Texas A&M University – Commerce
Financial Services
Departmental Petty Cash Procedures

I. GENERAL

The Comptroller must grant approval to establish a new petty cash fund, or to increase an existing fund. A petty cash fund may be used to make change or pay for items which cannot be expeditiously handled through regular disbursement procedures. Petty cash funds may only be used for their designated purposes and may **not** be used to cash checks or make advances.

II. ESTABLISHING THE FUND

Submit a written request from the Department Head, or Director of Auxiliary accounts, to the Comptroller (through the Director of Accounting) which includes the following:

- Purpose for the fund
- Account(s) to be used to replenish the fund
- Amount requested
- Name of primary custodian

After the request is approved, Financial Services will produce a check payable to the primary custodian of the petty cash fund, as agent for both Financial Services and the department or auxiliary unit.

The primary custodian will endorse and cash the check. The cash must be secure at all times.

III. DISBURSEMENTS

**SAGO Rule 21.01.03S1 “Disbursements from petty cash funds for goods and services are subject to the same certification, approval, and documentation requirements as disbursements made through regular voucher procedures.”**

A Petty Cash slip should be completed each time cash is withdrawn, stating who the cash was given to, the amount, and the purpose. Various Petty Cash forms are available from office supply stores. Duplicate forms (such as Tops Petty Cash Book #4109) are recommended so that a second copy remains bound in the book in case the original is lost.

After the cash is spent, the original receipt from the transaction, plus any change remaining, should be placed into the cash box. The original receipt should be attached to the Petty Cash form. At all times, the sum of the following should equal the total petty cash fund balance:

- Cash
- Receipts
- Petty Cash forms without receipts attached.

Reimbursements to petty cash fund account shall be made as necessary to maintain the efficiency of the account.
IV. PETTY CASH REIMBURSEMENT

Reimbursements to petty cash fund account shall be made as necessary to maintain the efficiency of the account. To reimburse the petty cash fund, original receipts along with petty cash slip should be submitted to Financial Services for processing.

V. ACCOUNTABILITY

Full accountability for the petty cash fund shall be maintained at all times by one primary custodian within the department or auxiliary unit. The primary custodian must ensure that the receipts, vouchers submitted for processing, and cash equal the current petty cash balance at all times. The custodian has the option to utilize the Petty Cash Ledger to facilitate balancing the petty cash fund.

The Financial Services department may make periodic audits of the petty cash fund.

At each Fiscal Year End, Financial Services will send each department or auxiliary unit an acknowledgment letter stating the dollar amount of petty cash funds in their custody. The custodian is required to verify the petty cash balance, sign and return the letter to Financial Services by the 5th working day of each new fiscal year.

If the primary custodian changes, prepare a Petty Cash Ledger, have the previous and the new custodian verify the funds and receipts, and have the new custodian sign as the primary custodian. To complete the transfer of accountability, a memo documenting the transfer of custodianship, along with a copy of the completed Petty Cash Ledger, must be submitted to Financial Service.

VI. CLOSING A PETTY CASH FUND

If it is determined that an existing petty cash fund is no longer needed, submit the following to Financial Services.

- Total cash balance of the fund
- Memo from department head or auxiliary director approving the return of the funds

All receipts must be submitted for reimbursement before the fund may be closed. The petty cash fund must be returned in its entirety (un-reimbursed receipts will not be accepted).
Department: ________________________________
Responsible Person: __________________________

PETTY CASH LEDGER

<table>
<thead>
<tr>
<th>Date</th>
<th>Vendor - Description</th>
<th>Transaction Amount</th>
<th>Balance</th>
</tr>
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</table>

Opening Balance

If this Petty Cash Ledger is accompanying a Notification of Custodial Transfer, complete the following:

New Custodian Signature: ______________________________ Date: ______________