

**Petty Cash – Policy**

Date Effective  
January 2018

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer  
 Responsible Office: Controller’s Office  
 Policy Contact: Assistant Controller

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**1. Policy Statement**

The goal of this document is to provide the governance framework for a standard and consistent process for establishing, maintaining, and closing petty cash, change fund, or subject participation accounts across the university.

**2. Scope**

This policy applies to all Vanderbilt personnel responsible for the initiation, execution, and authorization of petty cash, change fund, and subject participation accounts including the processing of all associated adjusting journal entries to the General Ledger.

**3. Definitions**

Change Fund – An amount of cash held by a department or office and used to give change to customers when they are paying for goods or services. No purchases can be made from these funds.

Custodian – The financial unit requesting a petty cash or change fund must appoint a custodian who is responsible for safeguarding and maintaining the petty cash fund. Maintaining the fund consists of disbursing funds, obtaining receipts, reconciling, and replenishing the fund. When the petty cash or change fund is no longer necessary, the Custodian is responsible for ensuring that it is reconciled and closed.

Petty Cash – A petty cash fund is cash loaned for the purpose of making small purchases where it is not sensible to make a disbursement by check and purchases are impractical or unavailable through Procurement and Disbursements (p-card or Concur expense reimbursement). Vanderbilt establishes petty cash funds for a fixed amount.

Subject Participation – A petty cash fund established for qualifying payments to human participants engaged in research activities.

#### 4. Policy

- a) Establishing petty cash/change fund/subject participation fund
  - Request for a Petty Cash Fund must be completed via a requisition in Oracle.
  - The requisition should have attached a completed Petty Cash Fund Application Form (Appendix A).
  - The application fund must be signed by the Financial Unit Managers and Business Entity Approver indicating their approval for the requested Petty Cash Fund.
  - The Controller must approve all Petty Cash Fund requests electronically through Oracle.
- b) Responsibilities of Custodian
  - Safeguarding the funds - The fund should be the responsibility of one person, the Custodian, and secured in a locked location at all times. At no time should the Custodian keep the fund in their personal possession, deposit in their personal bank account, or take to their home for safekeeping. In case of theft, please notify campus security immediately.
  - Accounting for transactions – Custodians must support all disbursements with proper documentation, i.e. an original invoice or register receipt, with a written notation clearly indicating the business purpose of the purchase. Petty cash expenditures are subject to all university policies and procedures related to proper expenses, authorization, accounting, and documentation.
  - Reconciling the funds – The Custodian must reconcile the petty cash or change fund utilizing the Reconciliation Worksheet (Appendix B) before replenishing, changing the Custodian or amount, and closing the fund.
  - Replenishing the funds - When cash in the fund is low, the Custodian should a request to replenish the fund.
- c) Revision of fund or Change in Custodian – Submit form Revision Request (Appendix C) to the Controller's Office for review and approval. Funds must be completely reconciled and accounted for before the Controller's Office will approve any changes.
- d) Review of Petty cash or Change Funds
  - Audits - All petty cash funds are subject to periodic audits. The Controller's Office will send a letter to the Custodian each year requiring that the Custodian conduct a self-audit of the fund. The Custodian and one of the following must sign the letter: the Dean, Director, or Department head. Finance and Internal Audit reserve the right to conduct surprise, onsite audits at any time.

- Revocation of Funds - Misuse or improper accounting of the fund will, at a minimum, result in closing the fund.
- e) Closing the Petty Cash or Change Fund
- If a department no longer requires a petty cash or change fund, funds must be deposited with the cashier. A completed Close Form (Appendix D) including Financial Unit Manager and Business Entity approvals should be submitted to the Controller along with a copy of the external cash spreadsheet reflecting accounting for the deposit of funds back with University Bank.

**5. Petty Cash Responsibility Matrix**

<b>Activity</b>	<b>Requestor</b>	<b>Custodian</b>
Completing and submitting application for petty cash with requisition	✓	
Safeguarding the funds		✓
Accounting for transactions		✓
Reconciling the funds		✓
Replenishing the funds		✓
Revising or changing the funds		✓

6. Appendix A: Application Form

Vanderbilt University Finance

Petty Cash/Change Fund/Subject Participation Application Form

(See form instructions below or see policies and procedures for more information)

Date: \_\_\_\_\_ Amount Requested: \$ \_\_\_\_\_

Department Name: \_\_\_\_\_ COA #: \_\_\_\_\_

Request for: Change Fund  OR Subject Participation  OR Petty Cash Fund

Duration of Fund: Permanent  OR Temporary  Date to be returned: \_\_\_\_\_

(NOTE: All Subject Participation Funds MUST be Temporary and contain a date to be returned.)

Purpose of Fund: \_\_\_\_\_

Type of disbursements that will be made from the fund: \_\_\_\_\_

Reason for the fund and the dollar amount requested. Indicate why either prepaid gifts cards for subject participation or Vanderbilt One Cards for small purchases cannot be used. (Attach a memo if more space is needed):

Custodian and Location of Fund:

Name of Custodian: \_\_\_\_\_ Title: \_\_\_\_\_

Location of Fund: \_\_\_\_\_ Telephone Number: \_\_\_\_\_  
Building, Floor, & Room number

This fund is issued to the named custodian above and cannot be transferred to another department or custodian without prior approval of Vanderbilt University Finance. If for any reason a fund is no longer needed, this fund must be turned in to the University Cashier and a completed Close Form submitted to Vanderbilt University Finance, thereby terminating the responsibility of the custodian.

I accept responsibility for safeguarding the above stated cash fund. Additionally I have read and understand the policies and procedures regarding the petty cash /cash fund located on the Vanderbilt University Finance website.

Signature of Custodian \_\_\_\_\_ Date \_\_\_\_\_

Financial Unit Manager: \_\_\_\_\_ Date \_\_\_\_\_

Business Entity Approver: \_\_\_\_\_ Date \_\_\_\_\_

7. Appendix B: Reconciliation Worksheet

**Vanderbilt University Finance**

**Petty Cash/Change Fund/Subject Participation Reconciliation Worksheet**

Date: \_\_\_\_\_

Department: \_\_\_\_\_

**Reconciliation:**

- A. Cash amount \$ \_\_\_\_\_
- B. Receipts \$ \_\_\_\_\_ (for Petty Cash fund only)
- C. Total (a + b) \$ \_\_\_\_\_
- D. Imprest Amount \$ \_\_\_\_\_
- E. Difference (c- d) \$ \_\_\_\_\_ (Provide explanation, if difference does not equal zero)

F) Signature of Custodian \_\_\_\_\_ Date \_\_\_\_\_

G) Financial Unit Manager: \_\_\_\_\_ Date \_\_\_\_\_

H) Business Entity Approver: \_\_\_\_\_ Date \_\_\_\_\_

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Instructions for: Petty Cash/Change Fund/Subject Participation Reconciliation Worksheet

The purpose of this form is to assist the Custodian in determining whether the petty cash or change fund is in balance. This is performed through a reconciliation process. Use this form to reconcile the petty cash and change fund. Maintain the completed form at the department.

- Line A)** Count the currency remaining in the fund and input dollar amount counted.
- Line B)** Total the dollar amount of receipts and input this amount on line b. Note that this line pertains to the Petty Cash fund only. Purchases from a Change Fund are prohibited.
- Line C)** Total lines A and B and input the sum on line C.
- Line D)** Input original amount advanced, that is, the fixed amount that the fund is replenished to when a check request is submitted.
- Line E)** Subtract line C from line D. If this line has a zero, then the fund is in balance. If this line has an amount other than zero, then the account is not in balance. If the account is not in balance, attach a memo explaining why a difference exists.
- Line F)** Custodian must sign and date worksheet.
- Line G)** Financial Unit Manger must sign and date worksheet.
- Line H)** Business Entity approver must sign and date worksheet.

8. Appendix C: Revision Request

**Vanderbilt University Finance**

**Revision Request for Petty Cash/Change Fund/Subject Participation**  
(See form instructions below or see policies and procedures for more information)

(1) Date: \_\_\_\_\_

(2) Department Name: \_\_\_\_\_ COA # \_\_\_\_\_

(3) Request for (check one): Change Fund  OR Subject Participation  OR Petty Cash Fund

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(4) Change Requested:

A. Change fund amount: From \$ \_\_\_\_\_ To \$ \_\_\_\_\_

B. Change in Custodian:

From: \_\_\_\_\_  
Name Title Phone #

To: \_\_\_\_\_  
Name Title Phone #

C. Is the fund reconciled per the Reconciliation Worksheet? Yes   
No

(5) Reason for requested change:

I accept responsibility for safeguarding the above stated cash fund. Additionally I have read and understand the policies and procedures regarding the petty cash /cash fund located on the Vanderbilt University Finance website.

Signature of Custodian \_\_\_\_\_ Date \_\_\_\_\_

Financial Unit Manager: \_\_\_\_\_ Date \_\_\_\_\_

Business Entity Approver: \_\_\_\_\_ Date \_\_\_\_\_

**For Vanderbilt University Finance Use:**

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
Assistant Controller or Controller

9. Appendix D: Close Form

**Vanderbilt University Finance**

**Close Petty Cash/Change Fund/Subject Participation Fund Form**

(See below for instructions by line or policies and procedures for more information)

- (1) Date: \_\_\_\_\_
- (2) Department Name: \_\_\_\_\_ COA # \_\_\_\_\_
- (3) Request for (check one): Change Fund  OR Subject Participation  OR Petty Cash Fund
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(4) Reconciliation:

- a) Cash amount \$ \_\_\_\_\_ (should agree to line 5 below)
- b) Receipts \$ \_\_\_\_\_ (for petty cash fund only)
- c) Total (a) & (b) \$ \_\_\_\_\_
- d) Imprest Amount \$ \_\_\_\_\_
- e) Difference =  
line c minus d \$ \_\_\_\_\_ (explain difference , if line "e" does not equal zero)

(5) Input cash dollar amount deposited:

Cash Deposit: \_\_\_\_\_ COA: 440.05.44410.1070.000.000.000.0.0

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Signature of Custodian \_\_\_\_\_ Date: \_\_\_\_\_

Financial Unit Manager \_\_\_\_\_ Date: \_\_\_\_\_

Business Entity Approver \_\_\_\_\_ Date: \_\_\_\_\_

**For Vanderbilt University Finance**

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_