Departmental Petty Cash/Change Fund Policies, Procedures, and Forms

Updated: May 2008, by: Kevin L. Peters
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Petty Cash Fund Policy Statement

Petty cash funds are established to handle emergency purchases or utilized as a change fund for cash. Petty cash funds may not be established to circumvent the College’s purchasing guidelines. Petty cash funds must adhere to the College’s policies and procedures. The College strongly encourages departments to consider obtaining the P-card for small purchases of goods and services before requesting a petty cash fund.

Definitions

**P-card (VISA card):** Middlebury College’s P-card program is designed to assist departments in the acquisition of small purchases of goods and services within an established dollar limit per day. Vendors that accept the P-card receive immediate payment. Departments using the P-card in lieu of maintaining a petty cash fund will save time, reduce cost, eliminate the risks associated with securing petty cash funds, and eliminate the paperwork required for reimbursements of petty cash funds. For additional information on the P-card, please contact the Purchasing Department at 443-5459.

**Change fund:** A specific amount of money placed in the custody of an individual for the purpose of maintaining a cash register. These change funds do not require replenishment; therefore, the amount on hand should remain constant at all times.

**Custodian:** An employee of the College responsible for maintaining the security, accountability, and replenishment of a petty cash fund.

**Emergency purchases:** Purchases of material and supplies to meet needs requiring immediate payment that do not permit the time involved in routine procurement through the Purchasing Departments requisition procedures.

**Petty Cash fund:** A supply of cash necessary to make immediate payments for the purchase of authorized items. This fund requires replenishment when the funds are used to purchase authorized items.

Establishing a Petty Cash Fund (Change)

Departments wishing to establish a Petty Cash fund should contact the Controller’s Office at 443-5072. The Controller’s Office will send the department a copy of these policies, procedures, and forms. The department should complete the Petty Cash Request Form (PCRF) section titled “Establish Fund” or the familiar Middlebury College Voucher. The completed form should be forwarded to the Controller’s Office.

After the request has been received and approved, the Controller’s Office will request a disbursement check made payable to the person listed as the custodian of the fund. When the check is ready, the Controller’s Office will contact the custodian
to pick up the petty cash check. The custodian must pick up the check in person at the Controller's Office. The custodian should bring a College photo ID. Upon receipt of the check, the custodian will sign a **Petty Cash Receipt of Funds and Certification of Responsibility** (PCRC). The custodian may then cash the check and hold the funds in a secure location at the College.

**Responsibilities of Custodian**

The custodian's responsibilities are as follows:

- Maintaining accountability for the cash
- Performing periodic reconciliations of the fund
- Replenishing petty cash funds and completing change fund deposits
- Securing the cash

**Maintaining accountability and performing reconciliations**

The amount received from the Controller's Office should be verifiable at all times. All expenditures made from the fund should have a corresponding receipt. The receipt should be maintained until turned in for reimbursement. The total of receipts and cash on hand should equal the total authorized amount of the petty cash fund. Any discrepancies found must be reported immediately to the Controller's Office. In addition, discrepancies due to theft must be reported to the Controller's Office and College Public Safety. The custodian's department is responsible for funding replacements of any petty cash fund shortages.

**Replenishing Petty Cash Funds**

Reimbursements for petty cash funds should be requested as needed. The custodian must complete a Middlebury College Voucher or **Petty Cash Reimbursement Request** form (PCRR), and sign, date, and attach all original receipts to the request for reimbursement. In addition, provide the account or FOAPAL the purchase(s) is to be expensed against. The form should be submitted to the Controller's Office for reimbursement. Allow three business days to process reimbursement requests.

**Security of the Fund**

The petty cash fund must be stored in a secured location at all times. The fund must remain on the premises of the college. Petty cash funds may not be placed in a bank account. Petty cash funds may not be used to cash checks. It is the direct responsibility of the custodian to ensure proper safeguards are established.
Allowable and Unallowable Expenses

Petty cash funds may not be used for expenses that are prohibited by the College. Refer to the following Middlebury College website for a list of allowable and unallowable expenses:

http://www.middlebury.edu/about/handbook/general/misc/allowable_exp.htm

Review of Petty Cash Fund Usage

Upon receipt of a reimbursement request, the Controller’s Office will review the receipts for propriety and compliance with College regulations. If it appears the fund is being used improperly, the Controller’s Office will refer the matter to the Vice President of Administration and Chief Financial Officer, who has the authority to recall the fund.

The Controller’s Office will periodically review each petty cash fund for the frequency of its activity and type of expenditures. Petty cash funds that do not generate enough activity to replenish themselves on a quarterly basis and have expenditures not justified for a petty cash fund may be recalled or reduced.

Increase/Decrease/Return

A Custodian may request an increase to a petty cash fund. The custodian should complete a Middlebury College Voucher or the Petty Cash Request Form (PCRF) section titled “Changes”. Indicate the amount of the requested increase, and provide justification for the increase. The request for increase will be submitted to the Controller’s Office for approval. If approved, the custodian will be notified by the Controller’s Office, and must pick up the check in person and sign the Petty Cash Receipt of Funds and Certification of Responsibility form (PCRC).

A custodian may decrease or return a petty cash fund by depositing the amount to the College Cashier. The custodian should complete the Middlebury College Voucher or Petty Cash Request Form (PCRF) section titled “Changes” (for a decrease) or “Close Account” (to return entire fund) and return the PCRF form to the College Cashier.

Change of Responsibility

A custodian who is leaving the college or who needs to transfer responsibility for a petty cash fund to another custodian for any reason must perform a final petty cash count and complete the Petty Cash Request Form (PCRF) section titled “Changes”. The form should be signed by the departing custodian’s supervisor and by the new custodian. Signing the form signifies verification of the amount and documents the change in custodianship in the College’s records. The form must be sent to the
Controller’s Office. Responsibility for petty cash funds may not be transferred to another employee without notification to the Controller’s Office and proper completion of the required documentation. The Controller’s Office will ask the new custodian to sign a Petty Cash Receipt of Funds and Certification of Responsibility form (PCRC).

**Periodic Petty Cash Reviews**

All petty cash funds are subject to unannounced periodic petty cash counts by the Controller’s Office. Custodians are expected to have the petty cash fund available at all times. These periodic reviews are performed to determine whether the department is in compliance with the college’s petty cash rules and regulations. The review will be performed with the custodian present. When a representative of the Controller’s Office arrives for a review, the custodian should request to see proper college identification. Custodians should contact the Controller’s Office for verification if the reviewer does not have proper photo identification.
**PETTY CASH REQUEST FORM**

**Section A**

**Establish Fund:** Complete this section to establish a new petty cash fund. The custodian and the department agree to comply with the Middlebury College’s Petty Cash Policies and Procedures.

**Fund Type (Please circle one):** Change Fund  Petty Cash

**Purpose:**

<table>
<thead>
<tr>
<th>Department Name</th>
<th>Amount Requested</th>
<th>Location of Fund (Bldg/Rm)</th>
<th>FOAPAL Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Custodian’s Name</td>
<td>Custodian’s Signature</td>
<td>Date</td>
<td>Extension</td>
</tr>
<tr>
<td>Supervisor’s Name</td>
<td>Supervisor’s Signature</td>
<td>Date</td>
<td></td>
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**Controller’s Office Signature**

**Date**

**Section B**

**Changes:** Please make the following change(s) to the Petty Cash Fund: Department Name _________________

<table>
<thead>
<tr>
<th>Previous Custodian’s Name</th>
<th>New Custodian’s Name</th>
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<tbody>
<tr>
<td>(Please Print)</td>
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**Explanation:**

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<tr>
<th>Custodian’s Signature</th>
<th>Date</th>
<th>Supervisor’s Signature</th>
<th>Date</th>
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<tbody>
<tr>
<td>Controller’s Office Signature</td>
<td>Date</td>
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* Attach copy of Cash Receipt of funds deposited and/or Reimbursement Form (PCRR)

** (New custodian must sign below)

**Section C**

**Close Account: *** Please close Petty Cash fund for the following department: _____________________

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<tr>
<th>Custodian’s Signature</th>
<th>Date</th>
<th>Supervisor’s Signature</th>
<th>Date</th>
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<tbody>
<tr>
<td>Controller’s Office Signature</td>
<td>Date</td>
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*** Attach copy of Cash Receipt of funds deposited and/or a Petty Cash Reimbursement Request Form (PCRR)
Form: PCRF

**Petty Cash Reimbursement**

For the period from ________________ to ___________________
(last reimbursement submission)

Custodian’s Name (please print): ______________________________________________

Department: ____________________________ Phone: ______________________________

(Please allow three business days to process reimbursement requests. The Controller’s Office will call when reimbursement check is ready. Please attach the Reimbursement voucher to this form.)

This is an Itemized list of Petty Cash disbursements. The items will be charged to the account(s) listed. Please attach all receipts and reimbursement voucher.

<table>
<thead>
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<th>ACCOUNT NO</th>
<th>ITEMS PURCHASED</th>
<th>AMOUNT ($)</th>
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TOTAL DISBURSEMENTS ________________

Current Cash on hand ________________

Total disbursements and cash on hand ________________
(Should equal total authorized amount of fund)

I certify that the above purchases were made in accordance with Middlebury College Petty Cash Policies and Procedures.

____________________________________  ___________________________________
Custodian’s Signature    Date    Supervisor’s Signature   Date
Petty Cash Receipt of Funds  
and Certification of Responsibility

Name of Department: _____________________________________

Custodian: _____________________________________________

Supervisor: _____________________________________________

Total Authorized Amount of Petty Cash Fund: $____________

Type of Fund (circle one):   Petty Cash   Change

I accept responsibility for the Petty cash/Change fund issued to me as custodian. I have read the Petty Cash/Change Fund Policies and Procedures and agree to use these funds in accordance with Middlebury College’s rules and regulations. Should there be any shortage or disappearance of these funds, I understand that I must contact the Controller’s Office immediately.

____________________________________
Signature of Custodian   Date
___________________________________________________________________

For Use by Controller’s Office Only

Previous amount of fund:   $____________

Amount of increase (decrease):   $____________

Total authorized amount of fund:  $____________

For Establishments and Increases:
Disbursement Check #:___________   Amount:___________   Date:___________

For Decreases:
Cash Receipt #: _____________          Amount:___________   Date:___________

____________________________ _________________
Controller’s Office Signature  Date

Original: Controller’s Office