

Change Fund/Petty Cash Fund Procedure

Listed below are the steps to perform open, replenish or close a Petty Cash Fund or Change Fund:

Opening a Change Fund/Petty Cash Fund

1. If one does not exist, create a vendor for the custodian of the Petty Cash/Change Fund
2. Create a PO to the custodian. Invoice and Disbursement and provide the disbursement check to the Petty Cash/Change Fund custodian
 - a. For Petty Cash funds, the expenditure account charged on the PO, the Auditor's Office indicates it must be funded from the General Fund.
 - b. For Change funds, it may be taken from the fund needing it (i.e. athletics, student activity fund)
3. Create a Reduction of Expenditure, using the amount of the Purchase Order and the budget account used.
4. The amount of the Petty Cash/Change Fund must be entered as a reconcilable item when balancing at the end of each month, as it will show as available cash on the system.

Replenishing a Petty Cash Fund

1. When someone requests petty/change fund cash, the custodian disburses the cash from the fund in exchange for receipts related to the purchases. No entry is made in the system at this point.
2. If the fund requires more cash, or at the end of the fiscal year, the custodian requests a check for the difference between the cash on hand and the total assigned to the fund.
3. The receipts should be verified, and a PO, invoice, and disbursement should be issued to the custodian charging all relevant budget accounts used for the related purchases.

Closing a Petty Cash Fund

1. Obtain the monies from the custodian and deposit them in the bank, posting a receipt on the system. The account used on the receipt should be from the same fund the original expenditure was processed against.
2. Create a Refund of Receipt (no check), using the amount and revenue account number from the above step.
3. At this point, you no longer include the amount of the Petty Cash/Change Fund as a reconcilable item when balancing at the end of each month.