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		Section: FINANCE		
Subject: CASH FUNDS				

GENERAL STATEMENT OF POLICY

In limited circumstances cash funds may need to be maintained by various departments on campus. A department that receives cash and needs to return change to clients or customers may obtain a change fund.

All cash funds are authorized by the Controller, who is responsible for determining the amount to be assigned and ensuring the security and accountability of the fund.

The Controller shall be responsible for issuing and maintaining operating procedures to implement this policy.

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OPERATING PROCEDURES

Change Funds

General – Change funds are authorized to departments for operations that involve the receipt of cash and the return of change to clients or customers. Change funds may be issued on a permanent or a temporary basis.

Establishment of a Change Fund – Change funds are requested through the Controller’s Office. Request for these funds should be in memo form and contain:

1. Reason(s) for the fund
2. Name of department requesting fund
3. Amount requested
4. Name, title, S# and phone number of individual to be assigned responsibility for the fund (cash custodian)
5. Building and room number where the fund will be kept
6. Description of security provided for the fund, such as locked drawer, safe, etc.
7. Approval by the administrative superior of the individual that will be the cash custodian


Upon authorization from the Controller, a check will be processed by Accounts Payable to the cash custodian. This check is picked up in the Cashier’s Office. If the Cashier’s Office has sufficient funds, they will cash the check.

Use of a Change Fund –

Change funds are to be used for making change as cash funds are received in conjunction with authorized University activities.

Each day, prior to the use of a change fund, the funds must be counted and the date and amount of the count recorded. As cash is received, revenues should be recorded. The optimal procedure is to issue written receipts and maintain duplicates. Then, the total cash less the original change fund should be reconciled to the total of the receipts issued.

The reconciliation records should be retained for future reference.

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If a material discrepancy in the change fund exists, the departmental supervisor, the Controller's Office and the Department of Public safety must be notified immediately.

All revenues which are received should be brought to the Cashier's Office along with a completed Cashier's Transmittal Form on a daily basis.

Once approved, the change fund must remain at a constant amount.

For information regarding the collection of sales tax, contact the Controller's Office at 651-2074.


Limitations/Restrictions –

Change funds may not be used:

1. For cashing personal checks
2. To purchase goods and services
3. To pay compensation to any persons
4. To reimburse travel

Maintenance of a Change Fund –

1. Change funds must not be co-mingled with other cash funds.
2. Access to a change fund must be limited to a minimum number of persons.
3. Change funds must always be kept on campus in a locked, secure location that is accessible by authorized personnel only. Change funds must not be kept unlocked.
4. The cash custodian should regularly count the fund to ensure that the funds are intact. The date and composition of each count should be recorded and maintained in a place separate from the fund. Counts should occur weekly at a minimum.
5. If a material discrepancy in the change fund is discovered, the departmental supervisor, the Controller's Office and the Department of Public Safety must be immediately notified.
6. Change funds are subject to an audit by the Controller's Office.

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7. If the cash custodian plans to leave the employment of the University or to be absent for an extended period, the change fund must be counted by the employee's supervisor. Procedures must be then followed to change the cash custodian.

Changing the Cash Custodian –


When the responsibilities for the change fund are transferred from one individual to another, departments are required to notify the Controller's Office of the new cash custodian by completing the Change of Custodian Form. A Change of Custodian Petty Cash/Change Fund form can be obtained from the Controller's website at <http://www.semo.edu/controller/>. Both the former and the new cash custodians must count and sign for the change fund to ensure that the fund is intact. The completed form should then be sent to the Controller's Office at MS3200.

Closing a Change Fund –

1. When a fund is to be closed, the cash custodian must take the fund to the Cashier's Office for deposit.
2. The Cashier should be advised that this is a return of a change fund and instructed to receipt the fund into Fund 100000, Balance Sheet Account 102300. A receipt will be given to the cash custodian.
3. The cash custodian should send a copy of the receipt to the Controller's Office and retain the original for evidence of the return of funds.

Increase in Change Fund – Increases in change funds are requested through the Controller's Office. Requests for increases should be in memo form and contain:

1. Amount of original change fund
2. Reason for increase to fund
3. Name of department requesting fund increase
4. Amount requested
5. Name, title, S# and phone number of individual responsible for change fund. This must be the same individual that is responsible for original change fund (cash custodian)
6. Building and room number where the fund will be kept
7. Approval by the administrative superior of the individual that will be the cash custodian

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Upon authorization from the Controller, a check will be processed by Accounts Payable to the cash custodian. This check is picked up in the Cashier's Office. If the Cashier's Office has sufficient funds, they will cash the check.

Decrease in Change Fund –

1. When a change fund is to be decreased, the cash custodian must take the amount of the fund that will decrease to the Cashier's Office for deposit.
2. The Cashier should be advised that this is a return of a change fund and instructed to receipt the fund into Fund 100000, Balance Sheet Account 102300. A receipt will be given to the cash custodian.
3. The cash custodian should send a copy of the receipt to the Controller's Office and retain the original for evidence of the return of funds.

Related documents

Cashier Transmittal Form

http://www.semo.edu/pdf/old/Controller_CashierTransmittalForm_2012.pdf

Change of Custodian Petty Cash/Change Fund


http://www.semo.edu/pdf/old/Controller_ChangeOfCustodianForm_2012.pdf

Petty Cash Funds

General - Petty cash funds are intended to use for small dollar expenditures for supplies which are of a nature that require immediate payment.

Establishment of a Petty Cash Fund – Petty cash funds are requested through the Controller's Office. Requests for these funds should be in memo form and contain:

1. Reason(s) for the fund
2. Name of department requesting fund
3. Amount requested
4. Name, title, S0# and phone number of individual to be assigned responsibility for the fund (cash custodian)
5. Building and room number where the fund will be kept

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6. Description of security provided for the fund, such as locked drawer, safe, etc.
7. Approval by the department chairperson, director, or supervisor

Upon authorization from the Controller, a check will be processed by Accounts Payable to the cash custodian. This check is picked up in the Cashier's Office and cashed if sufficient funds are available.

Use of a Petty Cash Fund –


1. If cash is taken from a petty cash fund to make a purchase, a Petty Cash Advance form must be completed and signed by the individual taking the cash. The cash custodian is responsible for seeing that any unused cash is returned along with an itemized, original receipt for the purchase on the same or next business day following the issuance of the advance.
2. For each purchase, a Petty Cash Form must be completed and approved by the Financial Manager of the Index to which the purchase will be charged. Original vendor receipts showing payment for purchases are required to be attached to each Petty Cash Form as expenditures are incurred. Only original receipts are reimbursed; photocopies or faxes of receipts are not acceptable.
3. Sales tax should not be paid when purchasing items with petty cash. Copies of the Southeast Missouri State University sales tax exemption certificate can be acquired from either the Accounts Payable or the Purchasing Department.

Limitations/Restrictions – Petty Cash funds may not be used:

1. For cashing personal checks
2. For any purchase otherwise prohibited by State or University policy
3. For any single purchase in excess of \$50.00
4. To pay compensation to any persons
5. To reimburse travel

Replenishment of a Petty Cash Fund – The cash custodian is responsible for requesting reimbursement for expenditures from petty cash funds as funds are sufficiently depleted to prevent making another purchase. Preferably, petty cash funds should be reimbursed once a month and always prior to June 30 of each fiscal year. To request reimbursement:

1. Complete a Payment Voucher for the total of the petty cash purchases. Attach to it each Petty Cash Form with the appropriate original receipt.


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2. The Financial Manager is required to approve the Payment Voucher.
3. Submit the voucher with the attachments to Accounts Payable.
4. Following approval by Accounts Payable, a check will be prepared and sent to the Cashier's Office for pick-up by the cash custodian, who may then cash the check, providing sufficient funds are available.

Maintenance of a Petty Cash Fund –

1. Petty cash funds must not be co-mingled with other cash funds.
2. Access to petty cash must be limited to a minimum number of persons.
3. Petty cash funds must always be kept on campus in a locked, secure location; cash should not be removed other than to make a purchase. Petty cash funds must not be kept in unlocked desk drawers.
4. The cash custodian should regularly count the fund to ensure that the funds are intact. The date and composition of each count should be recorded and maintained in a place separate from the fund. Counts should occur weekly at a minimum.
5. If a material shortage in the petty cash fund is discovered, the departmental supervisor, the Controller's Office and the Department of Public Safety must be immediately notified.
6. Petty cash funds are subject to an audit by the Controller's Office at any time.
7. If the cash custodian plans to leave the employment of the University or to be absent for an extended period, the petty cash fund must be counted by the employee's supervisor. Procedures must then be followed to change the cash custodian.

Changing the Cash Custodian – When the responsibility for the petty cash fund changes hands, departments are required to report the change of the cash custodian with the Controller's Office. A Change of Custodian Petty Cash/Change Fund form can be obtained from the Controller's website at <http://www.semo.edu/controller/>. Both the former and the new cash custodian must count and sign for the petty cash fund to ensure that the fund is intact. The completed form should then be sent to the Controller's Office.

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Closing a Petty Cash Fund –

1. When a fund is to be closed, the cash custodian must prepare and submit the final replenishment request if there have been any unreimbursed purchases from the fund.
2. When the fund has been restored to its original cash balance, then the fund can be taken directly to the Cashier's Office for return. The cashier should be advised that this is a return of a petty cash fund and instructed to receipt to Fund 100000, Balance Sheet Account 102300. A receipt will be given to the cash custodian.
3. The cash custodian should send a copy of the receipt to the Controller's Office and retain the original for evidence of the return of funds.

Related documents

Petty Cash Advance Form

http://www.semo.edu/pdf/old/Controller_PettyCashAdvance.pdf

Petty Cash Form

http://www.semo.edu/pdf/old/Controller_PettyCashForm_2010.pdf

Payment Voucher

http://www.semo.edu/pdf/old/AP_PaymentVoucherForm_2010.xls

Change of Custodian Petty Cash/Change Fund Form

http://www.semo.edu/pdf/old/Controller_ChangeOfCustodianForm_2012.pdf