




# National University of Health Sciences General Policies

Title: <b>Petty Cash Funds</b>	Page	<b>1</b>	of	<b>3</b>
Date Adopted: <b>12/07/92</b>	Date(s) Revised:			
 _____ President		<b>3-9-09</b>		_____ Date

## POLICY STATEMENT

National University of Health Sciences (NUHS) will make available, when it is deemed necessary to carry out University business, petty cash funds of nominal amounts to department/clinics for the purchase of miscellaneous and incidental items.

## PROCEDURES

### Establishment of a Petty Cash Fund:

To establish a petty cash fund, the department or clinic seeking the fund must submit a written request, approved by the Vice President for Business Services, to the Financial Services Director. The request should state the reason the fund is required and the amount needed for daily activities.

The Financial Services Director must designate a custodian of the fund with the following responsibilities:

- a. The Petty Cash Fund Custodian will be responsible for the safekeeping, control, and proper usage of the fund.
- b. The Financial Services Director may delegate the authority to make disbursements from the fund to another staff member in the department during periods of the custodian's absence. Such delegation does not remove responsibility of the fund's safekeeping and proper use from the custodian.

Loss of Funds: Monies which are lost, due to the custodian's improper safeguarding of the fund or its misuse, are the liability of the custodian and may require repayment by the custodian.

Monies which are lost due to circumstances beyond the control of the custodian will be repaid from the department's budget or other available operating funds.

Segregation of Funds: Petty cash funds are to be kept separate and must not be commingled with any other funds.

Overages and Shortages: Overages in the fund must be deposited with the Finance Office cashier. Recurring or excessive shortages may require that the approval for a petty cash fund be reviewed for continued availability.

Expenditures from Funds:

1. There is a \$50 limitation per purchase and per vendor. Simultaneous purchases from different vendors must not be made to circumvent the \$50 limitation.
2. Any emergency purchase or transaction of \$50 or more must have the prior approval of the budget center manager followed by written approval on the voucher before presentation for payment.
3. Under no circumstances may inventorial items or fixed assets be purchased through petty cash funds.

Fund Limitation:

1. The University does not pay sales tax. Every effort should be made to have it eliminated from purchases. Obtain the necessary tax-exempt certificate number from the Purchasing Department to use when purchases are made.
2. If an item is not ordered through the Purchasing Department, a justification must be made for the direct purchase.
3. Petty cash reimbursement will be made, provided receipts exist and expenditures do not exceed \$50.

Verification/Control:

1. Petty cash funds must be balanced on a weekly basis by the budget center manager or designee and submitted for reimbursement. The designee must not be the petty cash custodian. Verification will include checking that the cash, plus receipts in the fund, equal the authorized petty cash balance. Any discrepancies must be reconciled.
2. Funds are also subject to verification by auditors.

Procedures for Reimbursement of Department Petty Cash Funds:

The fund custodian must ensure the following before any reimbursements may be made:

1. A receipt should be obtained for each expenditure. Vendor receipts should show the date, amount, and description of purchases.
2. To reimburse from the petty cash fund, a petty cash voucher form must be completed.
3. All disbursements must be itemized.
4. The date, reason, amount, and disbursement receipt numbers (when used) for each expenditure must be shown.
5. The individual seeking reimbursement must complete a voucher which must be approved by an authorized departmental signature per the authorized signature listing.
6. The voucher should then be submitted to the cashier/petty cash custodian for reimbursement.

