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<b>POLICY MANUAL</b>	10/10/91	2.30.030	1 of 2

Subject:
PETTY CASH FUNDS

I.. INTRODUCTION

In general, operating units of the University should obtain materials, supplies and equipment items through central purchasing by Purchase Order and established supply contracts. However, to facilitate departmental operations Petty Cash funds may be established to handle small transactions.

II. POLICY

A. The Controller must approve departmental requests to establish Petty Cash funds. Such funds may be used to expedite the handling of University business by providing cash to make small purchases. Departments first should ascertain the availability of items sought with the Bookstore and central supply contracts. In the event of misuse of the Petty Cash fund, the Controller may withdraw the fund from the department.

B. Cash funds may not be used for:

1. Check cashing or "IOU" substitutions;

2. Reimbursement of any salary expenses or allowable personal expenses; the latter should be reimbursed in accordance with the policy on Reimbursement of Business Expenses (2.30.020).

C. Custodians of the funds are authorized to make disbursements from Petty Cash for expenditures up to a maximum of \$50.00 per invoice. If there are frequent purchases, the department should obtain copies of the University's tax exemption letter from the Purchasing Department.

D. The Custodian is responsible to see that the fund at all times equals the original amount, which may be represented either by cash, petty cash vouchers, or invoices which add to that amount.

E. Audits

1. Petty Cash funds will be audited periodically by Accounting and Budget Office personnel.

2. It is necessary that the Petty Cash fund be audited to relieve a custodian of his/her responsibility whenever there is a change in custodian.

III. GENERAL PROCEDURES

A. Requests for the creation of, or increase to, a Petty Cash fund should be made by memorandum addressed to the Controller, signed by the budgetary head,

1. Stating:

- a. justification of need
- b. amount requested
- c. name of custodian

2. An Accounts Payable Voucher should be attached to the request and sent to the Controller's Office (the account number should be left blank).

3. Upon approval of the Controller, a check will be prepared made payable to the custodian. The custodian will sign a Petty Cash Receipt and will then be allowed to cash the check at the Cashier's window.

B. Petty Cash funds should be maintained in a safe place and kept under lock and key while not in use.

C. The Controller shall establish other specific procedures as necessary for the initial creation of departmental Petty Cash funds, record keeping and supporting documentation, and the replenishment of a Petty Cash fund.