

Petty Cash Policy

I. Policy

The College may permit certain departments to establish a petty cash fund for small or emergency purchases to avoid the inconvenience and expense of processing checks through the College's purchasing procedures. This fund should not be used to circumvent the College's purchasing policy.

II. Establishment of Petty Cash Fund

A letter to establish a petty cash fund for the department must be forwarded to the Assistant Controller. The letter should identify the custodian and supervisor, the purpose of the fund, amount of request, security procedures to safeguard petty cash fund and specific location of the fund. The approval or disapproval of this fund will be made within 14 days.

III. Custodian and Control of Petty Cash Fund

The Custodian must ensure that the Petty Cash Fund is secure at all times. The funds and receipts are not to be co-mingled with any other personal funds. The funds should be verified and reconciled (at least monthly, depending on volume) and will be subject to unannounced audit by internal staff and external auditors. Please use the attached Petty Cash Reconciliation form for this. **The Controller must be notified of any change in the petty cash custodian.**

IV. Procedures

Before requesting use of petty cash, ascertain that the goods purchased cannot be obtained from either an on-campus vendor or an off-campus vendor using the College's standard purchasing procedures. Keep in mind certain purchases are prohibited; these include, but are not limited to, the following:

- Alcoholic beverages
- Cashing of personal checks
- Equipment
- New York State Sales Tax
- Payment to individuals/contractors/consultants
- Personal borrowings (IOUs)
- Single purchases in excess of \$50.00
- Travel advances
- Travel expense reimbursements

The College is exempt from New York State Sales Tax and it is the purchasers responsibility to obtain the College's Tax Exemption Certificate. Please contact the Business Office to obtain this Certificate.

V. Using the Petty Cash Fund

A Petty Cash Voucher must be used to expend funds from the Petty Cash Fund. This form, "Petty Cash Voucher" is found on the "S" drive in the FORMS folder. The custodian must pre-approve all expenditures. If an advance is requested on the Petty Cash Voucher, then the estimated amount must be filled in and signed by all parties. Then when the purchase is made, the original invoices or receipts and any remaining funds must be turned into the custodian. The actual amount is then filled in and signed by all parties. At any time, the cash on hand plus documented Petty Cash Vouchers should equal the authorized Petty Cash Fund.

VI. Reimbursing the Petty Cash Fund

Reimbursement may be made as frequently as required, but must be made quarterly (by November 30, February 28, May 31 and fiscal year end August 31). The original invoices or receipts must be attached to the completed Petty Cash Voucher along with the Petty Cash Reconciliation. All this must be attached to the Request for Check. If approved, a check made payable to the custodian will be made within 10 days.

VII. Cash Overage/Shortage

Please contact the Controller if the Petty Cash Fund ever becomes over or short. Depending on the amount, a report might be required by the supervisor and the custodian and be submitted to the V.P. for Administrative Services. Also excessive overages/shortages may result in cancellation of the Fund.

VIII. Closing the Petty Cash Fund

When it is determined that the Petty Cash fund is no longer needed, please contact the Controller. An audit will be made and any funds will be turned over and the Petty Cash Fund will then be closed.

IX. Contact

Any questions or concerns can be addressed to the Controller.