6.6. PETTY CASH FUNDS

**A. Types of Funds**

Two types of [petty cash funds](http://financials.utexas.edu/hbp/glossary%22%20%5Cl%20%22petty-cash-fund) may be established:

* [Change funds (non-retail)](http://financials.utexas.edu/hbp/glossary%22%20%5Cl%20%22change-fund) are for change-making operations involving receipts (sales, fees, deposits, etc.) and should always contain cash or cash-in-transit for change. This is a fund used to make change for sales operations using a cash box, drawer, or cash register.
* [Imprest funds](http://financials.utexas.edu/hbp/glossary%22%20%5Cl%20%22imprest-fund) allow the immediate purchase of emergency items necessary to the department's operation. These funds may be managed as cash or through bank accounts. These funds are generally made up of cash, reimbursement vouchers in process, and evidence of disbursements (paid receipts) equal to the amount of the fund. Due to additional administrative costs and other issues, bank accounts will only be allowed if the department can demonstrate why a cash fund will not suffice.

**B. Restrictions**

* Petty cash funds are only available when purchases cannot be charged to a Procard or purchased using any other method of payment.
* Purchases must be allowable under The University of Texas at Austin purchasing rules.

**C. Setting Up Petty Cash Funds**

To request that a petty cash fund be set up, send the following items to Accounting and Financial Management at this address:

Accounting and Financial Management

Cash Management

Attn: Petty Cash

Mail Code: K5300

* A letter that includes the following elements:
	+ Department name—the name of the department proposing the fund
	+ Specific limitation—specifics about the proposed types of uses expected, such as small purchases or providing change
	+ Internal control—who will reconcile the account monthly
	+ Desired amount
	+ Account number
	+ Security arrangement—how the funds will be secured (e.g., locked safe, locked office, vault)
	+ Physical location of the fund
	+ Responsible person—the department chair, dean, or other person ultimately responsible for the funds
	+ Custodian names and titles—the person responsible for daily accounting of funds. This should be supervisory level personnel.
	+ Signature of the director, appropriate dean, or vice president showing approval for the fund requisition
* Proof that the custodians have completed [Cashier Training](https://utexas.csod.com/LMS/LoDetails/DetailsLo.aspx?loid=28de0966-1ba7-4ad1-8666-1ae762ec2255&query=?s=&q=cashier&back=/GlobalSearch/Search.aspx?s=&q=cashier" \l "t=1). Upon completion of the course, the custodian must print the list of modules completed from the [Compliance Training Profile page](https://utdirect.utexas.edu/cts/index.WBX?s_show_all=Y) of the Compliance Training System and include it with the letter.

**D. Petty Cash Maintenance Requirements**

The following petty cash maintenance requirements are in place to ensure proper cash management procedures are followed in compliance with [UTS166 Section 7 Cash Handling](http://www.utsystem.edu/board-of-regents/policy-library/policies/uts166-cash-management-and-cash-handling-policy).

1. Approved letter required by section 6.6.C. above authorizing the establishment of the petty cash account must be kept by the department as long as the account is in use.  Letter must be made available to auditors or other administrative staff upon request.
2. Reconciliation

	1. Monthly reconciliations for all petty cash accounts are required. Reconciliations for petty cash accounts over $500 must be submitted to the Cash Management section of Accounting and Financial Management. Email Cash Management at oa.cmlocal@austin.utexas.edu for box upload instructions.
	2. Petty cash bank accounts should use the Imprest Fund Bank Account Reconciliation form [AC217-4](https://utexas.box.com/v/imprest-fund-bank-acct-recon) and non-bank account (cash) petty cash accounts should use the Cash Imprest Fund Reconciliation Sheet form [AC217-3](https://utexas.box.com/v/cash-imprest-fund-reconc). Other reconciliation formats are allowable with approval from Cash Management.
	3. If the reconciliation of a petty cash account over $500 is not received within 60 days after the close of a month, the account will be referred to the Office of Internal Audits for review.
3. Annual Confirmations – at least annually, Cash Management will:

If the confirmation of a petty cash account of $500 or more is not received within 60 days of the original request, the account will be referred to the Office of Internal Audits for review.

* 1. Confirm the continued need of each petty cash account.
	2. Confirm the appropriateness of the balance of each petty cash account.
	3. Confirm the account contact information of each petty cash account, including verifying and/or updating the responsible person and custodian(s).