

Petty Cash Funds

POLICY

Administrative units that make frequent purchases in circumstances that do not permit usual WSU purchasing procedures may request the University 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

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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, they provide 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.

Date	Description	Purchases	Reimbursements	Balance
9/9/81	Beginning balance			\$50.00
9/12/81	Pullman Radio-TV	\$ 5.00		\$45.00
9/23/81	NW Mountain Sports	\$10.00	\$35.00	
9/30/81	UPS	\$ 7.00		\$28.00
10/4/81	Reimbursement		\$22.00	\$50.00

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.

Petty Cash Funds

STATE OF WASHINGTON INVOICE VOUCHER						PURCHASE ORDER NO. OR TRAVEL AUTHORITY NO.																																																
WASHINGTON STATE UNIVERSITY 365 DEPARTMENT NAME Wheat Research Station, WSU						INSTRUCTIONS TO VENDOR OR CLAIMANT: Submit this form to claim payment for materials, merchandise or services. Show complete detail for each item.																																																
DEPARTMENT ADDRESS PO BOX 234, Ritzville			MAIL CODE 98765																																																			
DEPARTMENTAL CONTACT Jane Lake			CONTACT TELEPHONE NO. 509-887-3344																																																			
VENDOR OR CLAIMANT																																																						
NAME Jane Lake						VENDOR'S CERTIFICATION <i>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.</i> Are you a U.S. citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO If no, indicate visa type _____ BY: (Vendor/Claimant's Signature in Ink) TITLE X Signed by fund custodian.																																																
ADDRESS Wheat Research Station, WSU																																																						
CITY/STATE/ZIP CODE PO BOX 234, Ritzville, WA 98765																																																						
WSU ID NUMBER (WSU EMPLOYEE/STUDENT)																																																						
SOCIAL SECURITY NO. OR EMPLOYER TAXPAYER ID NO. (NON-WSU INDIVIDUAL)*																																																						
SAMPLE																																																						
	DATE	DESCRIPTION	QUANT	UNIT	UNIT PRICE	AMOUNT																																																
		To reimburse petty cash fund per attached receipts.																																																				
	1/6/05	(1424) United Parcel Service - freight charge (collect) B0345				2.40																																																
	1/12/05	(1425) Ace Hardware - snow shovel K23580				11.62																																																
	1/15/05	(1426) ABC Lock Shop - key for file cabinet 987-76				1.58																																																
	1/18/05	(1427) US Post Office - postage due H72345				.29																																																
TOTAL						\$15.89																																																
DEPARTMENT: Please sign and enter the appropriate account code.		AUTHORIZED SIGNATURE X Signed by department chair.		DATE chair.		TYPED/PRINTED NAME																																																
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">ACCOUNT CODE</th> <th>COMP. TAX</th> <th>NET INVOICE</th> </tr> <tr> <th>FUND</th> <th>SUBFUND</th> <th>PROG</th> <th>BUDGET</th> <th>PROJECT</th> <th>OBJ</th> <th>SUB</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>149</td> <td>01</td> <td>10A</td> <td>3758</td> <td>0001</td> <td></td> <td></td> <td style="text-align: right;">2.40</td> </tr> <tr> <td>149</td> <td>01</td> <td>10A</td> <td>3758</td> <td>0002</td> <td></td> <td></td> <td style="text-align: right;">11.62</td> </tr> <tr> <td>149</td> <td>01</td> <td>10A</td> <td>3758</td> <td>0003</td> <td></td> <td></td> <td style="text-align: right;">1.87</td> </tr> <tr> <td colspan="7" style="text-align: right;">TOTALS</td> <td style="text-align: right;">15.89</td> </tr> </tbody> </table>							ACCOUNT CODE						COMP. TAX	NET INVOICE	FUND	SUBFUND	PROG	BUDGET	PROJECT	OBJ	SUB	AMOUNT	149	01	10A	3758	0001			2.40	149	01	10A	3758	0002			11.62	149	01	10A	3758	0003			1.87	TOTALS							15.89
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Figure 2

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 ([Fig. 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."

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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.