

## BYU-Hawaii

### Petty Cash Procedures

**What is a Petty Cash Account?** Petty cash accounts are used by departments for small purchases, reimbursements and other transactions for which the use of university checking accounts would be inefficient or impractical. Such transactions typically include off-campus purchase of small supplies or refreshments or employee reimbursement for such expenses.

#### **Petty Cash Fund Procedures**

- A. Petty cash funds are “imprest” accounts. This means that a set amount of cash is provided to a department to be used for departmental business. When the funds are nearly depleted, but at least once each December, the petty cashier completes a “Petty Cash Replenishment Request” which is processed by the Business Office. Once approved, the department’s petty cash expenditures will be recorded and their petty cash account will be replenished. Specific procedures are as follows:
  - i. Original requests for petty cash funds must be submitted to the Controller for approval using the “Request for Petty Cash” form. 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.
  - ii. 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 “Request for Petty Cash” form, acknowledging their acceptance of such responsibility.
  - iii. Receipts must be kept for all purchases from petty cash. In those circumstances when a receipt cannot be obtained, a “Lost Receipt Affidavit” must be completed which identifies the nature of the transaction and is signed by the Department Head.
  - vi. When the fund needs replenishing, the Petty Cashier summarizes all expenditures, including payee, purpose, account number and amount on the “Petty Cash Replenishment Request”. Invoices or Lost Receipt Affidavits are attached. The sum of all invoices and petty cash vouchers must equal the total of the summarized expenditures. The amount of the reimbursement is equal to the documented expenses. The completed “Petty Cash Replenishment 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.
  - vii. The Petty Cashier takes the completed and approved “Petty Cash Replenishment Request” to the Cashier’s Office commercial window where it will be checked for accuracy. The cashier will also sign the replenishment request and then will enter the expense and cash receipt information and will issue cash replenishment.
  - viii. Petty Cash accounts should be replenished in December of each year regardless of the balance of cash.
- B. Petty Cash accounts are not to be used to make temporary loans to employees or for non-university business.

**Access to Cash Funds**

- A. Petty cash and change funds should be secured in a safe or locking file 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.