



Petty Cash Policy

Responsible Official: Associate VP for Financial Operations and University Controller

Administering Department: University General Accounting Operations

Effective Date: July 1, 2019 (Revised: 5/22/19, 4/26/17)

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1. Policy Statement

University of Rochester permits departments to maintain a petty cash fund, as described by this policy. Departments are responsible for adequate security and control of their petty cash funds; the fund should be secured at all times in a locked place. It is the department's responsibility to maintain accurate records of the petty cash fund transactions and perform timely reconciliations before submitting for replenishment. Misuse of the petty cash and/or failure to follow this policy may result in revocation of the fund.

2. Purpose and use

Petty cash can be used for the following:

- Out-of-pocket expenditures in connection with approved university activities; the amount and significance of which are so small as to preclude requesting disbursement by checks.
- Use as a "change fund" in the department for handling ticket sales, change drawers, etc., where expenses are not incurred.
- Payment for research subjects. See section 10 Related links and resources, "Petty Cash Payment Related to Research Subjects," for policy regarding payment to research subjects.

The amount of petty cash fund requested should be limited to minimum operating requirements to prevent the theft or mishandling of cash.



3. Restrictions

Petty cash should not be used for the following:

- Employee travel expense reimbursements (Form [F-3](#));
- Student expense reimbursement (Form F-34) greater than \$75;
- Travel advances;
- Food or alcohol purchases;
- Payment for items that are to be purchased through the purchasing system according to the university purchasing policy;
- Payments to vendors for invoices submitted directly to the department where a mini-order or purchase order was issued;
- Payments to independent contractors, consultants, awards, etc., to non-university employees;
- Payments to employees for services, awards, bonuses, etc.;
- Payments of a taxable or non-taxable benefit to an individual;
- Payments to university service centers (e.g., Bookstore, etc.);
- Sales tax on purchasing;
- Personal borrowing;
- Wages or salary (including cashing personal or payroll checks).

4. Establishing Petty Cash Fund

- Complete a Petty Cash Fund Request Form ([F-9](#)) and provide sufficient information in the business purpose section of the fund to avoid a delay in the process.
- The petty cash custodian must be a University employee. They are responsible for the fund's safekeeping and proper use. See section 5 for complete detail regarding the responsibilities of the custodian.
- Signatures from the requestor and approver (supervisor) are required. The custodian cannot be the approver of the fund. Send the signed form to the University Controller, Box 278958.
- Once the request is approved, the Controller's office will issue a petty cash voucher if the amount is less than \$300 or a check if the amount is \$300 or more.
- For amounts less than \$300, the voucher can be cashed at one of the three Cashiering locations:
 - University Bursar's Office
 - Medical Center Cashier's location
 - Eastman School of Music Business Office (limited hours or by appointment)
- For amounts \$300 or more, the check may be cashed at the JPMorgan Chase bank branch at Strong Memorial Hospital.



- For Memorial Art Gallery, once request is approved by the Controller's Office, cash can be ordered directly from JP Morgan Chase.
- The petty cash funds are initially charged to a University general ledger account on the authority of the University Controller. As expenditures are reimbursed, they are charged to the appropriate departmental account.

5. Responsibilities of Custodian

- Secure petty cash fund in a secured location and limit access to essential staff. Funds over \$100 must be kept in a safe or other secure and flame-proof equipment.
- Ensure that the fund is used to cover only allowable expenses (See section 3 of policy on restriction of petty cash usage).
- Ensure that fund use is consistent with the manner described in the documentation that initially established the fund.
- Handles cash and change with care and accuracy.
- Enforce university policy regarding sales tax, which is not reimbursable.
- Perform a full reconciliation of the fund at least quarterly, which will be provided to the Controller's Office if selected for audit. The reconciliation should include confirmation of cash on hand, outstanding receipts and documentation of all prior replenishments, if applicable.
- Handles fund replenishment on a timely basis (see section 6 on the Replenishment Process).
- Report all instances of loss of funds, including filing a report with University's Department of Public Safety, as soon as the loss is discovered.
- Changes to custodianship within the department must be reported on the Petty Cash Fund Request Form [\(F-9\)](#) and sent to the University Controller at Box 278958.

6. Petty Cash Replenishment Process

- Allowed expenditures totaling \$300 or less can be reimbursed at the SMH Cashier's Office, River Campus Bursar's Office, or the Eastman School of Music Business Office (limited hours or by appointment). Please see section 3 regarding restrictions on use.
 - Complete the Petty Cash Fund Summary Form [\(F-6\)](#) with the following information:
 - Department Name
 - Petty Cash Fund#
 - Date of reimbursement or payment issued
 - Amount reimbursed
 - Department charge code (CM#-CMxxx, Ledger#-LAxxxxxx, SC#-SCxxxxxx, FAO#-xxxxxx)



- Description on the business purpose of each transaction amount
- Original signature of recipient
- Countersignature of supervisor, department head, or senior administrator
- Amounts in excess of \$300 must be processed through Accounts Payable on a Request for Payment Form ([F-4](#)).
- Tape original receipts onto an 8-1/2x11 sheet to support each corresponding transaction on the Petty Cash Fund Summary Form. This will allow the document to properly scan to UR Financial system as back up for journal entries.
- Submit replenishment timely, at least once a month to allow timely recording of transactions.
- Petty cash reimbursements must be submitted to the cashier's office within 90 days of incurring. If a receipt is outside of 90 days, approval from the Finance Department is required to reimburse. Please contact GeneralAccounting@UR.Rochester.edu to request approval.

7. Petty Cash Fund Increase

- To increase a petty cash fund complete a form ([F-9](#)), providing sufficient information in the business purpose to justify the increase.
- Signatures from the requestor and approver (supervisor) are required
- The amount of the increase will be charged to a University general ledger account on the authority of the University Controller.
- As with establishing the fund, a voucher will be issued for amounts under \$300 and a check will be issued for amounts above \$300. See section 4 for instructions for cashing the voucher or check.

8. Closing or Decreasing a Fund

- Petty cash funds which are not likely to be used for a month or more (e.g., over the summer) should be closed.
- If the total physical cash is less than the original petty cash fund, appropriate original receipts supporting the expenditures must be submitted at time of closure through the normal replenishment process (see section 6).
- Deposit the entire fund (to close) or the amount by which you would like to decrease at a University cashiering location to the original University general ledger account used to establish the fund. The close/decrease should not be deposited to a departmental account. Please contact GeneralAccounting@UR.Rochester.edu with any questions.
- Complete an ([F-9](#)) Form and check the box for terminating or decreasing the fund. Send the completed and signed ([F-9](#)) form and the original deposit slip to the University Controller at Box# 278958.



9. Petty Cash Audit

Petty cash accounts will be subject to audit by the Controller's Office:

- Periodic unannounced audits of the open funds on a sample basis will be performed through-out the year to ensure proper control is maintained.
- Complete annual audit will be performed for all funds once a year to verify the balance of the petty cash fund and all pertinent information are up to date.
- Recurring negative audit findings may result in the petty cash fund being revoked.

10. Related links and resources

- Cash Fund Summary Form ([F-6](#))
- Petty Cash Fund Request Form ([F-9](#))
- Administration and Finance: <http://www.rochester.edu/adminfinance/>
- Petty Cash Payment Related to Research Subjects:
<http://www.rochester.edu/adminfinance/finance/assets/pdf/ResearchSubjectPayments.pdf>
- Policy Related to AMEX cash advances:
<http://www.rochester.edu/adminfinance/finance/travel.html>
- Policy Related to Travel and Conferences:
<https://www.rochester.edu/adminfinance/finance/travel.html>
- Finance Forms: <http://www.rochester.edu/adminfinance/finance/FinanceForms.html>
- General Inquiry on Petty Cash Fund Establishment:
GeneralAccounting@UR.Rochester.edu

11. Policy Contact

Name	Contact Title	Phone	Email
Karen Sodoma	Sr. Associate Controller	585-275-6452	ksodoma@finance.rochester.edu