



Accounting and Administrative Manual

Section 100: Accounting and Finance

Petty Cash Funds

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General:

Petty Cash funds represent specified amounts of cash set aside to facilitate disbursements for relatively minor transactions and small expenditures generally required to be made in cash.

Reimbursement checks are coded to the appropriate expense accounts relating to the expenditures being reimbursed. The process allows expenditures to be recorded in summary within the accounting system at the time of reimbursement, rather than at the time of each individual cash disbursement.

The regional campus chief financial officers are responsible for determining the necessity for establishing petty cash funds, controlling the petty cash funds outstanding and maintaining petty cash funds at the minimum required amount for the intended use. See C-05 “Petty Cash and Change Funds” in Section 100 in the University of Alaska Accounting and Administrative Manual for details on establishing, reducing, eliminating and transferring petty cash funds.

Requirements and restrictions:

1. Separate petty cash funds will not be commingled.
2. Each petty cash fund will be the responsibility of a single person who will have access to the fund (to the extent practical).
3. Petty cash funds must have adequate safeguards relative to the size of the fund. In general, the fund should be maintained in a locked box or cabinet with access limited to one person.
4. Petty cash vouchers should be prepared in ink and signed by the person receiving the reimbursement from the fund.
5. Original receipts must accompany vouchers to support expenditures, except for minor items (under \$25) for which receipts are not reasonably obtainable.
6. An authorized individual, other than the petty cash custodian, must approve expenditures and advances for expenditures in writing prior to disbursement.



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7. Expenditures are limited to \$100. The business office manager may approve expenditures for a larger amount in emergency situations.
 8. Petty cash expenditures may not be for:
 - a. Personal Services (1xxx account codes)
 - b. Travel advances or expenses, except for incidental parking and mileage reimbursements
 - c. Contractual Services for Professional Fees or Representational Allowance type services (account codes 3005 through 3013 & 3018 & 3038)
 - d. Food / Décor for Special Events or Self-catering for Sponsored Projects (account codes 4008 & 4018 & 4038)
 - e. Capital expenditures (equipment, 5xxx account codes)
 - f. Student Aid type expenditures (6xxx account codes)
 - g. Entertainment type expenditures (account code 8115)
 - h. Check cashing or loans (I.O.U.'s)
 9. Petty cash replenishment requests must be accompanied by detail vouchers, receipts, a summary of appropriate expense accounts to be charged for the expenditures and a count of cash-on-hand reconciled to the total petty cash fund.
 10. Petty cash vouchers and receipts must be marked or stamped by the reimbursing business office to preclude their reuse.
 11. Petty cash replenishments must be made by check made payable to "Petty Cash - (department name)"
 12. Petty cash funds must be counted periodically, at least semi-annually, on an unannounced basis by the custodian's supervisor.
 13. The check to create or increase a fund will be recorded to account code 0192, with the fund number of the appropriate campus.
 14. Funds must be reimbursed at fiscal year-end and as the need arises, based on the fund activity (generally monthly).



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An annual review is to be conducted by the regional campus chief financial officer or designee to determine the optimal size and number of petty cash funds in use. Consideration should be given to closing inactive funds and changing the petty cash fund amounts to provide for monthly reimbursements

The custodian will prepare an annual report indicating size of the fund, volume of activity and general use. The report is to include temporary funds or temporary increases to existing funds. Summary reports are to be submitted to Statewide Fund Accounting no later than the date specified in the University of Alaska Year End Closing Instructions, which will be no later than July 31 of each year.

Expenditures:

Advances for purposes of making authorized expenditures are the responsibility of the department head or designee approving the advance. Separate petty cash vouchers for advances are to be prepared, approved and redeemed upon submission of a voucher for the actual expenditure and return of unused funds.

Relevant Department or Individual

1. Makes appropriate expenditure.
2. Prepares petty cash voucher indicating specific purpose, accounts to be charged, and amount.
3. Attaches receipt(s) to petty cash voucher.
4. Secures department head or designated approval.

Department Head or Designee

5. Reviews expenditures for reasonableness of need, conformity with university requirements and supporting documentation.
6. Signs petty cash voucher to document approval.

Petty Cash Recipient

7. Delivers signed voucher and receipt(s) to Petty Cash Custodian.

Petty Cash Custodian

8. Reviews petty cash voucher for required approvals, account coding and supporting documentation.
9. Disburses cash to requesting individual.



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Petty Cash Recipient

10. Signs petty cash slip indicating receipt of funds.

Petty Cash Custodian

11. Retains petty cash voucher and supporting documents.

Replenishment:

Petty cash funds are replenished at fiscal year end and as need arises based on the activity of the fund.

Petty Cash Custodian

1. Counts cash on hand.
2. Prepares adding machine tape of petty cash vouchers on hand.
3. Reconciles petty cash fund to actual outstanding authorized balance:

Cash on hand:	\$ <u>xx.xx</u>
Vouchers on hand:	<u>xx.xx</u>
Total cash + vouchers	xx.xx
Authorized balance:	(<u>xx.xx</u>)
Cash over or (short):	\$ <u>xx.xx</u>
4. If cash is over or short, prepares petty cash voucher indicating the cash shortage or overage and secures supervisor's review and signature.

Debit: XXXXX-3966-XXXXXX Cash Short

Or Credit: XXXXX-3966-XXXXXX Cash Over
5. Group petty cash vouchers by org-fund-account code charged.
6. Summarizes charges by org-fund-account code.
7. Prepares check requisition, charging org-fund-account codes as summarized.
8. Attaches petty cash vouchers and receipts, reconciliation from step 3, and summarizing documents to the completed check requisition.
9. Secures requisition approval from custodian's department head.
10. Enters information into FGAENCB the Encumbrance/Reservations Maintenance Form. Write system generated encumbrance number on requisition.
11. Delivers approved requisition, which includes items listed in step 8, to the appropriate payables clerk.

Appropriate Payables Clerk

12. Reviews detail vouchers and tapes for completeness.



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13. Marks or stamps vouchers and receipts "Paid" to prevent reuse.
 14. Enters into Accounts Payable System payable to "(name), Petty Cash Custodian" through FAAINVE Invoice Form.
 15. Files requisition and supporting documents.

Petty Cash Custodian

16. Endorses check and exchanges for cash.



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SAMPLE – PETTY CASH VOUCHER

Instructions:

1. The original detailed receipt(s) must accompany this voucher.
2. Maximum amount reimbursable is \$100.00
3. The person receiving the funds must sign this form.
4. This voucher must have an approving signature.
5. Petty Cash **CANNOT** be used for the following:
 - a. Personal Services (1xxx account codes)
 - b. Travel expenditures (2xxx account codes)
 - i. Exceptions:
 1. Personal Car Mileage (code to account code 2006)
 2. Incidental parking (2xxx account code dependent on where it occurred)
 - c. Contractual Services for Professional Fees or Representational Allowance type services (account codes 3005 through 3013 & 3018 & 3038).
 - d. Food/Décor for Special Events or Self-catering for Sponsored Projects (account codes 4008 & 4018 & 4038)
 - e. Capital Expenditures (5xxx account codes)
 - f. Student Aid type expenditures (6xxx account codes)
 - g. Entertainment type expenditures (account code 8115)
 - h. Check cashing or personal loans

See C-04 “Petty Cash Funds” in Section 100 in the University of Alaska Accounting and Administrative Manual for more details.

Paid To: _____ Dept: _____

Expenditure Detail and Accounting Data

Date Incurred	Description/Purpose	Fund Code	Org Code	Account Code	Amount
Total Amount Requested					

Signature of Payee
(Person actually receiving the funds)

Date

Approving Signature
(Payee’s Supervisor or Department Head)

Date