



# The University of Georgia

Bursar and Treasury Services

## Application for Petty Cash or Change Fund

### Request for:

Petty Cash Fund \_\_\_\_\_

Change Fund \_\_\_\_\_

Department Name \_\_\_\_\_ Account No. \_\_\_\_\_

Name of Custodian \_\_\_\_\_ Title \_\_\_\_\_

Email Address \_\_\_\_\_

Reconciler Name \_\_\_\_\_ Title \_\_\_\_\_

Description of Need for Fund:

Special Instructions:

Location of Fund:

Building Name	Room Number	Telephone Number
_____	_____	_____

This fund and responsibility thereof is issued to the named custodian and cannot be transferred. If for any reason a fund is no longer needed or there is a change in the custodian, this fund must be turned in to the University Cashier, thereby terminating the responsibility of the custodian. If the need continues, a new fund will be issued upon application. Under no circumstance can University Petty Cash funds be deposited to any bank account other than the Bank Account established for Petty Cash expenditures.

**Do not deposit University Petty Cash Funds to a personal bank account.**

**Attach to the "Application" a letter of explanation regarding the purpose of the fund and an analysis justifying the dollar amount requested.**

I accept the above stated cash fund with the understanding that I am personally responsible for the proper safekeeping and use of said funds. It is further understood that I will be personally liable for all shortages and uninsured losses.

Name of Custodian _____	Signature of Custodian _____	Date _____
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I approve the designation of \_\_\_\_\_ as custodian of the above stated cash fund. It is further understood that I will be jointly liable for all shortages and uninsured losses.

Name of Department Head or Director _____	Signature of Department Head or Director _____	Date _____
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Name of Dean or Vice President _____	Signature of Dean or Vice President _____	Date _____
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Approved: _____ Bursar and Treasury Services	Date _____
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# Instructions

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# Petty Cash and Change Fund Accounts

### Policy Statement:

A petty cash fund is established through an advance of funds by the Bursar and Treasury Services Division. Departments can seek approval to establish a petty cash fund to handle small, unanticipated purchases from vendors when immediate payment is required and the formal University of Georgia purchasing and billing procedures are impractical or cannot be used.

Petty cash must not be used to pay vendors when a University of Georgia Procurement Card, Purchase Order, or Electronic Payment can be used. All Petty Cash purchases and reimbursements must adhere to University of Georgia Purchasing Policies and Procedures <http://policies.uga.edu/FA/>

### Types of Petty Cash Funds

**Change Fund:** established for the sole purpose of making change for customers. The authorized amount should not exceed what is needed to support required cash drawers.

**General Petty Cash Fund:** established for departmental use for emergency purchases where alternative means (e.g. Procurement Card) are not feasible. The authorized amount will be limited to one month's purchases.

**Special Purpose Fund:**

- Research Participant
- Studies Abroad or Field Study

These funds are established for the purpose of the operation of research (research participation) or studies abroad program. The project must be one that, due to the location or type of research, the normal university purchasing procedures (e.g. Procurement Card, Purchase Request or Check Request) cannot be used. The authorized amount will be limited to one month's transactions or in certain cases the length of the program.

### Procedures:

#### Establishing a Petty Cash Fund (excluding Research Participant Fund):

To establish a petty cash fund, a requesting department must complete and submit to the Bursar and Treasury Services Division the "Application for Petty Cash or Change Fund" form and a letter of explanation addressing the need for the fund, including an analysis justifying the dollar amount requested. Upon approval, the Bursar and Treasury Services Division will make arrangements to prepare a check payable to the petty cash or change fund custodian. This initial issue is not charged to your departmental account, but is maintained as part of the overall petty cash account of the Bursar and Treasury Services Division. The fund must remain intact either in cash or in cash and authorized receipts purchases.

The custodian must be a full-time employee of the University of Georgia. The custodian must accept personal responsibility for the safety, proper usage and return of the funds entrusted. In rare circumstances the actual handling of the funds may be delegated, but the responsibility of the funds remains with the custodian.

The form must be signed by the custodian, as well as the appropriate Department Head or Director and the appropriate Dean or Vice President. Where delegated signature authority has been approved, delegated signatures will be allowed. Please note the reconciler and the custodian cannot ever be the same individual. The form must be completed in its entirety to be processed.

### **Establishing a Research Participant Compensation Fund:**

To establish a Research Participant Fund, a requesting department must complete and submit to the Bursar and Treasury Services Division the "Application for Research Participant Compensation Fund" form and a letter of explanation addressing the need for the fund, including an analysis justifying the dollar amount requested. Upon approval, the Bursar and Treasury Services Division will make arrangements to prepare a check payable to the custodian or order the appropriate number of gift cards. This initial issue is not charged to your departmental account, but is maintained as part of the overall petty cash account of the Bursar and Treasury Services Division. The fund must remain intact either in cash, gift cards or in cash, gift cards and authorized receipts of purchases.

A custodian must be a full-time employee of the University of Georgia. The custodian must accept personal responsibility for the safety, proper usage and return of the funds entrusted. In rare circumstances the actual handling of the funds may be delegated, but the responsibility of the funds remains with the custodian.

The form must be signed by the custodian, the appropriate Dean, Director or Department Head and the individual responsible for reconciling the funds (Reconciler). The reconciler and the custodian cannot ever be the same individual. The custodian and the Dean, Director and Department Head can never be the same individual. The form must be completed in its entirety to be processed.

### **Operating a Fund**

#### **Custodian Responsibilities:**

- The custodian of the fund is fully responsible for the safekeeping of the fund and for its proper usage. The custodian must exercise caution in the administration and protection of the fund in his/her position.
- Access to the fund should be limited to the petty cash custodian.
- Petty cash funds must not be commingled with any other funds (including but not limited to personal funds) or used for any purpose than requested on the application.
- Any discrepancies in the fund are the responsibility of the custodian and/or the Dean, Director or Department Head that approved the request.
- It is the responsibility of the custodian to follow current University policies and procedures in maintaining the petty cash fund.
- If the funds are not maintained in an approved bank account the funds should be in a locked office safe, file safe or reinforced lockable file or desk with padlock that secures all drawers at all times and the key should be kept in the custodian's possession. At no time should the funds be left in unlocked desk drawers or cabinets.
- Receipts should be logged and maintained as the expenses occur. Receipts should be submitted to the Accounts Payable Department in a timely manner. When submitting expenses for reimbursement please be aware that the vendor name on the check request should be listed 'Your Name, Petty Cash Custodian'.

- Reimbursement checks received (or ACH transactions to petty cash account) are used to replenish the petty cash fund. This avoids the need to request additional amounts from the Bursar and Treasury Services Division. Excess funds should be returned to the Bursar and Treasury Services Division to reduce the outstanding balance.
- Loss of Theft of Funds: If a loss or theft occurs such loss must be refunded to the University of Georgia. As the petty cash custodian is responsible for the safeguarding of these funds, loss from negligence will be the custodians personal responsibility.
- Overdraft fees are the sole responsibility of the petty cash custodian and may not be submitted for reimbursement. Also, if overdraft fees are incurred the petty cash account will be closed by the Bursar and Treasury Services Division immediately.
- Any overage and shortage should be reported to the Bursar and Treasury Services Division immediately.
- All petty cash funds must be reimbursed at fiscal year-end, so that no unreimbursed vouchers remain outstanding at June 30.

## Reconciling a Fund

### Reconciler Responsibilities:

- A monthly reconciliation is required for all petty cash accounts. These reconciliations should be independently reviewed. Both reconciler and reviewer should sign off on the reconciliation.
- The total of all paid receipts, reimbursements in transit and cash on hand must agree with the authorized amount of the funds at all times.
- Signed reconciliations are required to be turned into the Bursar and Treasury Services Division two times per year (December and June), although upon the request of the Bursar and Treasury Services Division, Fiscal Compliance Office and/or Internal Audit Division, they may be requested throughout the year. Copies of bank statements, if applicable, will be required to be submitted along with the reconciliation.
- It is recommended that the appropriate "University of Georgia Petty Cash Fund Reconciliation" form be used in the reconciling process.

## Approved Bank Accounts

In special circumstances a petty cash account may require its own account. The Bursar and Treasury Services Division must approve for the custodians to hold the funds in a bank account. Upon approval, the Bursar and Treasury Services Division will work with the custodians to set up the account with the bank the University of Georgia has contracted for services. The approval process to open these accounts begins with the Bursar and Treasury Services Division.

- **Direct Deposit of Petty Cash**

Direct deposit of petty cash reimbursements is required for petty cash accounts with a bank account. To establish this payment option, please complete the "Request for Direct Deposit Petty Cash Reimbursements" form (found below in "Forms/Instructions"). Once your petty cash bank account information has been added to the database and pre-noted, all subsequent petty cash reimbursements will be electronically deposited to the petty cash bank account. You will receive an advisement from the Accounts Payable department that itemizes, by check request number, the amounts deposited to the bank account.

## **Modifying a Fund**

There are a few reasons a petty cash fund would need to be modified:

- Change of custodian
  - When changing the custodian a reconciliation of the fund must be provided to the Bursar and Treasury Services Division. This must be reviewed and signed by the current custodian and the Dean, Director or Department Head.
  - A new “Application for Petty Cash or Change Fund” establishing the new custodian must be completed and submitted to the Bursar and Treasury Services Division.
  - Once the Bursar and Treasury Services Division has approved the application for the new custodian, a new signature card for the bank account, if applicable, will be prepared.
- Request for increase in fund
  - To increase a petty cash fund, a new “Application for Petty Cash or Change Fund” must be completed and submitted to the Bursar and Treasury Services Division along with a letter of explanation addressing the need for the increase in the fund, including an analysis justifying the dollar amount requested.

## **Closing a Fund**

The custodian should fully reimburse the fund by submitting all receipts to the Accounts Payable Department for reimbursement. Excess funds need to be returned directly to the Bursar and Treasury Services Division.

For Special Purpose Petty Cash funds once the research study or the studies abroad trip is complete the funds should be closed. In certain circumstances (the trip will be going again within 1 academic year) the Bursar and Treasury Services Division will approve maintaining a balance in the bank account, if applicable, of \$50. All reconciliation procedures will still apply.

## **Audit of a Fund**

Petty Cash funds must be made available upon request of the Internal Audit Department and external auditors who will make periodic audits to aid the department in proper handling of the funds.

## **Misuse of Petty Cash Funds**

Petty cash funds must not be commingled with any other funds (including but not limited to personal funds) or used for any purpose than requested on the application.

House Bill 1113 establishes that any person who uses resources of methods such as purchase orders, government contracts or credit cards (P-cards) for personal benefit will face civil and criminal penalties. Common examples of purchasing methods at UGA include, but are not limited to, purchase orders, check requests, petty cash accounts/advances, government contracts, credit cards, charge cards or debit cards. This also includes the submission of fraudulent requests for expense reimbursement. Any person, including but not limited to a supervisor, who knowingly assists another person in violating this law will be subject to the same criminal charges and penalties. There is no gray area under this new law, and thus, any misuse, including inadvertent use (such as mistakenly using Petty Cash for a personal purchase) constitutes a violation of HB 1113 and must be reported.

**Forms/Instructions:** Application for Petty Cash or Change Funds; Master Petty Cash Reimbursement Request; Request for Direct Deposit Petty Cash Reimbursement; University of Georgia Petty Cash Fund Reconciliation (Bank Account); University of Georgia Petty Cash Fund Reconciliation (No Bank Account).  
<http://www.busfin.uga.edu/forms/>.