1. Cash Fund Purpose and Limitations
   1. Petty Cash funds are for reimbursement of purchases of less than $100 where circumstances preclude following regular payment and reimbursement processes. Expenses have the same restrictions as the budget cost center, and additional restrictions on use apply.
      1. The maximum allowable amount for a petty cash fund will be $500. In extraordinary circumstances, exceptions may be considered and approved by the Treasurer
   2. Change funds are established for the purpose of conducting sales or service transactions, and are usually set up to support services such as copy machines or service transactions.
      1. Under certain circumstances, a change fund for a short-term operation may be required, and may be approved by the Treasurer’s Office if: 1) the request involves an amount of $1,000 or less in denominations that can be accommodated by the vault for a period of less than three working days; and 2) regular fund request procedures are followed. Temporary change funds must be returned to the Treasury with a General Ledger journal within three working days.
2. Request to Establish or Modify a Petty Cash or Change Fund
   1. Requests for Petty Cash or Change Funds are submitted to the Treasurer’s Office must include:
   2. Completed “Request for Establishment or Modification of Cash Fund/Acknowledgement of Receipt of Funds and/or Cash Policies and Procedures” form (Addendum A of MAPP 05.01.01, linked at <http://www.uh.edu/finance/pages/References.htm>).
   3. A justification memo, including the following information:
      1. Detailed explanation of the need for a cash fund.
      2. Justification for the infeasibility of alternative methods of procurement.
      3. Estimated activity level.
      4. Name of proposed fund custodian.
      5. Description of safeguarding methods.
      6. The form and justification memo must be approved by the College/Division Business Administrator, who is ultimately accountable for proper use, safeguarding, and documentation of the fund.
   4. Proof that the new fund custodian has completed online Petty Cash and Change Fund training prior to the submission of the request.
   5. The Treasurer’s Office will review the request and approve or deny based on the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or denial, and will also be forwarded to General Accounting or Student Financial Services (temporary change funds).
   6. If the Request is approved, the department will submit a journal via workflow to General Accounting with the following information:
   7. Journal date equal to the current date.
   8. Journal description; indicate the purpose of the journal (I.E., “Short-term change fund for Department X seminar with John Doe as fund custodian). Request that General Accounting notify Cashier when journal is approved.
   9. Amount equal to approved petty cash or change fund amount.
      1. Debit account 10102 (petty cash) or 10103 (change fund) and departments local fund cost center.
      2. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
   10. Scan and upload Addendum A approved by Treasury and justification memo as backup documentation.
   11. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
   12. Department Approver submits journal into workflow, path 1, to General Accounting for approval.
   13. General Accounting reviews the journal for approval, accuracy and appropriate documentation. If the journal requires correction or additional documentation, it is returned to the originating department.
   14. General Accounting notifies the Cashier of approval.
   15. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
   16. Departmental custodian contacts Cashier and the Cashier prepare cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds $2000 and greater.
   17. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
   18. Custodian must provide appropriate identification at time of delivery.
3. Replenishment of Petty Cash Funds
   1. Change Funds are not replenished.
   2. Petty Cash Funds with permitted transactions are replenished by processing a journal through workflow to the University Cashier, referencing the authorized fund custodian.
   3. An employee who has expended personal funds where circumstances preclude following normal procurement processes should seek reimbursement through Accounts Payable on a voucher. If an approved departmental petty cash fund exists, the employee may be reimbursed by the custodian from the departmental cash fund.
   4. Transactions must meet all of the following requirements to be reimbursed via Petty Cash funds:
      1. Purchase is under $100, including sales tax.
      2. Purchase occurred within 30 days prior to the date of reimbursement.
      3. Purchase was made with cash or a personal check.
      4. Purchase is not a prohibited transaction. Prohibited transactions include:
         1. Travel expenses (exception: university police officers required to transport prisoners on short notice).
         2. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural, or athletic events.
         3. Payments for honorariums or personal services, including consulting and professional services.
         4. Sales tax reimbursement from sponsored project funds (sales tax may be reimbursed via petty cash when other funds are used).
         5. Transactions split between two or more receipts to stay under the $100 limit.
         6. Single receipts split between petty cash and a voucher for reimbursement.
      5. Purchase is supported by a proper receipt. Receipts must provide, at minimum, the following:
         1. Company name and address.
         2. Date of purchase.
         3. Itemized listing or description of the item(s) purchased.
         4. Price of items purchased.
         5. Acceptable receipts for petty cash reimbursement are:
            1. Original, numbered receipts with imprinted company name.
            2. Generic forms or computer-generated receipts.
            3. C.O.D. charge lists if they are stamped or written “Paid” and signed by the individual delivering the item(s).
            4. Register tape from cash registers that have the company’s name and date of purchase printed and additional required information is provided by the employee seeking reimbursement.
         6. In cases where an original receipt may not be available, a copy certified by the individual submitting the request as a valid receipt that has not been previously reimbursed may be submitted for reimbursement via purchase voucher through Accounts Payable.
   5. The department will submit a journal via workflow to General Accounting for approval as follows;
      1. Journal date equal to the current date.
      2. Journal description; indicate the purpose of the journal (Example; Replenish petty cash fund in the X department. John Doe is the fund custodian). Request that General Accounting notify Cashier when journal is approved.
      3. Amount to be replenished (i.e., amount purchased with the petty cash fund).
         1. Debit expense accounts that describe the purchases made with the fund and the department’s local fund cost center.
         2. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
      4. Scan and upload original receipts as backup documentation.
      5. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
      6. Department Approver submits journal into workflow, path 1, to General Accounting for approval and requests notification by General Accounting when approved.
      7. General Accounting reviews the journal for approval, accuracy and appropriate documentation. If the journal requires correction or additional documentation, it is returned to the originating department.
         1. General Accounting may request review by Accounts Payable.
      8. General Accounting notifies the Cashier of approval.
      9. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
      10. Departmental custodian contacts Cashier, who prepares cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds $2000 and greater.
      11. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
      12. Custodian must provide appropriate identification at time of delivery.
4. Annual Review and Reauthorization of Petty Cash and Change Funds
   1. No later than July of each year, General Accounting will send a renewal reminder to all departmental cash fund custodians of record.
   2. The fund custodian will submit the following to the Treasurer’s Office by the due date specified in the renewal reminder:
      1. Addendum A, requesting reauthorization, modification, or close of the fund for the new fiscal year.
      2. A justification memo which includes detailed explanation of the need for a cash fund.
      3. Copies of the monthly overage/shortage reports (or indication that there were no overages/shortages).
      4. A copy of the most recent review/audit report (or indication that none occurred).
   3. Reauthorization will be subject to the review of these documents and evaluation of prior management of the cash fund.
   4. If fund renewal is approved, the fund custodian will be required to complete required online training.
5. Closing a Departmental Petty Cash or Change Fund
   1. When a department determines that its cash fund is no longer required, the department should:
      1. Submit a replenishment journal to bring petty cash funds up to their authorized level.
         1. See Section III.E for Petty Cash Fund replenishment procedures.
   2. Prepare a journal entry to record the deposit of the Petty Cash or Change Fund.
      1. Debit UH Operating Bank, Account 10510
      2. Credit account 10102 (petty cash) or 10103 (change fund) and departments local fund cost center.
   3. Complete Addendum A of MAPP 05.01.01 and scan and upload original as backup documentation for journal
   4. Make a journal entry to record the deposit and route the deposit to Student Financial Services.
   5. Submit deposit using standard procedures.
   6. Send a copy of the journal entry to deposit the petty cash or change fund and a copy of the completed Addendum A of MAPP 05.01.01 to the Treasurer’s Office. The Treasurer’s Office will notify General Accounting - [genacctg@Central.UH.EDU](mailto:genacctg@Central.UH.EDU) that the fund has been closed.