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1. Purpose. To set forth the regulations and procedures governing the collection of cash and the use of change and petty cash funds.

2. Definitions. For the purpose of these regulations and procedures the following definitions apply.

2.1 “Cash” means coins, paper currency, checks, money orders, and debit and credit card authorizations.

2.2 “Cash Collections” means cash collected by a Department, University committee, Employee group, or Student group.

2.3 “Change Fund” means a specific amount of cash set aside for making change during cash collections activities.

2.4 “Cash Funds” means cash collections, change funds, and petty cash funds collectively.

2.5 “Petty Cash Fund” means a specific amount of cash set aside for making purchases of less than \$25.

3. Security of Cash Funds.

3.1 Cash Box. All non-deposited cash funds shall be maintained in a locked cash box. When not in use, the cash box shall be kept in a secure, locked place, such as a fireproof safe or fireproof filing cabinet. Funds of \$1,000 or over shall be stored in a fireproof safe.

3.2 Storage Location Restriction. Cash funds shall be secured only in University buildings. Cash funds shall not be taken to or stored in a private residence, University housing, or motor vehicle.

3.2.1 Arrangements may be made with the University Police Department to safeguard the cash until the Business Office is open. Contact the University Police Department for additional information.

3.3 Audit Procedures. All cash collection funds are subject to audit by the Finance Office or other Department performing internal audit functions and by the external auditors. Audits may be either scheduled or unannounced.

3.3.1 All receipts not yet submitted to the Business Office shall be retained for reference during audits.

3.3.2 When a cash register is used, register tapes shall be retained with a copy of the deposit receipts from the Business Office.

3.4 Loss of Cash Funds. Losses shall be immediately reported by the custodian of the funds to the Department Head, the Controller/Director of Accounting, the Director of Business Services, and the University Police Department.

3.4.1 A complete investigation and report shall be made of the circumstances involved.

3.4.2 The Department budget shall be charged for the amount of the loss up to \$500 when required documentation and security procedures were in place at the time of a theft or mysterious disappearance of cash.

3.4.3 The remaining portion of the loss may be charged to the Department budget if the investigation finds required documentation and/or security procedures were not in place.

3.5 Custodian Responsibility for Loss. The custodian of the funds may be held personally responsible for some or all of a cash fund loss. Reimbursement by the custodian may be required if one or more of the following conditions are identified:

- The collection activity or the change or petty cash fund was not authorized by the Controller/Director of Accounting;
- A specific cash fund was commingled with personal funds, or another cash fund;
- Current, complete records of cash fund activity were not maintained;
- Cash fund was not properly secured;
- All cash collected was not accounted for and reconciled to deposits;
- Cash collected was not deposited with the Business Office on a timely basis;
- Expenditures were made from non-deposited cash collected;
- Payments have been made from the petty cash fund without obtaining an original receipt; or,
- Payments have been made for purposes for which the change fund is not authorized. Such purposes include, but are not limited to, personal check cashing, travel advance, lunches, or payment of expenses.

3.6 Loss of Personal Funds. A loss of personal funds should be reported to the University Police Department.

3.6.1 Neither individuals nor Departments will be reimbursed for loss of personal funds.

3.6.2 Personal funds include:

- Unauthorized petty cash funds;
- Unauthorized Department cash collections;
- Unauthorized change funds; and,
- Flower funds, coffee funds, and other similar funds.

3.6.3 If there is a question whether the funds are personal or University funds, contact the Controller/Director of Accounting for an audit of the loss.

4. Cash Collections—General. Cash collections occur in activities including, but not limited to, sales of goods or services, social events, and admission ticket sales.

4.1 Advance Approval. Cash collections by any University Group require approval in advance by the VPAT or VPAT designee.

4.2 Course Fees and Supply Charges. No Department may establish or collect separate course, laboratory or other fees, or charge Students for the cost of supplies without prior approval from the Administration. Any such fees or charges must be posted to Student accounts and collected in the Business Office.

4.3 Deposits. Cash collections shall be deposited in the Business Office on the day of receipt.

4.3.1 If cash is collected when the Business Office is closed (for example, weekends and holidays), the deposit shall be made the next business day.

4.3.2 Daily deposits may not be required when the amount to be deposited is less than \$50. In such case, the deposit shall be made by the close of business of that workweek.

4.3.3 When cash collections are not deposited on the day of receipt, the security procedures outlined in Section 3 above shall be followed.

4.4 Expenditure Restriction. No expenditures shall be made from non-deposited cash collections.

4.5 Donor Contributions. Normally, donor contributions made to the University are deposited with the Washburn University Foundation. Receipts from an activity supported by University resources shall be deposited in the Business Office.

4.6 Responsibility. Individuals responsible for accepting cash collections may be held personally liable for shortages of funds occurring through theft, loss, or improper disbursement.

5. Cash Collections—Procedures.

5.1 Departmental Collection of Cash. All Department cash collections involving University resources shall be deposited in the Business Office and credited to a University account. Unless specifically authorized by the VPAT, cash collections resulting from sales transactions shall be deposited to the General Fund.

5.2 Point of Sale Procedures.

5.2.1 Checks accepted for payment are to be made payable to WASHBURN UNIVERSITY and immediately stamped “FOR DEPOSIT ONLY – Washburn University Operating Account.”

5.2.2 Departments are not authorized to cash checks.

5.2.3 When possible, a cash register shall be used to record each cash collection.

5.2.4 When no cash register is available, individuals receiving cash shall:

- Use pre-numbered receipt forms;
- Indicate on the receipt the date, customer’s name, services rendered or items purchased, and amount of the sale. Use a separate line to indicate Kansas sales tax collected (if applicable);
- Provide a copy of the receipt to the customer;
- Provide a copy of the receipt to the Business Office together with the Department deposit form and cash collected; and,
- Retain a copy of the receipt in a Departmental file.

5.2.5 Any other method of recording cash collections is subject to approval by the Controller/Director of Accounting prior to implementation.

5.2.6 Tickets may be sold for admission to events. When such tickets are sold, they shall be issued by Business Services. A ticket report shall be prepared which:

- Accounts for the range of tickets issued for an event; and,
- Is reconciled to the total of cash deposited in the Business Office.

5.3 Deposits.

5.3.1 Two copies of the Deposit form (available on line) specifying the FOAPAL shall be completed (See Section 5.2.4 above). The sales tax collected shall be recorded in a sales tax liability account.

5.3.2 Included with deposits shall be an adding machine tape or other listing attached to the copies of the pre-numbered receipts. The tape is to document the total amount:

- Of goods or services sold, excluding sales tax;
- Of sales tax collected; and,
- Being deposited.

5.3.3 The Business Office will provide the depositor with one copy of the deposit form as a receipt documenting the validated total of the deposit. This deposit receipt shall be:

- Attached to the depositor's receipt forms (the third copy of the pre-numbered receipts); and,
- Retained by the depositor to be available for audit. (See Section 3.3 above)

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6. Procedures Common to Petty Cash and Change Funds.

6.1 Ownership of Cash Funds. All authorized cash funds are University property. Such funds shall be:

- Utilized only for the purposes described in Sections 7 and 9 below; and,
- Subject to the appropriate handling and accounting procedures adopted by the Administration consistent with generally accepted accounting practices.

6.2 Specific Regulations. See Sections 7 through 10 below for regulations and procedures specific to each type of cash fund.

6.3 Request to Establish Fund. To establish a cash fund submit a completed “Cash Fund Application” form to the Bursar. The form may be obtained from the Finance office.

6.3.1 Approval or denial shall be by the Bursar. The requesting party shall be notified of the approval or denial. Denied requests may be appealed to the VPAT.

6.3.2 Non-approved cash funds are subject to forfeiture to the University General Fund.

6.4 Obtaining Approved Fund.

6.4.1 If approved, the Finance Office shall prepare a check for the approved amount.

6.4.2 The check shall be picked up in the Business Office by the custodian of the fund. The top portion of the “Custodial Record” form shall be completed by the custodian before the check is released.

6.5 Requests to Increase Funds. To request an increase in an existing cash fund, submit a “Cash Fund Increase Application” form to the Bursar. The form may be obtained from the Business Office.

6.5.1 Approval or denial shall be by the Bursar. The requesting party shall be notified of the approval or denial. Denied requests may be appealed to the VPAT.

6.6 Obtaining Approved Increase.

6.6.1 If approved, the Finance Office shall prepare a check for the approved amount.

6.6.2 The check shall be picked up in the Business Office by the custodian of the fund. The top portion of the “Custodial Record” form shall be completed by the custodian before the check is released.

6.7 Termination or Reduction of Cash Funds. See sections specific to each of the cash fund types.

6.8 Transfer of Custodial Responsibilities. To transfer responsibility for a cash fund, submit a completed and signed “Transfer of Custodial Responsibilities” form to the Bursar. The form may be obtained from the Business Office.

6.8.1 The original copy of the transfer form shall be signed by both the current and the new custodian of the fund.

6.8.2 A copy of the transfer form shall be retained in the Department to be available for audit.

7. Petty Cash Fund—General.

7.1 Fund Need. A petty cash fund may be established when:

- A Department has a need to make frequent purchases of less than \$25.00; and,
- Vendors will not accept procurement cards or allow merchandise to be charged to the University.

7.2 Restricted Use. Petty cash funds shall not be used to:

- Pay Employees or independent contractors for services rendered to the University;
- Pay for any travel, meals, or entertainment expenses;
- Make loans to any individual, group or entity. For purposes of these regulations, “loans” include, but are not limited to, IOU’s, notes, post-dated checks, or checks presented for cash, but not deposited by the next business day; or,
- Pay any expense incurred for a non-University business purpose.

7.3 Centralized Administration. The administration and accounting of petty cash funds shall be centralized within a Department.

7.4 Fund Termination. The VPAT or Controller/Director of Accounting may terminate a petty cash fund when:

- Infrequent use of the fund warrants termination;
- There has been a violation of petty cash handling policy, regulations, or procedures;
- The Department requests termination of the fund; or,
- The fund will not be used for 30 days or more.

7.5 Reduction of Petty Cash Fund. The VPAT or Controller/Director of Accounting may reduce a petty cash fund when:

- Monthly expenditures from the fund average less than 1/3 the amount of the fund. Example: A \$100 fund averaging expenditures less than \$33.00 per month would be subject to reduction; or,
- The Department requests reduction of the fund.

7.6 Voluntary Fund Termination Procedure. To terminate a Petty Cash fund the custodian of the fund shall:

- Prepare a payment voucher for an amount equal to the receipts not yet replenished to the fund;
- Provide an explanation when the cash amount plus voucher amount does not equal the total authorized for the fund;
- Complete the bottom portion of the “Custodial Record” form; and,
- Deliver the cash balance on hand, all receipts, and the “Custodial Record” form to the Business Office.

8. Petty Cash Fund—Procedures.

8.1 Receipt for Purchases. An original receipt shall be obtained for each purchase made, and shall be signed and dated by the person making the purchase.

8.2 Fund Replenishment. The fund shall be replenished in amounts equal to the total of submitted receipts. To replenish the fund, the custodian of the fund shall submit a payment voucher with original receipts attached to Accounts Payable.

8.3 Bookkeeping. The custodian of the fund shall maintain a permanent, continuous ledger documenting fund transactions. The ledger may be paper or electronic and shall:

- Show every expenditure made;
- Show every replenishment received from the Finance Office;
- Allow easy determination of cash on hand; and,
- Show the amount not yet replenished by the Finance Office.

8.3.2 The ledger and receipts shall be retained separately from the cash box.

8.3.3 The following petty cash fund ledger format is recommended:

Date	Transaction	Expenses	Receipts	Balance
09/15/06	Establish petty cash fund		\$50.00	\$50.00
09/27/06	Postmaster-stamps	\$3.70		\$46.30
10/09/06	Kinko’s	\$12.25		\$34.05
10/13/06	Office Max	\$23.50		\$10.55
10/15/06	Finance Office replenishment		\$39.45	\$50.00

9. Change Fund—General.

9.1 Fund Usage. A change fund is established to make change at locations where sales are made involving cash. Change funds shall not be used to:

- Pay expenses of any kind;
- Provide reimbursement for any expenditures;
- Make loans of any type. Loans include, but are not limited to IOU's, notes, post-dated checks, or checks presented for cash but not deposited by the next business day; or,
- Cash personal checks.

9.2 Fund Termination. The VPAT or Controller/Director of Accounting may terminate a change fund when:

- A need for the fund is not expected for 30 days or more;
- The Controller/Director of Accounting determines the fund is inactive;
- The Controller/Director of Accounting determines there has been a violation of change fund handling policy, regulations, or procedures; or,
- The individual(s) responsible for the fund requests closure.

9.3 Fund Reduction. A change fund shall be reduced if one or more of the following circumstances exist.

- The Controller/Director of Accounting determines activity of the fund warrants a reduction; or,
- The individual or individuals responsible for the fund request a reduction.

9.4 Fund Termination Procedure. The following applies when a change fund is to be closed:

- The cash shall be delivered to the Business Office;
- The amount of fund shortage, if any, shall be charged to the Department budget;
- The amount of fund overage, if any, shall be credited to University miscellaneous income; and,
- The custodian of the fund shall complete the bottom portion of the "Custodial Record" form.

9.5 Custodian Responsibility. The custodian of the fund may be held responsible for a change fund loss. If so, the custodian may be required to reimburse the University. This would apply when investigation reveals one or more of the following:

- The fund has not been properly registered with the Finance Office;
- The fund has been commingled with revenue collected by the Department that should have been deposited with the Business Office;
- The fund has been commingled with personal funds or petty cash funds;
- An on-going record of activity has not been maintained;
- The fund has not been properly secured; and,
- Payments have been made for purposes for which the change fund is not authorized. Such purposes include, but are not limited to: personal check cashing, travel advances, lunches, or payment of expenses.

10. Change Fund—Procedures.

10.1 Bookkeeping. The custodian shall maintain a permanent record detailing the activity of the change fund. The record shall contain:

- The date the change fund was used;
- Any overage or shortage conditions; and,
- The signature of the custodian of the fund.

10.1.3 This record must be maintained in a location separate from the change fund.

10.1.4 The daily cash report may serve as the permanent record if the change fund is included on the report.

10.1.5 For change funds not included in daily cash reports, the following format for recording change fund activity is recommended for your convenience and protection:

Date: _____

Beginning Balance: _____

Ending Balance: _____

Over (Short): _____

Custodian: _____

11. Assistance. Direct questions concerning:

- University accounting policies and procedures to the Controller/Director of Accounting or the Director of Business Services;
- Cash fund procedures to the Bursar; and,
- The security of cash funds to the University Police Department.

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