

PEPPERDINE UNIVERSITY

Petty Cash Fund Custodian Instructions and Responsibilities

Departments may establish a petty cash fund when cash on hand is needed, on a revolving basis, for the payment of small recurring expenses of \$100 or less. The use of petty cash to make purchases is an exception to the formal procurement methods. The Purchasing Card ("P-Card") is the preferred method of making small dollar purchases.

Open a new Petty Cash Fund

To open a new petty cash fund, contact Cashier's Office for an application. Submitted applications are reviewed and if approved, the Cashier's Office contacts the fund custodian to coordinate cashing the initial disbursement check issued by Accounts Payable. Also, an appointment is scheduled to review instructions for cash handling practices.

Use and Operation

All employee reimbursements must adhere to the University's Finance Policy. Each payee reimbursement must be supported with a completed and signed Petty Cash Reimbursement form.

A petty cash fund must be used for the purpose authorized:

- Purchases of \$100 or less
- Travel and Entertainment expenses (no mileage) of \$100 or less

A petty cash fund may **not** be used for:

- Mileage reimbursements
 - Gifts
 - Gift cards
 - Memberships/Subscriptions
 - Telephone/Cell Phone/Internet Services
 - Salaries
 - Services
 - Cash advances
 - Cashing checks or making loans
 - Purchasing or reselling stamps
-
- The fund must be kept separate and must not be merged with any other funds.
 - When not in use, the fund must be safe and secure in a locked compartment and office.
 - Establish written procedures describing cash handling practices for the fund.
 - When a new or a temporary custodian is to be put in charge of the fund in place of the authorized fund custodian, notify Cashier's Office. Do not transfer the fund.
 - Notify Cashier's Office when cash count is over or short. A cash overage or shortage must be recorded to a specific chartfield provided by Cashier's Office.
 - If the fund is no longer needed, notify Cashier's Office to close fund.

Disbursement

Funds are disbursed, by the fund custodian, when presented with a completed Petty Cash Reimbursement form.

1. A completed Petty Cash Reimbursement form, payable to payee, is submitted to fund custodian.
2. Original receipts and proper substantiation required for each transaction.
3. Approval signature by authorized approver.
4. When funds are disbursed, the Petty Cash Reimbursement form must be signed by the payee to acknowledge that funds have been received.
5. All documents for disbursed funds remain with the fund until ready to replenish.

Replenishment

Disbursements are replenished through the online PeopleSoft requisition process. A check is issued, by Accounts Payable, to the fund custodian.

1. Submit an online PeopleSoft requisition using the assigned vendor name set-up by Finance.
2. All completed Petty Cash Reimbursement forms for funds disbursed are submitted to Accounts Payable as back-up.
3. Retain a photocopy of the PeopleSoft requisition, with the fund, until cash is received to replenish the fund.

Reconciliation

Each month, at a minimum, and at fiscal year-end (July 31), a reconciliation must be completed using the Petty Cash Reconciliation form. A petty cash fund should always consist of all documents for disbursed funds plus the total cash on hand equal to the exact amount of the fund issued.

Change Request

Email cashier@pepperdine.edu or call with your desired denominations of change needed. Please provide 24 hours notice to accommodate your request.

Audit

An audit of the fund may be performed by Cashier's Office or by internal auditors at any given time.

Theft

In the event of theft, immediately notify the supervisor and report it to Public Safety Office.