UVM PETTY CASH

What is a UVM Petty Cash Fund?
A Petty Cash Fund is a cash fund kept secured for immediate use when a UVM purchase order or a UVM purchasing card cannot be used. Petty Cash Funds are maintained by a designated Custodian, who must be an on-going UVM employee. Generally speaking, the fund should need replenishment at least once a month; that is, the total of the expenditures over a four-week period should equal the amount of the fund. This will vary, of course, but the objective is to minimize the chance of significant theft. If the fund does not need replenishing at this frequency, then it is too large.

How do I Obtain a Petty Cash Fund?
The fund must be requested by the Custodian, using the Request for Petty Cash Form, signed by the appropriate Chairperson, Dean or Director, then submitted to General Accounting for Approval.

- For Petty Cash in the form of cash, once your request is approved, you will be sent to the Treasury Services office and will need a form of identification for the cash to be issued.
- For Petty Cash in the form of a check, a Check Request Form must also be submitted. Route to General Accounting for approval. General Accounting will route to the Disbursement Center. Please allow 10 working days for additional processing by the Disbursement Center to receive check.

How do I Replenish a Petty Cash Fund?

- To replenish a fund in cash, use the Summary of Petty Cash for Replenishment Form and mark the CASH box. The form must be brought to General Accounting by the Custodian with signatures and receipts.
- To replenish by check, use the Summary of Petty Cash for Replenishment Form and mark the CHECK box and submit the form to General Accounting with a Check Request Form, signatures and receipts. Route to General Accounting for approval. General Accounting will route to the Disbursement Center. Please allow 10 working days for additional processing by Disbursement Center to receive check.

How do I Close a Petty Cash Fund?
To close out a Petty Cash Fund use the Summary of Petty Cash Expenditures for Closeout Form and submit to General Accounting with signatures and receipts. If there is cash on hand, General Accounting will approve the closeout paperwork and send you to the Treasury Services office. Do NOT send cash through campus mail!

When do I close a Petty Cash?
When the event, research study, or other business purpose has been fulfilled, the Fund should be closed. Additionally, when the Custodian of any Petty Cash Fund leaves the department, or terminates employment, the fund must be closed out before a new Custodian can be assigned. Please note, the University will deduct the money from a Custodian’s paycheck for any misuse of funds or loss of funds through mismanagement as authorized by the Custodian on the Request for Petty Cash Form.

Types of Petty Cash Funds
There are four types of Petty Cash Funds:

- Standard Long-term Petty Cash Funds (10050) – they are long term, based upon an ongoing and revolving use of the funds for which replenishments are done on a frequent and regular basis. An example would be a departmental Petty Cash Fund.
- Change Funds (10052) – they may be short-term or long-term in nature and are used exclusively for making change in a cash register or for a specific event. Some examples would be a change fund in the cash register at the Fleming Museum, a change fund for vending machines at the library, or a change cash box for a sporting event ticket sales. These funds should not be mixed with other types of Petty Cash Funds.
UVM PETTY CASH

- **Subject Cost Petty Cash Funds (10051)** – have an end date by which they will be closed out, and are used for subject payments in research studies. An example would be a specific study within the Psychology department. These funds should not be mixed with other types of Petty Cash Funds or be used for anything other than subject payments to individuals. There are strict IRS reporting laws associated with these accounts. All subjects must complete a Payment Acknowledgement form which is turned in with the replenishment form for IRS 1099 reporting. Additional information for these types of payments can be found at the Research Participant 1099 tax reporting information.

- **Short-term/Event Petty Cash Funds (10053)** – These are short-term funds provided for a specific event or project, and have a definite end date by which they are to be closed out. An example might be Orientation, Graduation, or a student life event.

**What are Some Proper Uses?**

- Emergency situations where a purchase order cannot be obtained.
- The payment of subject costs, in order to protect the subject’s anonymity, through a Subject Cost Petty Cash Fund.

**What are Some Misuses?**

- With the exception of Subject Cost Petty Cash Funds, Petty Cash should NEVER be used to pay employees, individuals or businesses for services rendered.
- Petty Cash should never be used to circumvent another UVM Policy. For example, one should not use funds from a Petty Cash account for travel advances or because an emergency loan was denied.
- Never open a separate bank account outside of UVM with Petty Cash Funds. If a check needs to be written to an individual, a Check Request Form processed by the Disbursement Center should be used.

**INSTRUCTIONS TO CUSTODIANS OF PETTY CASH FUNDS**

1. You are personally responsible for the Petty Cash for which you are the Custodian. Petty Cash Funds must be secured/double-locked any time they are unattended or not in immediate use – for example, a locking box kept in a locked desk or safe. Funds unaccounted for or misused may be withheld from your paycheck. If Petty Cash procedures are not followed, your Petty Cash privileges will be terminated.
   - When a change in the responsible Custodian for a fund is anticipated for reasons such as leaving the department or terminating employment, you will need to close out your fund by filling out a Petty Cash Closeout form. The fund must be closed out before you leave. A new Custodian will need to complete a Request for Petty Cash Form.

2. Receipts, payment acknowledgement forms and all other documentation must be obtained and submitted to General Accounting prior to the expense being recorded as incurred. Various expenses have different documentation requirements, so please refer to the appropriate UVM policy or procedure – for example, the Business Meal, Hospitality and Amenity policy for any business meal-related expenses paid with Petty Cash. Items that do not have appropriate documentation 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.
   - Please be aware that Vermont Sales Tax should not be paid since UVM is exempt from this tax. Use UVM’s VT State Sales Tax Exemption Certificate and keep copies of the certificate with the fund’s cash in the locked container to be given out when a purchase is made. If VT State Sales tax is charged, the Custodian must reimburse UVM.

3. 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

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UVM PETTY CASH

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.

- When the Petty Cash Fund is reconciled 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.
- This reconciliation must take place on a monthly basis.

4. The request for replenishment to the fund should be prepared when the fund is depleted by about one-half. Generally speaking, the fund should be turning over at least once a month; that is, the total of the expenditures over a four-week period should equal the amount of the fund.

5. Losses through theft should be immediately reported to UVM Police Services and the General Accounting Office at genacct@uvm.edu. The fund should be replenished promptly with a written explanation signed by the appropriate Chair/Director.

6. You can expect periodic unannounced audits of the 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 Account Services Department.

Any questions regarding the above procedures should be directed to the General Accounting Office in Financial Reporting and Account Services, 333 Waterman Building: 656-9865.

Which Forms & For What Purpose?

- **UVM Request for Petty Cash Form** – Used to open a new Petty Cash Fund, all types, or to re-open an account under a new Custodian’s name.

- **Summary of Petty Cash for Replenishment in Cash Form** – Used to replenish, in cash, an existing Petty Cash Fund.

- **Summary of Petty Cash for Replenishment in Check form**—Used to replenish, in check form, an existing Petty Cash Fund.

- **Summary of Petty Cash Expenditures for Closeout Form** – Used to close out an existing Petty Cash Fund of any type.