

#### **04.301 Petty Cash, Demand Deposits, and Working Funds**

Petty Cash funds, Demand Deposits, and Working Funds are established by the authority of the Controller or Vice Chancellor for Finance, or their delegated representative. To establish a cash fund, a justification should be submitted to the University Purchasing Services Division for review. The justification should explain the need for the funds, identify the individual who will be responsible for the moneys, and state where the funds will be located. If the request is approved, the requesting department will be instructed to prepare a spot purchase order payable to the fund custodian. If the request is not approved, alternative methods of solving the requesting department's needs will be addressed.

Petty cash funds and demand deposits accounts are maintained in an imprest basis, which means the amount of the fund will remain constant, and the custodian will be reimbursed by check when a purchase order with proper receipts is presented to the University Payment Services Division. Custodians are required to balance the account routinely, and to request reimbursements on at least a monthly basis. Expenditures must meet the legal requirements for the fund group, and the moneys may not be used to circumvent current purchasing procedures. The funds are subject to surprise counts by the Internal Auditors. Detail instructions will be given to the fund custodian at the time the funds are established.

Working funds are change funds. The same controls for audit, accountability and security are required for the change funds as are required of Petty Cash and Demand Deposit accounts.

All transactions involving these funds, including returning cash or reporting overages/shortages must be handled through the University Payment Services Division.

Any change in fund custodian or location must be reported to the University Payment Services Division immediately.

Loss or theft of state funds must be reported to the University Police and the Internal Auditors immediately. It is the responsibility of the University Police to conduct the criminal investigation and make reports as required within the scope of their authority. The Internal Auditors will conduct an audit of the fund and submit the audit report to the Vice Chancellor for Finance.

The Vice Chancellor for Finance, or his designee when immaterial amounts are involved, will decide action to be taken within the scope of his authority or recommend to the appropriate level of authority action to be taken for disposition of the case. When the

determination is made as to relief of the party concerned with the responsibility, a purchase order should be processed and submitted to University Payment Services to reinstate the funds lost. A copy of the police report, and acknowledgment that internal audit has been alerted, is required as supporting documentation.