

College of Charleston  
Administrative Policies and Procedures  
Petty Cash Policy

Policy for:All CampusNumber:BUSF 4.1

Procedure for:College of CharlestonSection:Business and Finance

Authorized by:Business AffairsSubject:Petty Cash

Issued by:Controller's OfficeLast Revision:April 2, 2003

## I. Policy

The College provides a petty cash fund to cover nominal disbursements when a direct expenditure voucher or purchase order is impractical.

## II. Procedure

### A. Establishment

1. A supervisory official must make a written request to the Controller's Office with the following criteria for the fund to be established.
  - a) State the purpose for which the petty cash fund is to be used.
  - b) State why standard purchasing procedures are inadequate for that use.
  - c) State that both the fund being requested and the level requested is necessary.
  - d) State that strict adherence to published internal control procedures will be in place to safeguard the fund and prevent misuse.
2. If the request is deemed reasonable, the Controller's Office will forward the request to the State Auditor's Office. The request must be signed by the Controller and the College Internal Auditor. When the approval has been granted, a General Ledger account will be set up and the custodian's name recorded in the Controller's Office.
3. The established amount of the fund is limited to the cash requirements of a short period of time.
4. If the need for the fund ceases to exist or if the fund is handled improperly or not in accordance to the written policies and procedures, it will be removed.

### B. Custodian

1. The custodian's supervisor will ensure that the custodian understands the written procedures for processing petty cash transactions and knows that he/she is responsible for the amount of the petty cash fund.
2. The custodian's other regular duties may not include the receipt or disbursement of cash nor the recording of charges or credits to customer's or vendor's accounts.
3. The custodian must keep the fund under lock and key at all times with the key in his/her possession.
4. Responsibility for the fund may not be shared between two or more

people. The custodian may have a backup with the written consent of the Controller's Office. However, the custodian will still be solely responsible for the full amount of the fund.

5. To change custodians, a letter must be sent to the Controller's Office by a supervisory official requesting a change and appointing a new custodian.

6. The entire fund will then be deposited at the Treasurer's Office and removed from the General Ledger. A check will be issued to the new custodian and recorded in the General Ledger.

#### C. Operation

1. At all times, cash on hand plus paid receipts must equal the original amount of the fund.

2. The fund is subject to surprise audit at all times by either a representative of the College auditor's office or the auditor of the State of South Carolina or an independent auditor.

3. No expenditures for wages, cash advances, or loans may ever be paid from petty cash. No personal checks may be cashed from petty cash.

#### 4. Petty Cash Disbursements

a) The requestor must prepare a Petty Cash Request under \$50 form and present it to the custodian. The form must be signed by a Procurement officer. The College's Petty Cash Reimbursement Request Form may be downloaded and printed.

b) To make a disbursement, prepare a pre-numbered petty cash voucher assigned to the custodian by the Controller's Office.

c) The voucher must bear an account number and be supported by a paid receipt or signed by the person receiving the cash.

#### 5. Reimbursement of the Petty Cash Fund

a) Submit through the Controller's Office a direct expenditure voucher accompanied by the petty cash vouchers, paid invoices and a petty cash summary sheet.

b) The summary sheet (see sample below) includes a list of disbursements in petty cash voucher number sequence and a summary count indicating vouchers submitted for reimbursement, cash on hand and a total of the fund.

c) Note voided vouchers on the summary sheet and attach them to the direct expenditure voucher.

d) The fund will be reimbursed at least monthly and must be fully reimbursed at fiscal year end. Each time the custodian will count the fund and explain in writing to the Controller and the College's Internal Auditor any significant shortage (over \$5.00).

e) If no activity transpires during a month, a summary sheet labeled "no activity" must be sent to the Controller's Office.

f) If a fund is stolen, notify the College Police Department (3-5611) immediately. The custodian must notify the Controller and the Internal Auditor in writing if a fund is stolen or if any of the funds are missing.

Sample – Petty Cash Summary Sheet  
Voucher NumbersAmount

0013.25  
0024.16  
003.89  
0049.32  
005VOID  
0067.58  
00725.20

Cash on Hand  
Coins:13.80  
Currency:61.00

Total Cash on Hand74.80

Total Fund100.00  
Orginal Fund100.00

Overage/(shortage)-0-

FERPA Family Rights and Privacy Act

Contact the Controller's Office  
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Controller's Office  
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Lightsey Center - Basement  
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