITLE: Departmental Petty Cash Fund Policy and Procedures

Proc #: 6-811

---

**A. Purpose**

To define the University policy and procedures regarding the proper authorization and maintenance of a Departmental Petty Cash Fund.

**B. Designated Staff**

Accounts Payable Travel Processor  
Accounts Payable Travel Supervisor  
Accounts Payable Auditor  
Departments on campus with a departmental petty cash fund

**C. Processing Cycle**

As reimbursements are needed

**D. Required Resource Materials**

Petty Cash Reconciliation Form PC-1 Form (Exhibit 1)  
Letter of Acknowledgement of Responsibilities (Exhibit 2)

**E. Governing Policies and Procedures**

CAPP Section 20330 – “Petty Cash”  
CAPP Topic #20310 – “Expenditures”

**F. Cross Reference to Other Procedures**

Petty Cash and Small Business Expense Procedures – 6-810  
Reconciling and Reimbursing a Petty Cash Fund – 6-812

**G. Other ODU Offices Impacted**

General Accounting Department, Office of Finance  
Accounts Payable Department

**H. Involvement External to ODU**

N/A

**I. Authority, Responsibility and Duties**

The Budget Unit Director, or other authorized signer for the responsible budget higher in the organizational structure than the proposed petty cash custodian, must approve all activities associated with petty cash expenditures. This individual is also responsible for ensuring that all appropriate guidelines are followed.

Petty Cash custodians are responsible for acquiring a thorough knowledge of the procedures for maintaining a petty cash fund, and must limit the use of the fund to legitimate and allowable

# OLD DOMINION UNIVERSITY

## ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

University related expenses. Petty cash funds should not be used to circumvent the State purchasing requirements or as a substitute for the normal processing of vendor payments. When petty cash is used for vendor purchases, it must not be used as a means of bypassing the established purchasing procedures in order to avoid State contract items.

Accounts Payable issues funds and monitors reconciliation and reimbursement of petty cash funds.

The Internal and External Auditors, members of the Office of Finance and the custodian's supervisor may perform surprise audits of departmental petty cash funds at anytime.

### J. Definitions

A petty cash fund is an imprest fund established through an advance of funds by the Accounts Payable department to the designated custodian within a University department for making immediate cash payments for authorized purposes of less than \$200.00.

### K. Establishing, increasing, decreasing, closing out or changing custodians of a departmental petty cash fund

1. A memorandum to the Accounts Payable Manager must be sent from the Budget Unit Director or another authorized signer for the responsible budget in order to establish, increase, decrease, close out or change the custodian of the petty cash fund. The individual approving and sending the memorandum must be higher in the chain of command of the designated custodian for the requested fund. The memorandum must contain the following information:
  - a. Department's reason for requesting the petty cash fund
  - b. The name and UIN of the employee who will serve as custodian of the fund
  - c. The amount requested
  - d. The budget code of the department primarily responsible for the funds
2. If your request is approved:
  - a. A check made payable to the petty cash custodian is prepared.
  - b. The initial check used to establish the petty cash fund must be picked up by the petty cash custodian **in person (ODU picture ID required)**.
  - c. At the time the check is picked up, the new petty cash custodian signs a letter acknowledging the responsibilities of maintaining a departmental petty cash fund. This acknowledgement letter will also indicate where the petty cash fund will be kept (see exhibit 2).
  - d. Detailed petty cash fund regulations (6-810, 6-811, 6-812) are provided to the petty cash custodian.
3. To change the custodian of a departmental petty cash fund, the original petty cash fund must be closed out and a new petty cash fund must be established.

# OLD DOMINION UNIVERSITY

## ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

---

### **L. Safeguarding departmental petty cash funds**

Petty cash fund custodians are responsible for handling University funds and must take all necessary steps to safeguard the funds. Each department is responsible for the cost of providing a secure environment. The minimum required safeguards for petty cash funds are as follows:

1. Petty cash funds over \$500 must be secured in a locked box which is stored in a fireproof safe.
2. Petty cash funds of \$100 to \$499 must be secured in a locked box which is permanently affixed to a desk, cabinet or some other large object.
3. Petty cash funds under \$100 must be kept in a locked box that is stored in a locked desk or file cabinet.
4. All petty cash funds and the keys to these funds must be maintained on University property unless written permission is obtained from the Budget Unit Director or the custodian's supervisor. Any violations of this policy may result in the withdrawal of the petty cash fund from the department and possible disciplinary action against the custodian.
5. The responsible department will be charged if the petty cash funds are stolen or if there is a shortage or overage in the petty cash fund.
  - a. If funds are stolen from the petty cash fund, file a report immediately with the University Police.
  - b. Submit a copy of the police report to Accounts Payable with the appropriate reconciliation and reimbursement forms (refer to procedure 6-812, Reconciling and Reimbursing a Petty Cash Fund).

### **M. Surprise counts of petty cash funds**

The Budget Unit Director or supervisor of the custodian should periodically conduct surprise counts of the funds to ensure accuracy and propriety. At any time, the custodian should be prepared for surprise counts by the General Accounting staff, superiors or the University auditors. The custodian should always be present when the fund is being counted.

### **N. Issuing Petty Cash Reimbursements**

When an employee seeks reimbursement via petty cash from the departmental petty cash fund, the employee must complete a Petty Cash Expenditure Reimbursement Form (PC1). Follow the procedures contained in procedure 6-810, Petty Cash and Small Business Expense Procedures, for issuing the reimbursement.

If a department chooses to authorize use of the petty cash process, an explanation of why the PCard was not used MUST be attached to each PC-1 form.

### **O. Reconciling and reimbursing petty cash funds**

The petty cash fund must be reconciled and reimbursed using the standard University form at least once a month. All expenditures need to be reimbursed at year end (June 30). Refer to

# OLD DOMINION UNIVERSITY

## ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

procedure 6-812, Reconciling and Reimbursing a Petty Cash Fund, for full information concerning reconciliation and reimbursement of a petty cash fund.

### P. Uses of and restrictions relating to departmental petty cash funds

1. Departmental petty cash funds may be used to reimburse approved out-of-pocket expenditures for supplies that do not exceed \$200.00.
2. Departmental petty cash funds MAY NOT be used to pay for restricted expenditures (refer to procedure 6-810, Petty Cash and Small Business Expense Procedures) for restricted items.

**NOTE: Restrictions are always subject to change with additional items being added. Any exceptions to these restrictions must be approved *in writing* by the Accounts Payable Manager or the Director of Procurement Services in advance.**

3. All established purchasing restrictions apply to departmental petty cash funds.
4. Departmental petty cash funds MAY NOT be used to cash checks under any circumstance.
5. The restrictions that apply as to what types of expenditures can be paid using Commonwealth versus Local funds are the same regardless of the payment mode.
6. Cash may be advanced from the departmental petty cash funds only for business related expenses. Receipts for the expense and/or cash equal to the original advance must be returned to the petty cash fund custodian within 24 hours of the receipt of the advance. The person receiving the cash advance takes full responsibility for the return of the cash and/or receipts, including responsibility for any cash lost or stolen.

### Q. Actions which may result in the removal of petty cash funds from a department

1. Payment of restricted items.
2. Failure to submit properly completed documentation.
3. Lack of adequate security evidenced by frequently missing funds.
4. Unauthorized removal of petty cash funds from University property.
5. Items in excess of \$200.00 limit.

### R. Notification of Removal of Departmental Petty Cash Fund

If a departmental petty cash fund is found to be non-compliant and removal of the fund is warranted, the Custodian and the Budget Unit Director are notified via e-mail.

#### Records Retention:

Original petty cash fund requests and documentation should be maintained in the Accounts Payable

# OLD DOMINION UNIVERSITY ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

---

agency file for five years.

**Contacts:**

For questions regarding this policy and/or practice contact the Accounts Payable Manager at 683-4813 or the Accounts Payable Travel Supervisor at 683-5020.

**OLD DOMINION UNIVERSITY  
ACCOUNTS PAYABLE PROCEDURE MANUAL**

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

EXHIBIT 1



FORM PC-1  
Revised 03/25/2011

PETTY CASH EXPENDITURE REIMBURSEMENT FORM

Department Name: \_\_\_\_\_ Date: \_\_\_\_\_

Payee Name: \_\_\_\_\_ Payee UIN#: \_\_\_\_\_

Payee Permanent Address \_\_\_\_\_

Reimbursement is requested in the amount of \$ \_\_\_\_\_ for the following expenditures. They should be charged to their adjacent budget and sub-object codes. Receipts are attached for each item listed. \*\*If seeking reimbursement for food services, attach a list of attendees and provide the purpose. If seeking reimbursement for office supplies from a vendor other than the University's contracted office supply vendor, attach an explanation. **If a department chooses to authorize use of the petty cash process, an explanation of why the PCard was not used MUST be attached to the PC-1 form.**

Brief Description**	Budget Code	Sub-Object Code	Amount

Total Amount of Reimbursement \$ \_\_\_\_\_

Approval for Payment by Budget Unit Director or Other Authorized Signer that is higher than the Payee in the organizational structure:

Person Approving Funds (please print)	Signature <i>(no initials, no stamps)</i> (IN INK)	Date
--	---	------

**SIGN BELOW IF RECEIVING CASH ONLY**

I certify I received reimbursement for the above listed amounts.

Person Receiving Funds (please print)	Signature <i>(no initials, no stamps)</i> (IN INK)	Date
--	---	------

Please tape the receipts and a calculator tape of the expenses to a separate sheet of plain paper in the order shown above.

**OLD DOMINION UNIVERSITY  
ACCOUNTS PAYABLE PROCEDURE MANUAL**

Title: Departmental Petty Cash Fund Policy and Procedures

Procedure: 6-811

EXHIBIT 2



Office of Finance ! Alfred B. Rollins, Jr. Hall ! Norfolk, VA 23529-0045 ! Phone 757-683-3030

Assistant Vice President  
for Finance/University  
Controller  
(757) 683-3211

**M E M O R A N D U M**

Associate Controller  
(757) 683-4795

TO: Monique Johnson-Dowe, Accounts Payable Manager

FROM:

SUBJ: Departmental Petty Cash Fund  
Acknowledgement of Responsibilities

Check Number:

Check Date:

Petty Cash Fund Amount: \$

Custodian Name:

Department:

Budget Codes:

Budget Unit Director:

Fund will be maintained in a safe place as specified below:

I have received the following procedures:

- 6-810, Petty Cash Procedures
- 6-811, Departmental Petty Cash Fund Policy and Procedures
- 6-812, Reconciling and Reimbursing a Departmental Petty Cash Fund

By signing this memorandum, I certify receipt of the check referenced above which is to be used as a departmental petty cash fund.

I further acknowledge that I have received the above mentioned procedures governing the use of the petty cash fund and my responsibilities as the petty cash fund custodian, and I agree to be bound by the policies and procedures. I understand that if I do not abide by all policies and procedures, I will be considered non-compliant and my petty cash fund will be removed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Old Dominion University is an equal opportunity, affirmative action institution.