



PETTY CASH/CHANGE FUND PROCEDURES

Purpose

In accordance with ICSUAM Policy 6320.00 (CSU Petty Cash and Change Funds Policy), California State University, San Marcos permits the use of petty cash reimbursements for a limited population of small dollar university business related expenses that would otherwise not be reasonable to process under the normal campus procurement process. When the normal procurement process is not practical, these procedures define the types of expenses that are allowable for petty cash reimbursement and the steps that must be followed to establish and maintain petty cash or change funds, and reimbursement requests. Individual petty cash reimbursements cannot exceed fifty dollars (\$50).

Establishing a Petty Cash or Change Fund

If a department incurs frequent small expenses that are not practical for the normal campus procurement process, a petty cash fund can be established. If a department routinely has the need to provide small change, a change fund can be established. These funds can be established by:

- Department head must submit a Request to Establish Petty Cash or Change Fund form and submit to Main Cashier
- Petty cash funds cannot exceed \$200
- Establishment request form will be reviewed by the CFO or their designee to ensure the purpose of the funds is appropriate
- If deemed appropriate, the CFO, or their designee, will approve
- Upon approval, Main Cashier will notify Accounts Payable, who will process a check for the authorized amount to the department head/custodian, and can be picked up at the Main Cashier Office
- Main Cashier will monitor each petty cash or change fund, make change as requested, and close existing funds at the direction of the department head or Accounts Payable

Safeguarding Cash

Petty cash/change funds:

- Must be kept in a safe, vault, or lockable receptacle
- Cannot be comingled with other funds

- In the event of theft, the custodian must notify their immediate supervisor as well as university police
- Should be active. Inactive funds should be terminated by department heads. Funds are considered inactive if they have no activity during a six-month period.
- Unannounced cash counts and reconciliation of petty cash/change funds will be performed by Main Cashier

Maintaining Petty Cash/Change Funds

Petty cash funds should not be used as an operating fund, i.e., to pay invoices for goods or services, pay salaries or wages, or to make advances or loans.

Each fund must have a custodian approved in writing by their supervisor and the CFO or their designee. The petty cash fund custodian is responsible for the petty cash fund and compliance with campus procedures.

Custodians must be CSUSM or auxiliary employees. Student assistants may not be custodians

Custodians must turn in receipts at least once per month to Accounts Payable, which in turn, will issue a check to the custodian to replenish the fund.

The custodian is responsible for maintaining a petty cash log and receipts for each transaction

Reimbursements from the petty cash must be properly authorized and properly documented:

- A petty cash voucher should be used for each disbursement
- The voucher should be signed by the requestor and approved by the department head
- The voucher should show the nature of the expenditure
- The voucher should be supported by original official receipts, which should detail the item(s) purchased, the cost of the item(s), and the total

Logs and receipts will be subject to review by Main Cashier.

Advances to employees and cashing of personal checks through petty cash/change funds is not allowed.

Petty cash/change funds may not be utilized for the payment for services to employees or independent contractors.

Reimbursements for expenditures related to travel, such as mileage and parking, should be handled through the submission of an official travel expense claim.

The petty cash custodian is responsible for replenishment when a petty cash fund runs low.

When petty cash funds are replenished, the total of the receipt report cannot exceed the total dollar value of the fund.

Petty cash custodians must reconcile the log to the amount in the petty cash storage device quarterly.

The petty cash fund should be closed when the custodian leaves the university or transfers to another unit. Transfer of funds to a successor is not allowed. If a successor is to be furnished a petty cash/change fund, a new request to establish form is required.

General use of Petty Cash Funds

Purchases shall not exceed fifty dollars (\$50), including sales tax, per purchase, for any one vendor on a given day. Orders may not be split to circumvent the \$50 limit.

Employees are responsible for ensuring that appropriate university purchasing procedures are followed, that the expenses serve a clear university business purpose, and that the employee who made the purchase or is being reimbursed derived no personal benefit.

All purchases require itemized receipt(s) that show vendor, item, and proof of amount paid.

Only items that are not otherwise controlled or restricted can be purchased with university petty cash funds. Use of university petty cash funds is **prohibited** for the following purposes:

- Invoices from vendors
- Payments for services to employees or independent contractors
- Loans and advances
- Purchase of items by or under state contract
- Gift cards
- Hospitality expenses of any type (i.e., party supplies, gifts, coffee/coffee pots)
- Food
- Services
- Travel expenses
- Payment for temporary help or student assistants
- Cashing of checks, money orders, etc.

Responsibilities

Petty cash custodians are responsible for disbursing cash from a petty cash account, documenting expenditures and keeping receipts, replenishing the account when it runs low, and generally safeguarding the cash.

Custodian's Supervisor/Department Head is responsible for reviewing the requests for reimbursements and quarterly reconciliations and ensuring custodians are complying with procedures. They must also approve any request related to the creation or termination of a petty cash/change fund.

Main Cashier is responsible for facilitating requests to establish petty cash/change funds, documenting changes, setting up new petty cash/change funds, and closing existing funds. Main Cashier may conduct reviews of departments holding petty cash/change funds at their discretion.

General Petty Cash Reimbursement Procedure

- Make an approved/allowable purchase(s)
- Complete the online [Petty Cash Reimbursement Authorization](#) form, scan and upload all appropriate receipts with the form, and gain approval from an individual authorized to sign for the Fund/DeptID listed on the request
- If the reimbursement is for the person authorized to sign for the Fund/DeptID, a different approver for the Fund/DeptID must sign and approve
- Upon approval, Accounts Payable will notify requestor when reimbursement can be picked up at Main Cashier; requestor should email Main Cashier (sfs@csusm.edu) with anticipated pick-up date and time
- Requestor must bring photo ID to Main Cashier when picking up approved reimbursement