

General Information

Cash and checks should be deposited and processed at the Business Office cashier window. Various campus auxiliaries receive cash and checks due to the nature of their business. The handling of cash and checks by other departments should be minimal. These policies and procedures are designed to ensure that cash and checks are protected from loss or theft and are deposited and recorded in the University's records as soon as possible.

1) Types of Cash Accounts

In addition to the checking accounts managed by the BYU-H Business Office, BYU-H maintains other types of cash accounts at the various departments on campus. These cash accounts are described below and should only be used for the designated purpose. Funds from one type of account should not be commingled with funds from another type. Only those accounts authorized and accounted for by the Business Office are permitted. Departments should not maintain any additional “unauthorized” cash accounts. Specific procedures regarding the use of these accounts are described later in this document.

a) Change Fund – A Change Fund is money advanced to a responsible individual for the purpose of giving change for business transactions made within a department. Normally, the department requesting a Change Fund is engaged in the selling of merchandise or services to others.

b) Petty Cash Fund – A Petty Cash Fund is used for small purchases, reimbursements and other transactions for which the use of University CPOs, LPDs, POs, or purchasing cards would be inefficient or impractical. Such transactions typically include off-campus purchases of small supplies or refreshments or employee reimbursement for such expenses.

2) Procedures for Establishing a Change Fund

- a) Download and print the “Application for Change Fund” form from the Financial Services web page under “downloadable forms”, “Application for Change Fund” or see the head cashier at the Business Office to receive the form.
- b) Decide upon the appropriate amount of Change Fund for your department’s needs-- the amount of the initial request for funds should be sufficient to conduct a normal day’s business. If business transactions increase and the amount of fund is no longer sufficient, an additional amount may be requested.
- c) One departmental employee must be designated as the “Change Fund Custodian.” This person will be held personally responsible for the Change Fund balance and must sign the “Application for Change Fund,” acknowledging their acceptance of such responsibility.
- d) Fill out the form and obtain authorized signatures.
- e) Bring the completed and signed form to the head cashier at the Business Office cashier window. The head cashier will then issue the Change Fund to the custodian.

3) Change Fund Policies and Procedures

- a) The Change Fund is not to be used for any of the following activities: purchases of any kind, making loans, paying wages or cashing checks. Use of the Change Fund for IOU's is not an acceptable practice.
- b) Any amounts collected in excess of the Change Fund must be deposited with the Business Office. Do not add any cash overages to the Change Fund in order to increase the Change Fund.
- c) If the fund custodian changes due to termination of employment or transfer to another department, a new application must be prepared so that the funds can be transferred to the successor custodian.
- d) The Change Fund must be kept separated from the Petty Cash Fund (if applicable) and safeguarded at all times. When the fund is no longer needed, it must be returned to Financial Services.
- e) The Change Fund Custodian is considered liable and extreme care must be utilized to safeguard the funds. If funds are lost or stolen, Financial Services must be contacted immediately.
- f) The Change Fund Custodian can expect periodic unannounced audits of the fund to be conducted by any of the following: Financial Services personnel, University auditor, and/or independent auditors.

4) Allowable Purposes for Departments to Collect Cash/Checks

- a) Auxiliaries are allowed to sell merchandise and services
- b) Departments are allowed to receive checks from donors. However, such checks should be forwarded immediately to the Development Office, which is responsible for depositing the funds with the Business Office and providing a receipt to the Donor.
- c) All departments may collect funds or be reimbursed for personal use of copy machines, long distant telephone, fax, etc.
- d) As a general rule, academic and support departments (non-auxiliary) may NOT collect cash or checks for sales of inventory or services without prior approval from the VP of Administration.
- e) As a general rule, in order to comply with tax reporting requirements, student and office supplies (books, paper, diskettes, computer peripherals, etc.) should only be sold by the Bookstore rather than by departments.
- f) All other cash/check collections by departments are discouraged. Any department collecting funds not covered by the above descriptions should contact the head cashier at the Business Office for instruction.

5) Policies and Procedures Regarding Cash/Check Handling

- a) Cash/checks collected should be deposited with the Business Office, locked in a departmental safe, or secured in a locked filing cabinet when not in the presence of a designated cashier. Access to the safe should be limited to authorized employees.
- b) Combination or key locks to safes and filing cabinets should be changed at least annually or whenever there is a termination or transfer of anyone having access to the safe or cabinet. The head cashier in the Business Office is to maintain a log of changes to department safe combinations and those individuals with authorization for access.
- c) All cash/check transactions should be receipted. If an electronic cash register, which produces a receipt, is not used, then the department should use a numerically controlled BYU-H two-part receipt. This rule does not apply to extremely small individual transactions, such as reimbursement for personal copy usage, nor payments received by mail.
- d) Where checks are routinely received in the mail, two employees should be present to open the mail. If payment is not included where intended, notify the payer.
- e) Checks should be endorsed with the BYU-H “For Deposit Only” stamp immediately upon receipt.
- f) If using the BYU-H two-part receipts, after a receipt is issued to the customer, an entry to a Cash/Check Log or Sales Log should be made. As mentioned previously, for extremely small transactions and payments received by mail, issuing a receipt is not required; however, making an entry to the log is mandatory. The log serves as documentation of ALL cash/checks collected.

The following applies to departments with several employees handling cash/checks during several shifts: Exceptions to the End-of-Shift Closeout Procedure must be reviewed and approved by the Financial Controller.

- a) Each cashier is responsible for his or her own “cash drawer”. End-of-shift closeout procedures should be performed every time an employee completes work for a particular shift.
- b) End-of-shift close out procedures include:
 - i. Cashier to count all cash, checks and credit cards
 - ii. Cashier to balance cash and checks against sales (as per cash register or cash log.)
 - iii. Cashier to account for over/short.
 - iv. Cashier to prepare “Cashier’s End-of-Shift Form”.
 - v. Separate verification (preferably by supervisor) of cash/check count and accuracy of “Cashier’s End-of-Shift Form”.

6) Deposit Policies and Procedures

- a) Deposits of collected cash and checks should be made at the Business Office at least weekly, or whenever collected funds exceed \$50.
- b) Cash or checks should never be held over a weekend, except for those campus departments, which are open for business on the weekend and have been pre-approved to hold cash and checks. In such circumstances a deposit should still be made on Friday of all funds collected previously during the week.
- c) A BYU-H Departmental Deposit Form should accompany all deposits made with the Business Office. The deposit form should be prepared completely and accurately and should be signed by the preparer and a supervisor who has verified the accuracy of the deposit. Verification includes the physical counting of all cash and checks.
- d) When preparing the deposit slip, balance the cash collected against the Cash/Check Log or Sales Log, and code the difference to the over/short account. *Submit a copy of the log with the deposit.*
- e) To ensure personal safety, “After Hours” deposits should be taken to the Business Office by two employees.
- f) Deposits may be made at the Cashier’s commercial window during normal business hours, or may be deposited into the Business Office’s Night Deposit Box at any time.

7) Procedures for Establishing a Petty Cash Fund

- a) Download and print the “Application for Petty Cash Fund” form from the Financial Services web page under “downloadable forms”, “Application for Petty Cash Fund” or see the head cashier at the Business Office to receive the form.
- b) Decide upon the appropriate amount of Petty Cash Fund for your department’s needs- Petty Cash Funds may be initiated with balances of \$25 or \$50. Larger requests for petty cash will only be approved when supported by specific documentation regarding need.
- c) One departmental employee must be designated as the “Petty Cashier.” This person will be held personally responsible for the petty cash balance and must sign the “Application for Petty Cash Fund,” acknowledging their acceptance of such responsibility.
- d) Fill out the form and obtain authorized signatures.
- e) Bring the completed and signed form to the head cashier at the Business Office cashier window. The head cashier will then issue the Petty Cash Fund to the Petty Cashier.

8) Petty Cash Fund Policies and Procedures

- a) Petty Cash accounts are not to be used to make temporary loans to employees, cashing checks, paying wages or any form of non-university business.
- b) Petty cash should be secured in a safe or locking file cabinet when not in the presence of a designated cashier. The Petty Cashier is considered liable and extreme care must be utilized to safeguard the funds. If funds are lost or stolen, contact Financial Services immediately.
- c) Petty Cash accounts are not to be used to make temporary loans to employees or for non-university business.
- d) Receipts must be kept for all purchases from petty cash. In those circumstances when a receipt cannot be obtained, a “Missing Receipt Affidavit” must be completed which identifies the nature of the transaction and is signed by the Department Head.
- e) “Petty Cash Fund Temporary Cash Out Tickets” must be used when cash given to an employee for a purchase. When the change and receipt is brought back, the Cash Out Ticket may be thrown away. (At all times the cash on-hand, receipts, and cash out tickets should balance to the specified Petty Cash Fund amount.)
- f) When the fund needs replenishing, the Petty Cashier summarizes all expenditures and the amount of cash left on-hand on the “Petty Cash Reimbursement Request”. Total expenditures are detailed to include the payee, purpose, date, account number, and amount on the “Petty Cash Expenses” log. The Petty Cash Expense log, as well as all receipts and Missing Receipt Affidavits (if applicable) are submitted with the Petty Cash Reimbursement Request form. (The sum of all receipts and Missing Receipt Affidavits must equal the total of the summarized expenditures.) The completed “Petty Cash Reimbursement Request” should be signed by the Petty Cashier and approved by the Department Head, who also ensures that the expenditures have a valid business purpose.
- g) The completed and approved “Petty Cash Reimbursement Request” is taken by the Petty Cashier to head cashier at the Business Office cashier window where it will be checked for accuracy. The cashier will also sign the reimbursement request and then will enter the expense and cash receipt information and will issue a cash reimbursement, bringing the petty cash balance up to its original amount.
- h) Petty Cash accounts should be replenished in December of each year regardless of the balance of cash.