Petty Cash Policy and Procedure

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Petty Cash Policy

01. Policy Statement

Students, faculty, and staff may receive immediate cash reimbursement for appropriate out-of-pocket expenses totaling less than $100 by visiting the petty cash office and submitting a petty cash voucher complete with necessary documentation. The purpose of the petty cash office is not to circumvent the travel and entertainment reimbursement process, but to allow for immediate reimbursement of small dollar amount expenses.

02. Reason for Policy

The goal of this policy is to provide clear guidance as to what constitutes appropriate expenditures for petty cash reimbursement, as well as to inform the various parties of their responsibilities associated with managing the process and obtaining the reimbursement.

Given the high volume of transactions flowing through the four petty cash offices located on the Pleasantville, Manhattan, School of Law, and Graduate center campuses, it is imperative to ensure that:

- the faculty, staff, and students know what documentation is required to be reimbursed for expenses via the petty cash offices,
- the department chairs, supervisors, and heads who authorize petty cash reimbursements are properly reviewing expenses before signing petty cash vouchers,
- the petty cash officers understand their various responsibilities and are properly managing petty cash funds,
- only reimbursable expenses are being disbursed by petty cash officers, and
- Finance and Planning (“F&A”) reviews the petty cash transactions before generating a check to replenish funds and processing a journal voucher to allocate costs to the appropriate index.

03. Who Needs to Know This Policy

All faculty and staff, and any member of a University sponsored student organization who incur expenses that are eligible for reimbursement should be familiar with this policy. Also, any employee who is involved with the administration of petty cash reimbursement should be familiar with this policy. This includes all department deans, chairs, and heads, members of the Office of Student Affairs, and members of Finance and Planning who approve, review, or process petty cash transactions.
04. Explanation of Reimbursable Expenses via Petty Cash

Faculty and Staff:

Meals (non-travel), supplies, postage, and classroom materials are all reimbursable items via the petty cash office. Travel and utility expenses, such as taxi, train, cell phone, or internet, are not reimbursable via the petty cash offices. These items must be reimbursed by submitting a Travel and Expense Form to Finance and Planning.

Students:

Students can be reimbursed for any expense, with the exception of alcohol, associated with an approved function of the University sponsored student organization to which the student belongs. This includes expenses for travel.

Notes:

- The maximum daily reimbursement is $100 per person. Under no circumstance should a transaction be split in an effort to bypass the maximum daily reimbursement.
- All expenses should be submitted for reimbursement within 30 days of the date that the expense was incurred.

05. Sponsored Projects

Reimbursement requests for expenses charged to sponsored projects are subject to the guidelines provided in this policy, unless the funding agency imposes greater restrictions. The terms of a particular grant or contract should be referred to for guidance on what expenses are allowed. For guidance on expenses that can or cannot be charged to projects that are funded by the federal government, refer to the F.GR.001.PO Allowability Cost Policy.

06. Responsibilities of Faculty, Staff, and Students

It is the responsibility of the faculty, staff, and students who are receiving reimbursements to accurately complete the petty cash voucher, obtain appropriate signatures approving the transaction, and present the voucher, along with all necessary supporting documentation to the petty cash office. A completed petty cash voucher contains:

- correct index and account codes, which should be verified by the approver,
- a description of the expense,
- an explanation of its business purpose, and
- a signature from the department chair, supervisor, or head.

An original receipt reflecting the amount, the date of the transaction, and the vendor name will serve as the supporting documentation. If an original receipt is not available, a Missing Receipts Form signed by the Budget Representative approving the expense can be used.

All faculty, staff, and students receiving reimbursement will be asked to sign the petty cash voucher as confirmation of reimbursement.
07. Responsibilities of Department Chair, Supervisor, or Head

Before faculty, staff, and students can submit a petty cash reimbursement voucher to the petty cash office, they must have their department chair, supervisor, or head sign the voucher, approving the transaction. By signing the voucher, the approver is acknowledging that the following has been confirmed:

- the index provided on the voucher is valid and open,
- that the expenses are allowable if the index involved is associated with a sponsored project (see section “F.PC.001.PO.5 Sponsored Projects”),
- funds are available in the index provided, and
- the business purpose provided on the voucher is appropriate for reimbursement, utilizing the funds identified.

08. Responsibilities of the Petty Cash Officer

As the gatekeeper of the funds, the Petty Cash Officer has numerous responsibilities throughout the reimbursement process. This individual is responsible for:

- reviewing petty cash vouchers, attached documentation, and Pace ID for accuracy,
- verifying that the attached receipts sum to the total reimbursement request,
- dispensing cash to faculty, staff, and students,
- reconciling the petty cash drawer on a daily basis, at the close of business, to ensure that available cash, reimbursed vouchers/receipts, and outstanding check requests equal the total authorized amount for the petty cash drawer,
- completing a reconciliation form and submitting a check request to F&A to replenish the petty cash drawer after a number of disbursements have been made to faculty, staff, and students based on the schedule identified in the petty cash procedure,
- following-up on outstanding check requests submitted to F&A to replenish the petty cash fund,
- cashing the check to replenish the petty cash fund, and
- confirming the deposit of the replenished funds into the petty cash fund.

Notes:

- The title “Petty Cash Officer” is not an official University job title, but is used to describe the Office of Student Affairs employees who perform the daily functions described in this policy.
- The Petty Cash Officer is not permitted to cash personal or payroll checks for faculty, staff, or students.
09. Responsibilities of Finance and Planning

When petty cash funds need to be replenished, the Petty Cash Officer will submit the collected vouchers with a reconciliation form and a check request to F&A. F&A is then responsible for reviewing the petty cash reconciliation and supporting documentation for accuracy and generating the check to replenish petty cash funds. It is at this time that a journal voucher will be prepared and keyed into Banner to allocate the costs to the appropriate indexes. Items keyed into Banner include the transaction date, chart string, and amount where appropriate as well as the requestor’s name in the description area.

As part of a general audit, representatives from F&A will perform a reconciliation of the petty cash drawers, located at each of the four campuses, at random intervals throughout the year. This audit is completed to confirm that this policy and associated procedures are being followed, along with confirming the accuracy of the daily reconciliation performed by each Petty Cash Officer.

10. Missing or Inadequate Documentation

When the original receipts have been lost or cannot be obtained, the individual requesting reimbursement must provide other documentation that may support the validity of the expenses.

When submitting documentation in lieu of original receipts, complete a Missing Receipts Form. The Missing Receipts Form is intended to respond to valid, unavoidable instances where original receipts or appropriate documentation cannot be obtained or were lost.

11. Where Can I Find the Necessary Forms Online?

The Petty Cash Voucher, Travel and Entertainment Reimbursement Form, and Missing Receipts Form can be obtained by following the link below:

http://www.pace.edu/page.cfm?doc_id=4850
Petty Cash Procedure

21. Process Summary

This section summarizes the Pace University business process for reimbursing and reconciling petty cash transactions.

Students, faculty, and staff may receive cash reimbursement for allowable out-of-pocket expenses totaling less than $100 by visiting the petty cash office and submitting a petty cash voucher complete with necessary documentation.

Upon review of the petty cash voucher and expense receipts, the Petty Cash Officer will dispense requested cash and file the vouchers and attached receipts in the petty cash drawer. At the close of each business day, the Petty Cash Officer will perform a reconciliation of the petty cash drawer and complete a reconciliation sheet. When the Petty Cash Officer collects vouchers totaling 20% of the authorized petty cash fund, they complete and submit a check request in the form of a reconciliation sheet for the amount to be reimbursed. The Petty Cash Officer will then submit the reconciliation sheet, and the collected vouchers with attached expense receipts to Finance and Planning.

Finance and Planning will review the reconciliation sheet, petty cash voucher, and supporting documentation to ensure accuracy and completeness before processing the vouchers and generating a check for the requested amount.

Once the check is generated, it is sent to the Petty Cash Officer who submitted the original check request. The designated security service is then contacted to transport the check to the bank for cashing. The security service will deliver the cash to the Petty Cash Officer, who will confirm the amount received prior to storing the cash in the safe.

To document the chain of custody and for tracking purposes, the security service will sign and date the deposit book as verification that they received the check and again when the cash delivery has been made.

Note: The title “Petty Cash Officer” is not an official University job title, but is used to describe the Office of Student Affairs employees who perform the daily functions described in this document.

22 Who Is Required to Sign Petty Cash Vouchers?

At the conclusion of the reimbursement process, every petty cash voucher will have been signed four times.

1. The individual who submitted the voucher for consideration.

2. The department chair, supervisor, or head who reviewed the voucher for accuracy and appropriateness, then approved the expense reimbursement.

3. The Petty Cash Officer, who completed the reimbursement. This signature is the indication that the voucher has been reviewed and approved and the cash disbursement completed.
4. The individual who obtained the reimbursement, as an indication that the money was received.

23. Basic Process

Completing the Petty Cash Vouchers for Reimbursement

Faculty, staff, and students must complete and submit a petty cash voucher to the petty cash office to be reimbursed for expenses. A completed petty cash voucher contains:

- correct index and account codes, which should be verified by the approver,
- a description of the expense,
- an explanation of its business purpose, and
- a signature from the department chair or supervisor.

An original receipt reflecting the expense amount, the date of the transaction, and vendor name will serve as the supporting documentation. If an original receipt is not available, a Missing Receipts Form must be completed and attached to the Petty Cash Voucher.

Reviewing Submitted Vouchers and Disbursing Requested Cash

Each voucher must be reviewed for accuracy and completeness before disbursing the requested cash. As part of the review, the Petty Cash Officer will confirm that the following questions have been addressed or answered before remitting payment:

- Has the person who submitted the voucher provided the necessary information for all fields?
  - All fields must be filled on the voucher including the index code, account code, the expense amounts, a description of the expense, and the signature lines.

- Are there two unique signatures on the voucher?
  - All vouchers must be signed by the person submitting the voucher and a department chair or supervisor. The person submitting the voucher cannot approve their own voucher.

- Has the person who submitted the voucher attached all necessary documentation?
  - Each voucher must have original expense receipts attached.
  - If the original receipt is unavailable, a Missing Receipts Form must be completed and attached to the Petty Cash Voucher.

- Are the expenses listed on the voucher reimbursable?
  - Faculty and staff cannot be reimbursed for travel or utility expenses, such as cell phone, telephone, or internet bills via petty cash.
  - Students cannot be reimbursed for alcohol via petty cash.
The Petty Cash Officer may disburse cash only after the above criteria have been met. If the above criteria are not met, the Petty Cash Officer will return the voucher to the faculty, staff, or student.

**Daily Reconciliation of the Petty Cash Drawer**

At the close of each business day, the Petty Cash Officer must reconcile the petty cash drawer to account for all cash-on-hand, vouchers, and checks in process. The reconciliation will involve following the below steps:

1. Count the cash-on-hand and record the totals on a reconciliation sheet.
2. Count the value of all collected petty cash vouchers and record the total on a reconciliation sheet.
3. Determine the dollar amount of checks currently being processed.
4. Verify that the sum of totals calculated in steps 1, 2, and 3 is equal to the authorized petty cash fund.
5. Record overages and shortages on the reconciliation sheet.
6. Sign and date the reconciliation sheet.

**Completing and Submitting a Check Request to Replenish Petty Cash Fund**

The Petty Cash Officer will prepare and submit a check request to Finance and Planning in the form of a reconciliation sheet to replenish petty cash funds when the collected vouchers total 20% of the authorized petty cash fund. To properly do so, the Petty Cash Officer will:

- Submit all of the collected vouchers with attached expense receipts and the reconciliation sheet specifying the check request amount to Finance and Planning.
- Obtain a signature from the Petty Cash Officer’s supervisor verifying the accuracy of the check request.

**Reviewing Vouchers, Receipts and Check Request**

Before generating a check, Finance and Planning must review the vouchers and receipts for accuracy. As part of the review, the following questions will have been addressed or answered before approving the request:

- Has the Petty Cash Officer ensured that the person who submitted the voucher filled in all necessary fields?
  - All fields must be filled on the voucher including the index code, account code, the expense amounts, a description of the expense, and the signature lines.
- Are there four signatures on all of the vouchers (three of which must be unique)?
  - All vouchers must be signed by the person who submitted the voucher, a department chair or supervisor, and the Petty Cash Officer. The person submitting the voucher cannot approve their own voucher.
Has the Petty Cash Officer ensured that the person who submitted the voucher attached all necessary documentation?

- Each voucher must have original expense receipts attached.
- If the original receipt is unavailable, ensure that a Missing Receipts Form be completed and attached to the Petty Cash Voucher.

Did the Petty Cash Officer accurately reconcile the petty cash drawer?

- Finance and Planning should verify the accuracy of the reconciliation sheet. If there are any discrepancies, the Office of Finance and Planning will work with the Petty Cash Officer to resolve the issue.

**Processing Petty Cash Vouchers and Generating Check**

After Finance and Planning reviews all petty cash vouchers and confirms that all indexes are active, a check will be generated to replenish the petty cash fund. Finance and Planning will then prepare a journal voucher to allocate expenses accordingly.

If Finance and Planning determines that an index provided on a voucher is inactive it may be necessary to contact whoever submitted the voucher or the department chair or supervisor who signed the voucher. Finance and Planning must work with the Petty Cash Officer to resolve the issue.

Once the check is generated, it is sent to the Petty Cash Officer who submitted the original check request.

**Cashing the Check**

Once the Petty Cash Officer receives the check, the designated security service is contacted to transport the check to the bank for cashing. The security service will deliver the cash to the Petty Cash Officer, who will then confirm the amount received prior to storing the cash in the safe with the petty cash.

To document the chain of custody and for tracking purposes, the security service will sign and date the deposit book as verification that they received the check and again when the cash delivery has been made.

**24. Completing the Missing Receipts Form**

When submitting documentation in lieu of original receipts, the requestor must complete and submit a Missing Receipt Form to A/P. The requestor must explain why the original receipts are not available and indicate the other documentation being provided to support the request for reimbursement for the expenses reported. A properly completed Missing Receipt Form contains:

- the transaction information, including date and amount,
- a description of the expense,
- an explanation of its business purpose, and
- a signature from the department chair or supervisor.
Note: Departments are advised to review habitual inability to provide original receipts and other appropriate documentation.

**25. Where Can I Find the Necessary Forms Online?**

The Petty Cash Voucher, Travel and Entertainment Reimbursement Form, and Missing Receipts Form can be obtained by following the link below:

http://www.pace.edu/page.cfm?doc_id=4850
26. Petty Cash Process Flowchart

Requestor makes initial purchase → Requestor completes the required voucher → Requestor submits the voucher and receipts to the petty cash officer ("PCO") → Have original receipts?

- Yes → PCO makes reimbursement
- No → Duplicate receipts available?

- Yes → Requestor submits a Missing Receipts Form and a copy of the original receipt
- No → Requestor submits a Missing Receipts Form

At the close of business, PCO performs a daily reconciliation of the petty cash drawer

- Must funds be replenished?
  - Yes → PCO completes a reconciliation form
  - No → PCO is ready for the next business day

F&A Office reviews the reconciliation form and receipts

- F&A verified all transactions?
  - Yes → PCO provides the requested documentation
  - No → F&A Office processes the check request

PCO sends reconciliation form, collected vouchers, and check request to the F&A Office

F&A Office sends the check to the PCO via inter-office mail

Security service cashes check at the bank

- Pleasantville or Manhattan office?
  - Yes → PCO notifies bank check is being requested
  - No → Security service requests a signature to verify receipt of cash

PCO endorses the check → PCO gives endorsed check to security service and security signs deposit book

PCO verifies funds and reconciles the safe to the original amount → PCO is ready to reimburse the next requestor
27. Sample Petty Cash Voucher

This section must be completed for all entertainment, meals, incidentals, and incidental expenses.
# Sample Reconciliation Sheet

**Cash on hand:**

<table>
<thead>
<tr>
<th>Bills:</th>
<th>Quantity</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>____</td>
<td>____</td>
<td>____</td>
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<tr>
<td>____</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loose coins:</th>
<th>Quantity</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>____</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
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<td>____</td>
<td>____</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rolled coins:</th>
<th>Quantity</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2 dollars</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td>quarters</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td>dimes</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td>nickels</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td>pennies</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
</tbody>
</table>

**TOTAL CASH ON HAND:**

**Check requests in transit:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total check requests in transit:

**Reimbursement requested in this reconciliation (vouchers paid):**

**Other disbursements:**

(1) Checks cashed
(2) Emergency
(3) Other (please describe)

Total other disbursements:

**TOTAL PETTY CASH FUND:**

I hereby certify that the above reconciliation is correct and the cash amount stated above has been counted and is on hand.

<table>
<thead>
<tr>
<th>Cashier’s Signature</th>
<th>Date</th>
<th>Supervisor’s Signature</th>
<th>Date</th>
</tr>
</thead>
</table>
# 29. Sample Missing Receipts Form

**Instructions:** This form is used to document a transaction for which an employee is missing the original receipt. This form should be used in accordance with Pace University’s F.TE.001.PO Travel and Expense Reimbursement Policy and F.PC.001.PO Petty Cash Policy.

## Missing Receipt Form

<table>
<thead>
<tr>
<th>EXPENSE TRANSACTION INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Name:</td>
</tr>
<tr>
<td>Current Date:</td>
</tr>
<tr>
<td>Department Name:</td>
</tr>
<tr>
<td>Transaction Date:</td>
</tr>
<tr>
<td>Index #:</td>
</tr>
<tr>
<td>Expense Report Date:</td>
</tr>
<tr>
<td>Vendor Name:</td>
</tr>
</tbody>
</table>
| Amount $:                       | $0.00
| Reference #:                    |

## DESCRIPTION OF PURCHASE

[describe]

## MISSING RECEIPT AFFIDAVIT

I certify that the transaction amount documented above was incurred on behalf of Pace University as a legitimate business expense. The charge complies with Pace University’s F.TE.001.PO Travel and Expense Reimbursement Policy and F.PC.001.PO Petty Cash Policy. This form is submitted as a substitute to the missing original receipts.

Initial for acknowledgement of affidavit: ____________________

## THIS SECTION COMPLETED BY EMPLOYEE

<table>
<thead>
<tr>
<th>Print Name:</th>
<th>Signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td><strong>Note: Attach this statement to your Petty Cash Voucher or Travel and Expense Form</strong></td>
</tr>
</tbody>
</table>

## THIS SECTION COMPLETED BY EMPLOYEE’S SUPERVISOR

<table>
<thead>
<tr>
<th>Print Name:</th>
<th>Signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>Title:</td>
</tr>
</tbody>
</table>