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# TITLE: PETTY CASH

# **EFFECTIVE DATE:** July 1, 2013 **LAST REVISION:** February 12, 2015

Policy No. 8.1009

# POLICY STATEMENT

The Petty Cash Fund is established to provide an expedient, cost-effective method for employees to purchase or be reimbursed for minor items which support the immediate needs of the department. The Petty cash fund is maintained in the Office of Accounting and Finance.

### **PROVISIONS**

1. Purchases using petty cash procedures are to be made only when there is an <u>immediate</u>, one-<u>time need</u> and the amount of the purchase is \$50.00 or less.

Types of purchases which ordinarily should not be processed through petty cash include the following:

- A. <u>Travel expenditures</u>: Reimbursements for meals, parking, and conference/meeting fees must be requested using a **Reimbursement for Travel Expenses** Form.
- B. <u>Food purchases</u>: Food purchases must be requested through the **Purchasing** process.
- C. Student fee refunds and grant payments.
- D. Expenditures for personal services.
- 2. Purchasers will not be reimbursed for sales tax on items purchased. The employee must obtain a Certificate of Tax Exemption form from the Bursar's Office prior to the purchase or be personally responsible for payment of the tax.
  - A. IOU's and unauthorized advances from Petty Cash Funds are prohibited. Cashing personal checks from Petty Cash Funds is prohibited.
  - B. All Petty Cash approval forms require the signatures of (1) the individual requesting reimbursement, and (2) their immediate supervisor as outlined below.
  - C. Petty cash purchases for \$50.00 and under require the approval of the appropriate Director or Dean only. Budget must be available within the department for reimbursement or advances.
  - D. Employees with approval authority as listed above may not approve reimbursement requests for their own expenditures. These reimbursement requests must be approved by the next higher level of authority. Reimbursement request approval forms of the Chancellor's staff must be approved by the Vice Chancellor for Finance.
- 3. Requests for reimbursement must be submitted within fourteen (14) days of date of purchase.



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# **DISBURSEMENT PROCEDURES**

- 1. All petty cash approval forms must have an original copy of the receipt showing the items purchased and amounts itemized.
- 2. Upon receipt of a petty cash approval form, the cashier will reimburse the purchaser in cash and stamp "paid" on the petty cash form.
- 3. Petty Cash Reimbursement Request Forms must include the following information:
  - 3.1 Date
  - 3.2 Description of items purchased
  - 3.3 Amount received
  - 3.4 Signature of purchaser
  - 3.5 Budget Account Coding
  - 3.6 Cashier's initials
  - A. The purchase of items and requests for reimbursement on multiple petty cash approval forms in order to circumvent the maximum dollar amount per purchase is a violation of this policy.
  - B. Checks for reimbursements to restore the Petty Cash to its original amount are made payable to cash and deposited immediately.
  - C. Unannounced cash counts will be performed periodically by the AP Supervisor and/or a person(s) designated by the Executive Director of Accounting and Finance.
  - D. Reconciliations will be performed semi-monthly. The reimbursement will be processed monthly.
  - E. Overages/shortages will be handled in accordance with Cash Over/Shortage Policy.

Source of Policy:	Finance
Related Policy:	(
Approved by:	(a.) Vil
Chancellor	Andrea Lewis Miller

Responsible Administrator: LCTCS Policy Reference: LCTCS Guideline Reference: Date:

Vice Chancellor	
for Finance	
N/A	
N/A	
02/12/15	