

ADMINISTRATIVE POLICIES AND PROCEDURES

SUBJECT: PETTY CASH FUNDS
NUMBER: 266
AUTHORIZING BODY: VICE PRESIDENT FOR FINANCE AND ADMINISTRATION
RESPONSIBLE OFFICE: ACCOUNTING OFFICE
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RATIONALE: The University may advance cash to Departments for establishing a Petty Cash Fund. Petty cash is used to reimburse Employees for small out-of-pocket Departmental purchases. If a Department has cash sales, the Petty Cash Fund may be used to make change.

POLICY: Departments needing cash should request the advance from the Accounting Office. When a Department receives a Petty Cash Fund, responsibility for the Fund must be assigned to a specific Employee. The Employee's supervisor must periodically verify the Funds by preparing a cash count sheet.

SCOPE AND APPLICABILITY: This policy is applicable to all University Departments.

DEFINITIONS:

Custodian: Individual in charge of the Petty Cash Fund.

Petty Cash Fund: A small cash Fund for minor Departmental expenses.

PROCEDURES:

Request and Set Up of Petty Cash Fund:

- The Custodian and the Custodian's supervisor must complete and submit the "Petty Cash Request / Repayment Agreement" ("Agreement") to the Accounting Office. The request



must include the amount requested and the reason the Department needs a Petty Cash Fund.

- If the petty cash request is approved, the Accounting Office will contact the Custodian to pick-up the approved Agreement. This original form is then taken to the Cashier's window where the cash will be provided to the Custodian.
- If the request is denied, the Accounting Office will recommend an alternate means of making the Departmental purchases.

Disbursements:

- Disbursements must be supported by original receipts that specifically identify items purchased. When a receipt is not specific, Departments are to provide a complete description of the purchase on the face of the supporting document.
- The total amount of any single transaction may not exceed \$200. Purchases may not be split for purposes of circumventing the \$200 per transaction maximum.
- A detailed log must be kept of all disbursements from the Petty Cash Fund and the individuals being reimbursed must sign the log.
- Funds may not be used to make loans to Employees; nor may they be used to cash any checks.
- Petty cash must be segregated from other Department Funds, i.e. cash receipts.
- The total of the cash on hand plus the receipts (support for expenditures) must always equal the amount of the advance.
- All receipts and records pertaining to petty cash must be maintained in the Department for seven years.

Replenishing:

Departments may replenish their Petty Cash Fund by submitting a Payment Voucher (see [OU AP&P #1000 Procurement Policy](#)) to the Accounts Payable Office. A check will then be generated to the Custodian that can be cashed at the Cashier's Office.

Termination of Petty Cash Fund:

- If a Department discontinues the use of a Petty Cash Fund they must notify the Accounting Office and deposit the cash with the Cashier's Office.
- If the Custodian is leaving the University or transfers to another Department, the Petty Cash Fund must be closed out by notifying the Accounting Office and depositing the cash with the Cashier's Office. It is the responsibility of the Custodian and their supervisor to

make sure this occurs. Any discrepancy in the final accounting for the Fund may be withheld from the Custodian's paycheck as authorized in the Agreement.

Annual Audit:

Departments will be required to submit petty cash count sheets, prepared by the Custodian's supervisor, annually to the Accounting Office. The annual submission is due on March 31st. In addition, during the year, Departments will be subject to unannounced audits by the Accounting Office.

RELATED POLICIES AND FORMS:

[OU AP&P #1000 Purchasing Policy](#)

APPENDIX:

[266.1 Petty Cash Count Sheet.xls](#)

[266.2 Petty Cash Request / Repayment Agreement](#)



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