Purpose

This policy outlines requirements regarding the establishment, use, replenishment, termination, and physical security of petty cash, cash equivalents (such as prepaid parking permits, and gift cards), and change funds.

Definitions

Cash
Money in the physical form of currency and coin.

Cash Equivalents

Cash equivalents include money orders, traveler's checks, cashier's checks and certified checks, credit and debit card recordings, banknotes, gift cards, prepaid vouchers, or any other element that can be converted to or used as cash.

Change Funds

An asset of the University usually held in the form of currency and coin and used to make changes for departmental cashiering functions.

Petty Cash Funds

Cash or cash equivalents used to make payments to Human Subjects and related expenses as authorized by the research award.

Proof of Expenditures

A receipt for an expense paid from a petty cash fund that contains the following: date of transaction, name of payee, positive evidence that a payment was made (e.g. an original cash register receipt or original handwritten receipt on which the word ?PAID? appears), payment amount, and description on the face of the receipt of the supplies or services purchased (entered by the vendor if a handwritten receipt is obtained or by the purchaser if a cash register tape is issued). Additionally, all receipts for payment to anonymous Human Research Subjects must be signed off by the Principal Investigator.

Policy
Petty cash, cash equivalents, and change funds must be used strictly in accordance with the purpose for which they were established and authorized. Financial responsibility for these funds resides with the host department.

Establishment

Requests for a new petty cash fund or change fund should be submitted to the petty cash coordinator in the Controller's Office and should include:

1. Petty Cash Establishment Form signed by the custodian and authorized departmental manager
2. Fingerprint Clearance/Background Check Memo issued by the UCPD (UCSF Live Scan Office) if hired before March 13, 2019
3. Certification of completion of “UCSF Petty Cash and Cash Fund Handling Training” and “UCSF Cash Handling Training” courses
4. Valid IRB (Institutional Review Board) letter (required for petty cash establishment only)

Use of Funds

Disbursements must comply with all restrictions placed on the source fund(s).

Change funds are used by cash handling stations to provide coin and currency to make change during the process of receipting and disbursing monies.

Petty cash may only be used for payments to Human Research subjects and related expenditures from funds set up specifically for that purpose and for which confidentiality is essential. Cash payments to each individual research subject shall not exceed $150 per visit. Payments of more than $150 should be made separate submittal to UCSF Supply Chain Management, Accounts Payable. Petty cash disbursements must comply with all restrictions of the fund source.

Petty cash and change funds may not be used for the following:

1. Entertainment, meals, or light refreshments (including approved caterers).
2. Cashing of personal checks.
3. Employee travel-related expenses, e.g. gasoline purchases, car rental fees, and per diem mileage.
4. Purchases elsewhere of services or materials available at a lower total cost through Campus Life Services.
5. Purchase of supplies that are in conflict with the requirements of Capital Projects and Facilities Management regulations.
6. Restricted goods and services that require purchase through Campus Procurement, including but not limited to firearms, explosives, ethyl alcohol, controlled substances, hazardous materials, unapproved caterers, and leases or rentals of vehicles and equipment.
7. Loans to individuals or organizations for both University and non-University transactions.
8. Purchase of laboratory animals.
10. Services of an independent contractor.
11. Inventorial equipment.
12. Alcoholic beverages
13. Parking or driving citations.
14. Borrowed or used for personal use.
15. Deposited into a bank account, including the personal bank account of the petty cash custodian.

Replenishment

Funds should be replenished as needed or when the fund is down to 50% of the total authorized fund.
Fund custodians shall request the replenishment of their funds with the proof of the expenditure receipts or the principal investigator’s signed-log to the petty cash coordinator. Additionally, the request should indicate the account to be charged and be approved by the appropriate department manager or designee who is neither the fund custodian nor an employee reporting to the fund custodian.

Petty cash reimbursement checks will be made payable to the custodian of the fund. Checks are encouraged to be cashed at the drawee bank as there is no fee due to an arrangement between the University and the bank.

Custodial Change

Fund custodians and the related departmental manager are responsible for notifying the petty cash coordinator when terminating University employment, transferring to another position, or are going to be out of the office temporarily for vacations or medical leave of absences.

Department managers may elect to reassign the fund to another authorized employee. If this option is chosen, the department must complete the Petty Cash Change of Custodian form and follow the requirements in the ‘Establishment’ portion of this policy.

Should a custodian terminate University employment, transfer to another position, and neglect to return the petty cash fund or simply leave the petty cash fund in the department without closing the fund, the department head shall deposit the petty cash fund and contact the petty cash coordinator for further instructions. If the custodian fails to leave the petty cash fund in the department, the Controller’s Office will charge the balance of the fund to the department, and it shall be the responsibility of the department to recover the amount of the fund from the former employee.

Termination

When a petty cash or change fund becomes inactive, the remaining cash should be deposited back to the University depository account. A copy of the deposit slip, proof of expenditure receipts, or the Principal Investigator’s signed-log which have not been reimbursed and a Fund Termination Form should be submitted to the petty cash coordinator for processing.

Physical Security

Petty cash, cash equivalents, and change funds are particularly susceptible to theft. It is the personal responsibility of custodians and the departmental manager to take all reasonable precautions to safeguard the assets under their care. In particular, each fund must be kept intact and not be mixed with other funds, and only the custodian may have access to the fund.

Change fund counts are mandatory for each fund based on amounts as follows:

1. Less than $200: Annually
2. $201 - $2000: Semi-Annually

Petty cash fund counts are mandatory for each fund based on amounts as follows:

1. Less than $500: Annually
2. $501 - $2,000: Semi-Annually
3. Greater than $2,001: Quarterly
The Department manager may assign a staff member to perform a cash count when necessary. However, the appointee must be trained on the cash count procedures and should have a thorough understanding beforehand.

1. The Department manager (or designee) shall ensure that the cash fund custodian is not aware of the cash count beforehand.
2. Individuals assigned to conduct a cash count must complete "UCSF Petty Cash and Change Fund Handling Training" and "UCSF Cash Handling Training" courses, and a background check.
3. Both individuals should be present throughout the cash count. The physical cash count shall be performed by the Department manager (or designee) who also shall record the cash counted on the "Cash Count Audit Form." The cash fund custodian shall act only as a witness to the process.
4. Change fund cash on hand should equal the assigned total of the fund with any discrepancy documented on the Cash Count Audit Form.
5. Petty cash on hand plus receipts to be reimbursed should equal the authorized total balance of the fund.
6. Controller's Office staff may conduct random counts from time to time to ensure compliance.

Petty cash and change funds must be kept secure from theft and other hazards. Loss or theft of funds must be reported immediately to the Campus Police Department, and within 24 hours to the Campus Cash Coordinator, Audit and Management Services, and Business, Administrative, and Risk Management Services.

Responsibilities

Departments: All departments, units, or other entities engaged in any form of petty cash or change funds, are responsible for complying with the provisions in this policy. Departments, in consultation with the Campus Cash Coordinator, may adopt more stringent safety measures as appropriate for their respective areas.

Additionally, Departments are responsible for registering cash custodians with the required documentation with the Controller's Office. The department manager must also approve and sign all required forms submitted by the Custodian.

Campus Cash Coordinator: An individual in the Cash and Controls Unit within the Controller's Office who oversees cash-related activity for the University and provides guidance related to cash policy and procedures. The campus cash coordinator approves all reviewed request forms.

Petty Cash Coordinator: An individual in the Cash and Controls Unit within the Controller's Office who is responsible for reviewing, verifying, and processing requests for petty cash and change fund establishment, replenishment, termination, and custodial changes.

Petty Cash Custodian: An employee responsible for controlling and safeguarding petty cash and change funds and for ensuring appropriate documentation is retained on each petty cash transaction and fund reimbursement (in addition to the departmental manager). A fund custodian must have background check clearance conducted by the UCSF Police Department and be approved by their department head.

Department manager: Authorizes Petty Cash Custodians for their department and is responsible for conducting (or designating) petty cash and change fund counts.

Accounts Payable: Department in Supply Chain Management responsible for processing petty cash and change fund Check Requests and issuance of checks to the department.
Any deviation from this policy must be approved in advance by the Campus Cash Coordinator and shall be documented.

Related Policies
- 150-18 - Critical Position Background Checks
- 150-10 - Conflict of Interest

References
- University of California: Cash and Cash Equivalents Received (BUS-49)
- University of California Accounting Manual: Cash and Controls
- UCSF Controller's Office Website

© 2021 The Regents of the University of California

Source URL: https://policies.ucsf.edu/policy/300-44