



~~RUTGERS POLICY~~ UNIVERSITY POLICY

~~Section:~~ 40.2.7

~~Section Title:~~ Fiscal Management

~~Policy Name:~~ Petty Cash Funds

~~Formerly Book:~~ 6.1.7

~~Approval Authority:~~ Senior Vice President for Finance and Treasurer

~~Responsible Executive:~~ Senior Vice President for Finance and Treasurer

~~Responsible Office:~~ Office of Finance and Treasurer

~~Originally Issued:~~ 12/1967

~~Revisions:~~ 9/29/2000; 6/2011; 10/5/2011; 7/1/2013, 10/10/2013 (Updated titles)

~~Errors or changes? Contact:~~ Office of Finance and Treasurer at 848-932-4300

<u>Policy Name:</u>	<u>Petty Cash Funds</u>				
<u>Section #:</u>	<u>40.2.7</u>	<u>Section Title:</u>	<u>Financial Management:</u> <u>Fiscal Management</u>	<u>Formerly Book:</u>	<u>6.1.7</u>
<u>Approval Authority:</u>	<u>Executive Vice President – Chief Financial Officer and University Treasurer</u>		<u>Adopted:</u>	<u>12/1967</u>	<u>Reviewed:</u> <u>10/19/2021</u>
<u>Responsible Executive:</u>	<u>Executive Vice President – Chief Financial Officer and University Treasurer</u>		<u>Revised:</u>	<u>09/29/2000; 06/2011; 10/05/2011; 07/01/2013; 10/10/2013 (Updated titles); 10/19/2021</u>	
<u>Responsible Office:</u>	<u>Office of the University Controller</u>		<u>Contact:</u>	<u>pettycash@finance.rutgers.edu</u> <u>(848) 445-2029</u>	

1. Policy Statement

All regulations and procedures are subject to amendment.
Page 1 of 3

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Page 1 of 5

Petty cash funds may be established for a department to pay for small incidental expenditures required in the routine conduct of the primary work of the department. All expenditures must be appropriate, necessary, and reasonable University business expenses. These expenses must be supported by appropriate documentation and attached in RU Marketplace~~These expenses must be supported by appropriate documentation which must be submitted to the Accounts Receivable/Petty Cash Administrator in the Division of University Accounting.~~ The department must identify a Petty Cash Custodian within their department to be responsible for the disbursement, recording, and security of these funds. Once there is no longer a need for the fund, these funds must be returned promptly to ~~the Division of University Accounting~~the Office of the University Controller.

2. Reason for Policy

To ensure the proper use, reporting, and security of ~~u~~University funds.

3. Who Should Read This Policy

All ~~D~~Deans, directors, and administrative staff.

4. ~~Related Documents~~Resources

~~None~~University Policy 40.2.8: Cash Handling

University Policy 40.4.1: Travel and Business Expense Policy

Petty Cash Request Form

5. ~~Contacts~~Definitions

~~Accounts Receivable, Room 300, ASB I, Busch Campus.
848-445-2133~~

n/a

6. The Policy

~~40.2.7~~ **PETTY CASH FUNDS**

- A. Policy: A petty cash fund may be authorized to expedite the primary work of a department. It is to be used to pay relatively small expenses that are appropriate, necessary, and reasonable to conduct University business, such as:
1. freight and delivery charges;
 2. office supplies;
 3. research and lab supplies;
 4. transportation to and from unexpected meetings and conferences;
 5. similar miscellaneous items; or
 6. incidental meeting expenses; incidental meals.
- B. The Petty Cash fund should not be used for:
1. the purchase of postage stamps for resale;
 2. personal loans or other personal purposes (i.e., no check cashing);

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Page 2 of 3~~

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Page 2 of 5

3. items of \$100 or more which can be anticipated and requisitioned in accordance with the establishment of a checking account;
4. any travel expenses related to overnight travel (other than toll charges, mileage, and parking); or
5. paying student or departmental workers;
6. reimbursement of departmental purchases made using personal debit or credit card (refer to University Policy 40.4.1: Travel and Business Expense Policy); or
- 5-7. human subject payments/participant support payments. -

If a petty cash fund is essential for the smooth and efficient operation of a department, it should be large enough to cover normal petty expenditures during a period of about six to eight weeks. If a request for a reimbursement is not received in the Office of the University Controller~~University Accounting~~ at least every six to eight weeks, this would indicate that the petty cash fund is not essential, and a request will be made to the department to return the funds.

C. Responsibility of the Petty Cash Custodian: To establish a petty cash fund, submit the following:

1. A "~~Questionnaire to Establish University Petty Cash Request Form~~Fund" which can be obtained from the Office of University Accounting website, at <http://ua.rutgers.edu/unrestricted/>.
2. Return the completed and approved form to: pettycash@finance.rutgers.edu or ~~The Division of Office of the University Controller~~University Accounting, Accounts Receivable, Room 300, ASB I, Busch Campus, 33 Knightsbridge Road, 2nd Floor West, Piscataway, NJ 08854.
3. Once approved and established by Accounting, notification will be sent to the individual identified as the custodian with procedures for reimbursement, documentation, and accounting for expenditures.

D. Operation of the Fund: Keep the fund in a locked place (cash box, drawer, cabinet, or safe) physically separated from other monies, such as miscellaneous receipts or stamps (Refer to University Policy 40.2.8: Cash Handling for specific cash handling and safeguarding policies). Petty cash funds are operated on an imprest basis, by which receipts are secured for disbursements and kept in the petty cash box until reimbursement is requested. Thus, the total of currency and the receipts should at all times equal the full amount of the fund. If there is a shortage in the fund for any reason, the shortage must be immediately reported, in writing, by the Custodian or the Business Manager to the Office of the University Controller~~University Accounting~~, the University Controller, or the Internal Audit Department. The Petty Cash Fund Custodian is personally responsible to replenish the fund in the event of a shortage. In addition, the funds are subject to unannounced audits by the Office of the University Controller~~University Accounting~~, the Internal Audit Department~~Audit and Advisory Services~~, State, and external auditors.

For each disbursement, follow one of these procedures:

- a. Secure a receipt from the person receiving the payment (such as cash register receipt, invoice, freight bill, etc.). If possible, have the payee sign/initial the document (if other than a machine-issued receipt); ~~or~~

~~OR,~~

- b. If the payee is unable to furnish you with a separate document, request that the payee confirm the receipt of payment in writing and with a signature. ~~fill out~~ "RECEIVED OF PETTY CASH" Form, in ink, sign it and secure the signature of ~~the payee.~~

- E. Reimbursement of the Fund: As the cash balance of the petty cash fund is reduced, the fund can be reimbursed through the ~~appropriate University system~~ Non-PO Upload process within RU Marketplace. All ~~original~~ receipts supporting the legitimacy and University purpose of the expenditure ~~must be forwarded attached to the requisition within RU Marketplace.~~ The Division of University Accounting, Accounts Receivable, Room 300, ASB I, Busch Campus.
- F. Transfer of Petty Cash Responsibility: All reimbursement requests must contain the name and employee ID of the person responsible for the petty cash funds.

If a transfer of responsibility is warranted, a ~~memo~~ Transfer Request from the business manager should include the signatures of the former custodian, the new custodian, and the Department Head or Authorized Supervisor of the custodian, and the total amounts of cash and receipts transferred to the new custodian. This ~~memo~~ Transfer Request should be forwarded to ~~the Division of University Accounting, Accounts Receivable Department, Room 300, ASB I, Busch Campus.~~ pettycash@finance.rutgers.edu or Office of the University Controller University Accounting, 33 Knightsbridge Road, 2nd Floor West, Piscataway, New Jersey 08854.

If a reimbursement check is required in the absence of the petty cash custodian, a ~~memo~~ Transfer Request should be prepared by the Business Manager to make a "temporary" change in the custodianship of the Petty Cash Fund. The "temporary" custodian should confirm the breakdown of the Petty Cash Fund when they accept responsibility. Upon the return of the original custodian, a ~~memo~~ Transfer Request should be prepared to switch the responsibility back to that individual.

- G. Confirmation of Fund Balance: On an annual basis, a confirmation of petty cash funds will take place. The Office of the University Controller University Accounting will send a letter to each custodian asking to confirm the cash/cash receipts on hand. The custodian and Business Manager should sign and return the form to: pettycash@finance.rutgers.edu ~~pettycash@finance.rutgers.edu or The Division of Office of the University Controller University Accounting, 33 Knightsbridge Road, 2nd Floor West, Piscataway, New Jersey 08854~~ Accounts Receivable Department, Room 300, ASB I, Busch Campus.

- H. Closing out the Fund: When a petty cash fund is no longer needed, contact the Office of the University Controller University Accounting at pettycash@finance.rutgers.edu ~~pettycash@finance.rutgers.edu or, Accounts Receivable, Room 300, ASB I, Busch Campus~~ Office of the University Controller University Accounting, 33 Knightsbridge Road, 2nd Floor West, Piscataway, NJ 08854 for specific

instructions on how to close out the fund_ based upon the accounting system the petty
cash fund was issued from.

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Page 5 of 3~~

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Page 5 of 5