

## **PVAMU Departmental Manual Petty Cash/Working Fund**

### **Petty Cash Fund**

Petty Cash funds are discouraged at Prairie View A&M University. Approval of such funds are made by the Associate Vice President of Financial Management Services via the Director of Treasury Services.

#### 1. Responsibility

- The respective department head or designee will sign a [Responsibility Statement](#) for the petty cash fund entrusted to him/her. This individual will be the petty cash custodian. In signing this statement, the department head or designee accepts full responsibility for the safekeeping of the fund and will be required to personally reimburse the fund for any unallowable expenditures.
- The petty cash fund will be kept in a secure locked place with access only by the petty cash custodian.
- Petty cash must be reconciled at replenishment or at least once per month by someone who does not handle the petty cash. Cash handling training will be required for those employees who will be handling and reconciling the petty cash funds.

#### 2. Allowable Expenditures

- The Petty cash may be used to purchase:
  - Emergency items and
  - Items for which the vendor will not accept a purchase order or Procard.

#### 3. Unallowable Expenditures

- The Petty Cash fund may not be used to:
  - Pay individuals (faculty, staff, students or vendors) for services rendered,
  - Cash checks,
  - Conduct personal business,
  - Pay for travel expenses,
  - Pay for gasoline, oil, etc. for personal vehicles, even if used for University business.
- The petty cash custodian will be required to personally reimburse the University for all unallowable expenditures from the fund and will be

subject to a review to determine whether the petty cash fund should be removed from the department.

4. Receipts

- The department must obtain original receipts from vendors for all disbursements from the petty cash fund. The petty cash custodian will be required to personally reimburse the University for all unsupported disbursements.

5. Replenishment

- The petty cash custodian will prepare and submit a purchase requisition to the Financial Services Department (Accounts Payable Section) at least once per month to replenish the petty cash fund. Original receipts must be attached as support for the voucher.

6. Oversight

- The Accounts Payable Supervisor or the Director of Accounts Payable will review and approve all requisitions for the replenishment if petty cash.

7. Policy Compliance

- In addition to complying with these procedures, the petty cash custodian is responsible for ensuring adherence to the System policy 21.01.02.3 on petty cash fund.

8. Return of Petty Cash Funds

- If it is determined that the petty cash fund is no longer required, then please contact Treasury Services to turn in the funds

9. Annual Re-justification

- Each department with an approved petty cash fund is required annually to re-justify the need and the amount of the petty cash fund. Re-justification should be submitted to the Associate Vice President for Financial Management Services via the Director of Treasury Services.

## 10. Surprise Counts

- All petty cash funds are subject to unannounced cash counts at anytime by Treasury Services or the Compliance Office.

### **Working Fund**

The purpose of a working fund is to provide a department transacting university cash sales with the necessary change to customers. Working funds are only approved for approved university events that will require the use of change to the customer. The fund is only approved for the time period of the event. Approval of such funds are made by the Associate Vice President of Financial Management Services via the Director of Treasury Services.

#### 1. Responsibility

- The respective department head or designee will sign a Responsibility Statement for the working fund entrusted to him/her. This individual will be the working fund custodian. In signing this statement, the department head or designee accepts full responsibility for the safekeeping of the fund and will be required to personally reimburse the fund for any unallowable expenditures.
- The working fund will be kept in a secure locked place with access only by the working fund custodian.
- Working fund must be reconciled after each event by someone who does not handle the working fund but is approved to collect funds for your department. Cash handling training will be required for those employees who will be handling and reconciling the working fund.

#### 2. Allowable Expenditures

- The working fund may only be used to give change for services provided or sales made for University operations.

#### 3. Unallowable Expenditures

- The working fund may not be used to:
  - Pay individuals (faculty, staff, students or vendors) for services rendered,
  - Cash checks,
  - Conduct personal business,
  - Pay for travel expenses,

- Pay for gasoline, oil, etc. for personal vehicles, even if used for University business.
  - The working fund custodian will be required to personally reimburse the University for all unallowable expenditures from the fund and will be subject to a review to determine whether the working fund should be removed from the department.
4. Request for Change as needed
    - The department will request change from the Cashier's Office in Financial Management Services for large bills when needed.
  5. Policy Compliance
    - In addition to complying with these procedures, the working fund custodian is responsible for ensuring adherence to the System policy 21.01.02.3. on working funds.
  6. Return of Working Fund
    - If it is determined that the working fund is no longer required, then please contact Treasury Services to turn in the funds
  7. Annual Re-justification
    - Each department with an approved working fund is required annually to re-justify the need and the amount of the working fund. Re-justification should be submitted to the Associate Vice President for Financial Management Services via the Director of Treasury Services.
  8. Surprise Counts
    - All working funds are subject to unannounced cash counts at anytime by Treasury Services or the Compliance Office.