

## Petty Cash

The foundation for monitoring disbursements from department budgets and insuring the validity of transactions is the reliance on department heads to review their monthly budget reports and let us know of any discrepancies. While this continues to be our primary source, it is clear that some departments are finding it difficult to perform these reviews. Because of the need to insure compliance with Internal Revenue Service regulations, to have an audit trail satisfactory to our independent auditors, and for good business practice, we must enact new regulations regarding the withdrawal and use of Petty Cash.

The following procedures apply to the use of petty cash:

- The maximum amount of any single petty cash withdrawal will be \$50.
- Petty cash disbursements will be limited to reimbursements only. Receipts or other appropriate documentation must be attached to the petty cash withdrawal form.
- Petty cash withdrawal forms should be signed by the department head.
- Petty cash slips can be cashed in the Bursar's Office only by the person to whom it has been issued. A University ID card will be required by the cashier when the petty cash withdrawal slip is presented for payment.
- Petty cash withdrawals should not be made from the following *budget classification codes*:
  - Salary or wage
  - Professional services
  - Scholarship
  - Capital equipment
  - Postage

Travel advances will be administered according to the policy announced in November 2001 and as described on the 'Travel Expense Report' form. However, travel advances will not be approved while a previous travel advance remains outstanding and for which an expense report has not been presented. *We would remind you that Internal Revenue Service Regulations require travel advances that have not been reconciled within 30 days of the completion of the travel must be reported to the IRS as income to the employee, even if it is subsequently reconciled. This means that the burden of substantiating the expense will rest with the individual in the preparation of his or her personal income tax return.*

Thank you for your cooperation. If you or your department have any special situation that suggests the need for unique arrangements, please contact the Comptroller who will make every effort to accommodate your need.