

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.4	Bursar	Revised:	July 2010
Policy 6.4.3	Petty Cash Fund	Responsibility:	Assistant Vice President for Business Affairs

PETTY CASH FUND

Overview

The Health Science Center's petty cash funds are established only to make research study participant payments; to be used as a change fund for a retail cashier operation; or, to reimburse employees for non-recurring, unexpected expenditures up to \$100 for any one transaction. Petty cash funds represent idle funds and create an ongoing need for security, recordkeeping and audit. Although authorized petty cash funds may be established for extraordinary situations, the use of electronic purchasing cards (ProCard) is preferable. Only temporary petty cash funds should be established. Ultimate fiduciary responsibility for the fund shall reside with the department head under which the fund is established. Established bank accounts for remote locations are not to be classified as, or used as, petty cash funds.

Types of Petty Cash Funds

The main types of petty cash funds are:

1. Study Participant: To be used to pay participants of a study. Please see *Handbook of Operating Procedures* (HOP), [Section 7.7.2](#), "Management of Research Participant Payments" for comprehensive details.
 2. Departmental Change Order: To be used for making change for sales and/or services provided by the department.
 3. Imprest fund: To be used to purchase miscellaneous items or minor unanticipated expenditures. The Health Science Center maintains an institutional imprest petty cash fund which can be used to reimburse employees for such expenditures.
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Procedures for Obtaining a Petty Cash Fund

To obtain a petty cash fund, the [Petty Cash Fund Request Form](#) must be submitted. Once completed by the department, if the fund on the request is 41000-44999, the form should be taken to the Office of Sponsored Programs for approval, then the custodian should hand carry it to the Bursar's Office for review and approval. This form requires:

1. The name and location of the department requesting the fund.
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2. Identification of the fund type being requested.
 3. The project identification number from which to draw the fund.
 4. The authorized signature(s) for the project identification number.
 5. Justification and planned duration of the fund.
 6. Name, badge identification number and job classification of the fund's designated custodian.
 7. The custodian's phone number and physical location on campus.
 8. Process for maintenance of the fund (attach [Subject Payments Schedule](#)).
 9. Dollar amount to be maintained in the fund.

The Bursar's Office will notify the requesting department upon approval of the fund. Before the fund will be issued, the new custodian must view the University's "Petty Cash Guidelines" presentation and visit the Cashiers' Window, in the Bursar's Office, to fill out a custody receipt. The custody receipt cites specific responsibilities of the custodian. The custodian agrees, by signature, to abide by institutional policies.

The use of the fund is exclusively for the purpose for which the fund was originally requested and approved. There are no exceptions.

Petty Cash Funds:

1. Should not be co-mingled with personal or other institutional funds.
2. Should not be used to cash checks, IOU's, or to give loans.
3. Should never be shared with anyone for any reason.
4. Any discrepancy in petty cash funds shall be the personal responsibility and liability of the custodian(s) and the department head.

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5. Any petty cash funds found to be misappropriated or out of balance without cause will be immediately closed and appropriate action taken by the Office of Internal Audit & Consulting Services or campus police.
 6. The custodian shall balance petty cash funds after each payment. The fund shall be balanced at least weekly by the custodian regardless of use.
 7. Overages/shortages of \$25 in a single incident or in aggregate during a one month period, by a custodian must be investigated by the supervisor.
 8. Under no circumstances shall petty cash funds be deposited in a personal bank account.
 9. If the fund has not been used for three fiscal quarters, it must be closed.

It is the responsibility of the custodian to obtain a lock box and receipts for the fund. The cash and/or receipts should be kept in the lock box at all times. The custodian must ensure that the sum of cash and receipts equals the total fund given at all times. These funds are subject to audit; therefore, copies of receipts must be maintained by the custodian. The receipts should reflect the signature of the participant, description of service, amount received, and the participant's unique identification number for recordkeeping.

Any changes in administration or use of the fund, including if the custodian leaves the department or the Health Science Center; if the petty cash fund is no longer required; if the grant expires: or, if the project identification number or fund amount changes, it is the responsibility of the custodian to present all cash, all receipts, or a combination of both to the Cashiers' Window for closure.

The custodian of a patient participant fund is also responsible for maintaining records of amounts paid to all individuals for tax reporting purposes. This information is provided to the Accounting Office for Internal Revenue Services (IRS) [Form 1099M](#) statements.

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See the Bursar's Web page for frequently asked questions concerning petty cash funds: <http://www.uthscsa.edu/business/bursar/>.

Policy

All regulations and restrictions governing the types of items purchased from institutional accounts are applicable to petty cash purchases. Employees may seek reimbursement of miscellaneous, non-recurring expenditures from the institutional petty cash at the Bursar's Office.

1. Petty cash reimbursement is limited to purchases totaling \$100 per day, per person, regardless of fund source. Various receipts with the same purchase date may *not* exceed the \$100 limit. Purchases may be made from different vendors or accounts; however, the total amount for each purchase date may not exceed \$100. Submitting receipts on separate reimbursement forms and/or separate days and/or payable to persons who did not make the purchases to avoid the \$100 limit is fraudulent.
2. State and local sales tax cannot be reimbursed. In order to avoid paying sales tax, a tax exemption letter, [The State Sales Tax Exemption Certificate](#), should be presented to the vendor at time of purchase.
3. Proof of purchase in the form of a valid receipt must be obtained from the vendor. A "valid receipt" is defined as an original sales slip, cash register receipt, canceled check, or credit card slip which bears the following information:
 - a. The name of the vendor to whom payment was made.
 - b. The date of the purchase.
 - c. A description of the items purchased.
 - d. The cost of the items purchased.
 - e. Type of payment made.
4. Petty cash purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt.

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5. Goods or services provided by various departments within the institution cannot be purchased from an outside source. Examples are postage, items available in General Stores, and services available from Academic Technology Services.
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Acceptable Petty Cash Purchases

Purchases that qualify for reimbursement through petty cash include:

1. Office and lab supplies purchased for institutional use and not available in General Stores.
 2. Payments to patients or participants in research studies. A supporting receipt must accompany and include an original signature of the patient or donor and description of services.
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Unacceptable Reimbursements

Purchases that do not qualify for reimbursement through petty cash include:

1. Travel expenditures (i.e., taxi fares, off-campus parking fees, registration fees).
 2. Items that will not remain with the Health Science Center.
 3. Entertainment expenditures.
 4. Food and drinks for any purpose (i.e., meetings, conferences, workshops).
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Procedures for Obtaining Reimbursement

To obtain reimbursement for petty cash purchases, the [Petty Cash Reimbursement Voucher](#) form must be submitted at the Cashiers' Window.

This form requires:

1. The name of the person being reimbursed.
 2. The total amount of the reimbursement.
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3. The department project identification number from which the reimbursement is being made.
 4. A description of the item(s) purchased.
 5. The purpose of the items purchased.
 6. The reason why the purchase was made off campus.
 7. The payee's signature and date.
 8. An original signature of an individual authorized to expend funds from the account and date.
 9. If the payee and the authorized signature are the same person, a witness signature is required.
 10. A valid receipt totaling the amount to be reimbursed. (Please refer to [Section 6.1.10](#) of the HOP, "Required Voucher Back-up", for a definition of a valid receipt.)

See the Bursar's Web page for frequently asked questions concerning petty cash reimbursements: <http://www.uthscsa.edu/business/bursar/>.

Petty Cash Voucher

The [Petty Cash Reimbursement Voucher](#) (PCV) is a daily summary of all reimbursements issued for a particular business day. The reference number assigned to each [PCV](#) consists of the business date (PCVMM-DDYY). For example, a [PCV](#) is processed on September 15th, 2008. The reference number will be PCV09-1508. PCV reimbursements are posted to the individual departmental ledgers. For corrections in PCV reimbursements, please refer to [Section 6.1.13](#) of the HOP, "Inter-Departmental Transfers (IDT)".
