

OLD DOMINION UNIVERSITY ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Change Fund Policy and Procedures

Procedure: 6-820

A. PURPOSE

The purpose is to define the University policy and procedures regarding the proper authorization and maintenance of a Departmental Change Fund.

B. DESIGNATED STAFF

Accounts Payable Audit Supervisor
Accounts Payable Travel Supervisor
Accounts Payable Travel Processor
Accounts Payable Auditor
Departments on campus with a change fund

C. PROCESSING CYCLE

As needed

D. REQUIRED RESOURCE MATERIALS

Letter of Acknowledgement of Responsibilities (Exhibit 1)

E. GOVERNING POLICIES AND PROCEDURES

None

F. CROSS REFERENCE TO OTHER PROCEDURES

3-060 Petty Cash and Change Fund Reconciliation
6-040 Maintaining the Change Fund Spreadsheet

G. OTHER ODU OFFICES IMPACTED

General Accounting
Accounts Payable

H. INVOLVEMENT EXTERNAL TO ODU

None

I. Authority, Responsibility and Duties

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

Change Fund Custodians are responsible for acquiring a thorough knowledge of the procedures for maintaining a Change Fund.

Accounts Payable Department issues Change Funds.

The Internal and External Auditors, members of the Office of Finance and the custodian's superior may perform surprise audits of the departmental Change Fund.

OLD DOMINION UNIVERSITY

ACCOUNTS PAYABLE PROCEDURE MANUAL

J. Definitions

A change fund is a fund established through an advance of funds by the Accounts Payable department to the designated custodian within a University department for the purpose of making change. This type of fund is typically needed when revenues are expected to be collected.

K. Establishing, Increasing, Decreasing, Closing Out or Changing Custodians of a Departmental Change 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 change fund. The individual approving and sending the memorandum must be higher in the chain of command than the designated custodian for the requested fund. The memorandum must contain the following information:
 - a. Department's reason for requesting the change fund
 - b. The name and the 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 change fund custodian is prepared.
 - b. This check is used to establish the change fund and must be picked up by the change fund custodian **in person (ODU picture ID required)**.
 - c. At the time the check is picked up, the change fund custodian signs a letter acknowledging the responsibilities of maintaining the change fund. This acknowledgement letter will also indicate where the change fund will be kept. (Exhibit 1)
 - d. Detailed change fund procedure 6-820 is provided to the change fund custodian.
3. To change the custodian of a Departmental Change Fund, the original change fund must be closed out and a new change fund must be established.

L. Uses and Restrictions Relating to Departmental Change Fund

1. A change fund should be used to make change when collecting funds for official University business.
2. A change fund **SHOULD NOT** be used to issue advances to any one under any circumstance.
3. A change fund **SHOULD NOT** be used to reimburse any type of expenditure.
4. A change fund **SHOULD NOT** be commingled with petty cash fund.

OLD DOMINION UNIVERSITY

ACCOUNTS PAYABLE PROCEDURE MANUAL

5. A change fund **SHOULD NOT** be used to cash any checks for anyone under any circumstance. The change fund maintained in the Cashier's Office is the only exception to this rule.

NOTE: These restrictions are always subject to change with additional ones being added. Any exceptions to these restrictions must be approved in writing by the Accounts Payable Manager in advance.

M. Safeguarding Departmental Change Fund

Change 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 change funds are as follows:

1. A change fund over \$500 must be secured in a locked box which is stored in a fireproof safe.
2. A change fund 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. A change fund under \$100 must be kept in a locked box that is stored in a locked desk or file cabinet.
4. All change 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 change fund from the department and possible disciplinary action against the custodian.
5. The responsible department will be charged if the change fund is stolen or if there is a shortage or overage in the change fund. The balance of the change fund must remain constant on a daily basis.

N. Reconciling and Reimbursing Change Fund

The change fund should always equal the amount established. The custodian of the change fund will periodically receive a letter signed by the Financial Accounting Supervisor confirming the balance of the change fund.

O. Surprise Counts of Change Fund

The Budget Unit Director or Supervisor of the custodian should periodically do surprise counts of the fund to ensure accuracy and propriety. At any time the custodian should be prepared for surprise counts by the General Accounting staff, Supervisors or the University's Auditors. The custodian should always be present when the fund is being counted.

P. Actions Which May Result in the Removal of Change Fund from a Department

1. Using the fund for any purpose other than providing change while collecting revenue.
2. Failure to submit properly completed documentation.
3. Lack of adequate security as evidenced by frequently missing funds.

OLD DOMINION UNIVERSITY ACCOUNTS PAYABLE PROCEDURE MANUAL

4. Unauthorized removal of change funds from University property.

Q. Year End Requirement and Reconciliation

The Office of Finance-General Accounting Office reconciles the change fund account quarterly. Also, every fiscal year end all departments with outstanding change fund account receive a request to confirm the amount advanced. The Change Fund amount must be accounted for as of the close of the business May 31 of each fiscal year.

Records Retention:

Original documentation should be maintained along with the associated payment documentation in the Accounts Payable agency file for five years.

Contacts:

For questions regarding this procedure and/or practice contact the Accounts Payable Manager at 683-4813, Accounts Payable Audit Supervisor at 683-4762.

OLD DOMINION UNIVERSITY ACCOUNTS PAYABLE PROCEDURE MANUAL

Title: Departmental Change Fund Policy and Procedures

Procedure: 6-820

EXHIBIT 1



Office of Finance ! Alfred B. Rollins, Jr. Hall ! Norfolk, VA 23529-0045 ! Phone 757-683-3030 ! FAX 757-683-4100

Controller
757-683-4983

Associate
Controller
(757) 683-4795

Assistant
Controller
Compliance &
Reporting
757-683-5123

Assistant Controller
for Disbursements
757-683-4262

Accounts Payable
Disbursements

Accounts Receivable

Cashiering

Data Control

E1-S Processing

General Accounting

Payroll
Disbursements

Date

MEMORANDUM

TO: Monique Johnson-Dowe, Accounts Payable Manager

FROM:

SUBJ: Departmental Change Fund
Acknowledgement of Responsibilities

Check # Check Date

Change Fund Amount \$

Custodian

Department Budget Code

Budget Unit Director

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

I have received the following procedures:

6-820, Departmental Change Fund Policy and Procedures

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

I further acknowledge that I have received the above mentioned procedures governing the use of the change fund and my responsibilities as the change 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 change fund will be removed.

Signature

Date

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