1. Purpose/Introduction

The Petty Cash procedure is applicable for a single purpose: petty cash fund, imprest cash change fund, or for use as research incentives paid from funding sources other than Contract and Grant Accounting (C&G fund numbers 200001-229999). Petty cash funds are available for use by University departments and areas under University control. All areas are required to follow the same procedures when using petty disbursing funds.

2. Definitions

The fund should not be used to cash personal checks for employees or students, for any type of loan to any person, nor to pay a person for services rendered. This procedure does not replace the routine purchasing procedures. The reimbursement amount is $75.00 or less per item with a $100.00 total purchase price. (Note: Orders may not be split into smaller increments to avoid the $100.00 limit).

The fund may be used as an imprest cash change fund for the sole purpose of making change for customer sales or tickets. The authorized amount of the fund should not exceed what is needed to support cash drawer activity.

The fund may be used as a research incentive, and therefore requires applicable research information, in accordance with the UNCG Office of Research & Engagement.

The fund may not be used for:

1. Cashing checks
2. Making loans
3. Making advances
Offices contemplating the use of this procedure should consider the total cost of procuring the items. Personnel costs must be kept to a minimum.

3. **Procedural Steps**

**Establishment or Renewal of the Fund**
A request for the establishment or renewal of a petty cash fund is made by submitting Form BANFIN-34, Cash Fund Establishment / Reimbursement to the Controller. The requestor must complete all sections of the Form BANFIN-34 except for the “Reimburse” section. The information provided by the requester includes a statement of justification for the fund, the amount requested, the custodian of the fund, and the university fund(s) for expenditure charges.

**Petty Cash funds used for research incentives – these should include the IRB#, as well as a copy of the pages from the IRB pertaining to using petty cash funds for research incentives. If a copy of any grant award letter is available, providing a copy of that letter along with the original BANFIN-34 can help eliminate delays in the issuance of reimbursement checks.**

If the request is approved, a check is issued to the custodian of the fund. The custodian must be the name of a person. It cannot be a department. The custodian is the only person that should attempt to cash the check.

**Operation of the Fund**
Evidence of expenditures must be obtained for all purchases. The evidence of expenditure, which can be a cash register tape or a paid invoice, must state the vendor’s name, amount of purchase, and the type of item purchased.

As the fund nears depletion, the custodian must submit Form BANFIN-34, Cash Fund Establishment/Reimbursement with evidence of expenditures to Accounts Payable in the Office of the Controller to obtain a reimbursement. The person responsible for the account listed on the reimbursement for Petty Cash Fund must sign the form under Departmental Approval. Reimbursements must be filed within 45 days of the date of expenditure.

All sections of Form BANFIN-34 must be completed to receive a reimbursement except for the “Establish” section.

Expenditures are reviewed by the Office of Accounting Services. Any disallowable expenditures are not paid, and the request for reimbursement is changed to the amount that is reimbursable.

The Office of Accounting Services issues a check to the custodian of the fund, and the petty cash expenditures are charged to the proper fund and account code. When submitting for a reimbursement,
only the fund listed on the original BANFIN-34 should be used. Do not attempt to use a different fund other than the one under which the petty cash account was originally established.

**Increasing the Fund**

If the petty cash expenditures are greater than expected and the fund is being over-expended, the fund should be increased, or reimbursement requested more often.

To request an increase in the petty cash fund, follow the procedural step “Establishment or Renewal of the Fund” above.

**Closing the Fund**

When a fund custodian who established the fund is no longer employed by the university department, the fund must be closed and reestablished with a new custodian, if desired.

The custodian must deposit the full amount of the fund with the university Cashier’s Office to clear the liability. This deposit should be made to fund 146002-500101 and the custodian should retain the cashier receipt as proof of repayment. Indicate the fund custodian’s name in the RECV’D FROM portion of the Departmental Deposit Slip. In order to close out a petty cash account, you must send a copy of the deposit slip and receipt to Accounting Services in 821 S. Josephine Boyd Street. An alternative method would be to submit a Cashier’s Receipt for a cash deposit along with receipts for expenditures that total the amount of the original petty cash account request. When closing a fund, please submit a new BanFin34 and check the box for Close Petty Cash Account.

**Preparation of Form BANFIN-34, Cash Fund Establishment / Reimbursement**

**TO BE COMPLETED BY PETTY CASH CUSTODIAN OR RESPONSIBLE PERSON**

- PREPARED BY: Name of the person preparing the form and the date of its preparation.
- DEPARTMENTAL APPROVAL: For Establishing or Reimbursing a Petty Cash Fund.
- CUSTODIAN: Name of person who is the custodian of the Petty Cash Fund and to whom the check is to be written. The custodian must be a person and cannot be a department. The custodian must be a permanent employee of the University.
- PHONE NUMBER: Phone number of the custodian.
- ADDRESS: Address, city, state, zip code of the custodian. State the complete address of the individual if the check is to be mailed. If the check is picked up at the Office of Accounting Services, please enter ‘PICK UP’ in this area.
- DEPARTMENT: Name of custodian’s department.
- ESTABLISH: Check box if establishing a petty cash fund.
- FUNDS TO BE CHARGED: Enter funds to be charged. Accounting Services will be checking the Statement of Establishment (SOE) on funds listed to ensure that the SOE allows for the type of expenditure listed on the BANFIN-34. ***PLEASE NOTE: ANY FUNDS BETWEEN 200000 AND 229999 FALLS UNDER CONTRACT AND GRANT ACCOUNTING – THEREFORE A BANFIN-CG34 SHOULD BE COMPLETED AND FORWARDED TO CONTRACT AND GRANT ACCOUNTING FOR APPROVAL. ***
- JUSTIFICATION: A statement of justification for establishment of the petty cash fund.
- SIGNATURE OF CUSTODIAN: Signature of custodian.
- INVOICE DATE: The date of the request for establishment of the petty cash fund.
- AMOUNT: The amount requested.
• **REIMBURSEMENT**: Check box if reimbursing a petty cash fund.
• **INVOICE DATE**: The date of the request for reimbursement of the petty cash fund.
• **COMMODITY/DESCRIPTION**: Enter a short description of each expenditure that is being reimbursed.
• **INDEX/FUND**: Enter funds for each expenditure. The Fund number listed here must match the funds listed in the original petty cash establishment request.
• **ACCOUNT**: Enter proper account code for each expenditure.
• **AMOUNT**: Enter the amount for each expenditure.

**Reimbursement of Petty Cash Fund**: (To be completed if a petty cash fund is near depletion and reimbursement is requested. All reimbursement requests must be accompanied by evidence of expenditure.) Such evidence of expenditure must have been dated within the last 45 days. Any reimbursement requests submitted beyond the 45-day limit may be refused for processing.

### 4. Forms, Tools, Etc.

**BANFIN-34**  
*Office of the Controller Policy 6 Petty Cash Funds*

### 5. Revision Table

<table>
<thead>
<tr>
<th>Revision #</th>
<th>Section #</th>
<th>Summary of Changes</th>
<th>Approval Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>