

AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO

Policy No. 4011

Petty Cash Change Fund Policy

This policy is applicable to the following auxiliary corporations:

- Agricultural Foundation
- Association
- Associated Students, Inc.
- Athletic Corporation
- Foundation
- Programs for Children

REVISION RECORD

Date	Version	Revision Description
11/16/2007	New	Approved by Board of Governors

DOCUMENT CONTROL

Approved By: Board of Governors	Date Approved: 11/16/2007	Next Review Date: January 2011
Responsible Position(s): Associate Vice President for Auxiliary Operations	Affected Units: All units, staff, and volunteers	Document Control Number: 4011

PURPOSE

The Petty Cash and Change Fund Policy has been created to provide for the appropriate establishment, use and accountability of such funds. These procedures have been established for effective administration and internal control of cash handling operations for all Ag Foundation enterprise units.

Petty Cash and Change Funds are two separate fund types with different purposes:

1. Change Funds are used to make change for cashiers and to create tills for the retail operations. **No expenditures or reimbursements may be made from these funds.**
2. Petty Cash Funds are to be used for making small, emergency expenditures where time and convenience do not allow for the normal procurement/accounts payable process.

REGULATIONS

Petty Cash Funds **may not** be used for the following purposes:

- Cash checks
- Loans or advances
- Travel advances or reimbursement of travel-related expenditures (including mileage or fuel)
- Employee wages or overtime
- Community Relations Expenditures (i.e. food and/or snack related items, floral tributes, small gifts and other tokens of appreciation, prizes and awards) except in limited circumstances where approval is granted in advance by the Executive Director

Petty cash expenditures will be subject to the same criteria and approvals as stipulated in the Ag Foundation's Procurement and Accounts Payable policies. The Ag Foundation reserves the right to not reimburse and individual for unauthorized or inappropriate expenditures. Any questions about the use of petty cash should be directed to the Accounting Department at 278-0800.

Failure to comply with this Policy and associated Procedures may result in disciplinary action and closure of petty cash fund.

Procedures for Processing of Petty Cash Expenditure

- All requests for petty cash must be completed on the appropriate Authorization form and approved (signed) IN ADVANCE by the appropriate Enterprise Manager.
- An employee **cannot** self approve his/her own petty cash transactions and only the fund custodian can issue the cash.
- Petty cash will not be issued until the request has been properly completed and signed. Required signatures are the fund custodian, the employee receiving the cash and the appropriate Enterprise Manager.
- The total amount advanced must be indicated on the petty cash form. A maximum of \$25.00 may be advanced per transaction. Greater amounts should be handled through the procurement or reimbursement process. Exceptions must be approved by the Executive Director or the Chief Financial Officer.
- Supporting documentation in the form of original receipts must be attached to the petty cash form. Receipts should include a description of each item purchased and the purpose and event (if applicable) for which the expenditure was made, and the appropriate G/L account to which the expenditure should be charged.
- Receipts for petty cash must be returned to the fund custodian within two (2) working days of cash issuance. Any exception must be approved by the appropriate Enterprise Manager.
- In the event a receipt is returned for part of the advance, the petty cash form must be changed as follows:
 - Line through the original amount and write the amount still outstanding
 - Attach the receipt to the petty cash form
- The fund custodian will be held responsible for any shortages in their petty cash fund.

How to Replenish Petty Cash Funds

To replenish a petty cash fund, the fund custodian shall prepare an A/P authorization including all receipts for the amount to be replenished. The authorization must be made payable to "Citibank" and cashed with the Auxiliary Service's Cashier. A notation of amount in transit must be kept with the petty

cash fund to account for all funds outstanding. Replenishment of the petty cash fund should be done as needed, but no less than monthly.

Safekeeping of Cash

Petty Cash and Change Fund custodians are responsible for proper security and accountability for the cash required for each of these funds. Due to the personal liability involved in cash handling functions, it is important that only authorized employees handle cash for the Ag Foundation. Each Enterprise Manager is required to maintain a list of the authorized employees who have access to these funds. Employees who are custodians of these funds are required to appropriately safeguard and account for these cash fund accounts on behalf of the Ag Foundation. All cash should be maintained in a secure and locked location.

The following general guidelines should be followed in areas where cash is handled:

- Unauthorized persons are not allowed in areas where cash is handled.
- Doors should be locked at all times in areas where cash is handled.
- Safe doors should be kept closed and should be locked at times when it is not necessary to be in and out of the safe.
- Large sums of cash should be counted and secured discreetly so as not to be in view to customers or employees.
- For overnight storage and during other periods when cash is not being used, all funds must be secured in a lockable safe (for change funds) or cabinet.
- Under no circumstances should an individual co-locate Ag Foundation cash with their own personal funds, deposit Ag Foundation funds in a personal bank account or take Ag Foundation funds home for safekeeping.

Audit

Each Enterprise Manager is responsible for daily audit of Petty Cash and Change Funds. In addition, the Ag Foundation accounting staff may audit funds without advance notice at any time. Petty Cash Funds will be audited no less than quarterly and Change Funds no less than annually.

IMPLEMENTATION

The Associate Vice President for Auxiliary Operations and Enterprise Development or his/her designee, in accordance with the applicable auxiliary corporation Management Services Agreement, has the authority to implement this policy.