Petty Cash Funds

POLICY

Administrative units that make frequent purchases in circumstances that do not permit usual WSU purchasing procedures may request the Controller's approval for a petty cash fund. (SAAM 85.50.50 and 85.50.70)

Definition

Petty cash funds are revolving imprest accounts that are used to make miscellaneous small or emergency purchases. Petty cash funds as described in this section are supported by accounts in programs 01-10 and 15 and above.

ALTERNATIVES

Cash Advance

Request a cash advance when monies supporting the fund are in programs 11-14 (sponsored accounts). See BPPM 40.21.

Till Cash Funds

For a description of till cash funds see BPPM 30.51.

Standard Procedures

Before requesting establishment of a petty cash fund, the responsible administrator ascertains that the goods and services to be purchased cannot be obtained from one of the following:

- An on-campus vendor (service center), e.g., University Stores.
- An off-campus vendor using standard purchasing procedures described in BPPM 70.10, or an established blanket purchase order described in BPPM 70.19.

FUND CUSTODIAN

The department chair or other equivalent administrator designates a fund custodian who is responsible for maintaining the petty cash fund.

Change of Custodian

The responsible administrator notifies the Controller by memorandum when a new individual becomes custodian of an existing petty cash fund.

The fund custodian insures that the fund is replenished before it is turned over.

PROHIBITED

Only appropriate and legitimate University expenses are paid from a petty cash fund. Since cash purchases bypass Purchasing's control over procurement, the fund custodian and the appropriate administrator must carefully restrict and monitor petty cash funds. Do not use petty cash funds to pay for the following types of purchases:

- Travel expenses
- Entertainment expenses
Petty Cash Funds

PROHIBITED (cont.)

- Personal items
- Payment for personal services or honorariums
- Payment of WSU employees for services rendered

ESTABLISHING OR INCREASING A PETTY CASH FUND

All new petty cash funds or increases to existing funds must be approved in advance by the Controller.

Initiate a requesting memorandum to the Controller at least ten days before the fund or additional money is needed. The memorandum includes the following:

- Name and account code of the department that assumes responsibility for the expenditures.
- Amount of money required -- Normally a one-month supply.
- Security procedures and facilities.
- Specific location of the fund -- building and room number.
- Name of the custodian who is responsible for safeguarding and dispensing fund cash.
- Approval signature of the department chair or equivalent administrator.

If the Controller grants approval, Controller's Office personnel prepare a check for the specified amount.

USING THE FUND

The individual who wishes to make a purchase describes the nature of the purchase to the fund custodian.

If the custodian determines that the planned purchase is appropriate, he or she provides the individual with a check or cash for the amount of the purchase.

The custodian prepares a brief note to be filed with the fund that includes the following information:

- Date
- Amount of cash outstanding
- Name of the purchaser
- Nature of the planned purchase
- Custodian's initials
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USING THE FUND (cont.)  At the time of purchase, the WSU customer requests that the vendor prepare a written receipt that names Washington State University as the buyer.

The fund custodian maintains a current record of the fund's financial status. The format in Figure 1 is recommended.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Purchases</th>
<th>Reimbursements</th>
<th>Balance</th>
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<tbody>
<tr>
<td>9/9/81</td>
<td>Beginning balance</td>
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<td></td>
<td>$50.00</td>
</tr>
<tr>
<td>9/12/81</td>
<td>Pullman Radio-TV</td>
<td>$5.00</td>
<td>$35.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>9/23/81</td>
<td>NW Mountain Sports</td>
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<td></td>
<td>$28.00</td>
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<tr>
<td>9/30/81</td>
<td>UPS</td>
<td>$7.00</td>
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<td>$50.00</td>
</tr>
<tr>
<td>10/4/81</td>
<td>Reimbursement</td>
<td></td>
<td>$22.00</td>
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</table>

Figure 1

At any given time, receipts plus cash outstanding (as documented by the file notes) plus available cash must equal the original amount issued by the Controller. Petty cash funds are subject to audit by the Internal Auditor and state of Washington auditors.

REPLENISHING THE PETTY CASH FUND

Monthly  Replenish petty cash funds at least monthly unless the reimbursable amount is less than $100. When reimbursement is less than $100, the fund custodian may seek reimbursement less often than once a month.

End of Fiscal Year  Replenish petty cash funds at the end of the fiscal year (prior to June 30) in order to charge expenditures to the proper accounting period.

Cash Deposit Report used to deposit two checks; a payment on a previous charge (Cash on Account) and a payment not involving a previous charge.

Cash Deposit Report used to deposit a recovery of a prior expenditure.
### STATE OF WASHINGTON INVOICE VOUCHER

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>QUANT</th>
<th>UNIT</th>
<th>UNIT PRICE</th>
<th>AMOUNT</th>
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<td>To reimburse petty cash fund per attached receipts.</td>
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<td></td>
<td></td>
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<tr>
<td>1/12/05</td>
<td>(1425) Ace Hardware - snow shovel K23580</td>
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<td>11.62</td>
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<tr>
<td>1/15/05</td>
<td>(1426) ABC Lock Shop - key for file cabinet 987-76</td>
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<td></td>
<td>1.58</td>
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<td>1/18/05</td>
<td>(1427) US Post Office - postage due H72345</td>
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**TOTAL** $15.89

**DEPARTMENT:** Wheat Research Station, WSU

**AUTHORIZED SIGNATURE:** Signed by department chair.

**DATE:**

**TYPED/PRINTED NAME:**

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**VENDOR’S CERTIFICATION**

I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise, or services furnished to the state of Washington.

Are you a U.S. citizen? [ ] YES [ ] NO If no, indicate visa type ______

BY: (Vendor/Claimant’s Signature in Ink) TITLE

X Signed by fund custodian.

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**DEPARTMENT NAME:** Wheat Research Station, WSU

**DEPARTMENT ADDRESS:** PO BOX 234, Ritzville, WA 98765

**WSU ID NUMBER (WSU EMPLOYEE/STUDENT):**

**SOCIAL SECURITY NO. OR EMPLOYER TAXPAYER ID NO. (NON-WSU INDIVIDUAL):**

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**ACCOUNT CODE**

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<th>FUND</th>
<th>SUBFUND</th>
<th>SUB</th>
<th>OBJ</th>
<th>SUB</th>
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**TOTALS** $15.89

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*It is unlawful for any state agency to deny any right, benefit, or privilege provided by law because an individual refuses to disclose his or her social security number except in specified circumstances. WSU is requiring that non-WSU individuals requesting payment from WSU disclose social security number or employer ID number (EIN) pursuant to Section 6109 of the Internal Revenue Code. When required, WSU will use disclosed social security numbers for IRS reporting purposes only.*
Petty Cash Funds

Requesting Reimbursement

To request reimbursement, submit a State of Washington Invoice Voucher summarizing all expenditure receipts. Arrange receipts in chronological order and attach them to the invoice voucher (Figure 2). See also BPPM 30.45.

• Indicate the fund custodian's name and campus mailing address under Vendor or Claimant. If the check is to be picked up, delete the address. Make a notation such as Call Jane Doe at 5-4967 for check pickup.

• Type To reimburse petty cash fund per attached receipts under Description.

• List receipts in chronological order on the Invoice Voucher. Indicate purchase date, check number, vendor, item purchased, and receipt number under Description.

• Add all expenditures and indicate the total.

• Indicate the account codes for the budgets that assume the expenditures.

• The fund custodian signs the vendor's certificate.

• The fund custodian's supervisor or the department chair signs the signature block under Authorized Signature.

The Controller's Office requires approximately one week to process each request.

SAFEGUARDING THE PETTY CASH FUND

Checking Account

The Controller's Office requires that petty cash funds that exceed $100 be placed in a checking account at a local bank unless there is a demonstrated need to maintain cash in the department and there are adequate security facilities available.

Notify the Controller's Office of the bank name and location, and account name and number when the account is opened. If the account is with an out-of-state bank, follow procedures in BPPM 30.65 for obtaining additional approval.

Title of Account

The account should be titled, "WSU (name of department) Petty Cash Account."
Petty Cash Funds

Reconciliation  The fund custodian is responsible for ensuring that the bank statement is reconciled each month. If possible, an employee other than the fund custodian should reconcile and sign the reconciliation of the bank statement.

Small Funds  Place smaller funds and expenditure documents in a safe place, e.g., safe, vault, locked desk drawer.

Commingling Funds  Do not combine or commingle petty cash funds and associated documents with other funds.

Missing Cash  Report the loss to the Controller's Office and the Internal Auditor. Notify local police if theft is suspected. All suspected thefts are to be treated confidentially since an investigation may be ongoing.

CLOSE-OUT  When the fund is no longer needed:

- Notify the Revenue Section of the Controller's Office.
- Process all outstanding receipts for reimbursement.
- Deliver the entire amount to the Cashier's window in the French Administration Building.

RECALL  Controller's Office personnel may recall a petty cash fund when no activity has occurred for a period of three months.