INSTRUCTIONS TO CUSTODIANS OF PETTY CASH FUNDS

1. You are personally responsible for the petty cash for which you are the custodian. Funds unaccounted for may be withheld from your paycheck.

2. The value of individual purchases should generally not exceed $50.00. Petty Cash should NEVER be used to pay employees, individuals or businesses for services rendered. In special circumstances, after consultation and prior approval from General Accounting/Financial Reporting and Account Services, a Subject Cost Petty Cash Fund may be established to pay volunteer subjects. There are special UVM rules and IRS laws for these payments due to the 1099 tax reporting implications. No subject payments can be paid until after the Subject Cost Petty Cash is opened and the Custodian is made aware of these laws. No reimbursements for subject payments will be made without the proper UVM and IRS paperwork.

3. A receipt MUST be obtained for each expenditure showing payee, date, amount, product(s) purchased. Items with no receipt will not be reimbursable when it is time to replenish the fund. The Custodian is responsible for requiring receipts for all purchases through their Petty Cash fund.

4. The locked box or locked container in which the fund is kept should ALWAYS have cash and receipts totaling the amount of the authorized fund. When cash is removed by the custodian for a purchase OR issued to another person to make a purchase, a note describing this transaction must be placed in the locked container until a receipt is received for the records. That way, when you reconcile the fund or a call-in is made, all the receipts, plus the value of those notes, plus the cash should equal the total value of the issued fund.

5. Your request for replenishment to the fund should be prepared when the fund is depleted by about one-half. For CASH replenishment complete a petty cash replenishment form, attach the supporting receipts and any other supporting documents, and submit it to the General Accounting/Financial Reporting and Accounting Services Department. For replenishment in CHECK form complete a replenish petty cash in check form and a Disbursement Center check request form, attach the supporting receipts and any other supporting documents and send to the Disbursement Center.

6. Generally speaking, the fund should be turning over at least once a month; that is, the total of your expenditures over a four-week period should equal the amount of your fund. This will vary, of course, but the objective is to maximize the cash the University can invest and minimize the chance of significant theft.

7. Please be aware that Vermont Sales Tax should not be paid since UVM is exempt from this tax. Please obtain a copy of UVM’s exemption certificate from the University Financial Services Forms webpage. Keep copies of the certificate with the fund’s cash in the locked container to be given out when you make a purchase.

8. Losses through theft should be immediately reported to Police Services and General Accounting. The fund should be replenished promptly with a written explanation signed by the appropriate Chairperson/Director.

9. When a change in the responsible custodian for a fund is anticipated you will need to close out your fund by filling out a petty cash closeout form and submitting a petty cash request form for the new custodian.

10. You can expect periodic unannounced audits of your fund on location and a possible call-in of all moneys prior to the fiscal year-end as the situation dictates or any time of the year at the discretion of General Accounting/Financial Reporting and Accounting Services Department.

Any questions regarding the above procedures should be directed to the General Accounting Office in Financial Reporting and Accounting Services: 656-4196

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