

UNIVERSITY OF PITTSBURGH POLICY 05-06-06

CATEGORY: FINANCIAL AFFAIRS
SECTION: Funds Management
SUBJECT: Petty Cash – Pittsburgh and Regional Campuses
EFFECTIVE DATE: April 1, 2005
PAGE(S): 5

I. SCOPE

This document is applicable to all temporary and permanent Petty Cash Funds that are maintained at the Pittsburgh and Regional Campuses.

II. POLICY

Definition: imprest (imprest) balance – Petty Cash Fund amount.

All Petty Cash Funds should be established in accordance with the outlined procedures, i.e., Procedure 05-06-06. Petty Cash Funds established by any other means are prohibited.

When a Petty Cash Fund is established, a check is issued against a University general ledger account. The departmental or sponsored research project account is not charged until a Petty Cash Reimbursement Request (FORM 0047) is submitted.

Petty Cash Funds are limited to specified purposes (refer to Use of Petty Cash Funds below) and may not be commingled with personal or other cash funds.

The Director of General Accounting must approve the establishment of all Petty Cash Funds.

The General Accounting staff must notify the Director of Research and Cost Accounting of initial requests and custodial changes relating to Petty Cash Funds associated with sponsored research projects.

Petty Cash Custodians responsible for a permanent or temporary Petty Cash Fund of \$1,000 or more must maintain the fund in a bank checking account for security and control. Funds of less than \$1,000 may be maintained on the premises or in a bank account.

The Office of Finance must approve all bank checking accounts established for Petty Cash purposes.

Note: The use of ATM cards, check cards, and Merchant cards is strictly prohibited.

Only one Petty Cash Fund may be maintained in a single bank account. Each account must be established as a business account with a minimum of three authorized signatures on the bank signature card as follows (although the checks require only one signature):

- University of Pittsburgh Treasurer or Assistant Treasurer
- Department Administrator
- Petty Cash Custodian

A Petty Cash bank account name must indicate the following:

- First line: University of Pittsburgh, Petty Cash
- Second line: Department/Project name establishing the account

The only allowable deposits to a Petty Cash bank account are University of Pittsburgh checks issued to establish, increase, or replenish the fund.

Appropriate accounting records must be maintained by the department for all cash disbursements to ensure the appropriate accounting of funds. For example, the department must maintain signatures of all payees indicating receipt of funds, payee name, check number, date, and amount.

Reimbursement for Petty Cash purchases must be documented with an original sales receipt, cash register tape, or other proof of payment.

Reimbursement Requests must be processed as required to replenish the Petty Cash Fund but no less than once each month. Frequent reimbursements will keep sufficient funds on hand while keeping the imprest balance at a minimum.

Exceptions to processing reimbursement requests no less than once a month will be authorized at the discretion of the Director of General Accounting.

All Petty Cash Funds must be reconciled in accordance with Petty Cash Procedure 05-06-06. (Also see Guidelines to Reconcile Funds on Hand to Petty Cash Imprest Balance.) While confidential information, e.g., patient information for participant payments on sponsored research projects, should be maintained by the Petty Cash Custodian, this information may not be submitted with reimbursement requests. All confidential information must be maintained in accordance with the University's HIPAA policy located at <http://www.pitt.edu/hipaa>.

Petty Cash Funds, including those maintained in a bank account, are subject to audit. Canceled checks (or microfilm copies) and other accounting and bank records must be retained by the department for seven calendar years.

Appropriate site security measures, e.g., a locked box, a locked drawer, one key with the custodian, etc., must be taken at all times to ensure that unauthorized persons are prevented from having access to cash funds.

Types of Petty Cash Funds

Temporary Petty Cash Funds

Temporary funds are to be used for a specified period of time and purpose, e.g., research, and then closed. Use of temporary cash funds for sponsored research project participant payments, student refunds or other appropriate use must be approved by the Director of General Accounting.

Use of temporary cash funds expires at the end of the specified time period unless an extension has been authorized by the Director of General Accounting.

Unexpended **temporary cash funds** remaining at the end of the period must be returned to the Student Payment Center within one workday following completion of the use of the fund and the fund reconciliation. Appropriate accounting detail of the expenditures and any other attachments necessary for audit must be sent to the General Accounting Department.

Permanent Petty Cash Funds

Permanent funds are used for a specified purpose (see "Use of Petty Cash Funds") for an unspecified period of time. Use of permanent funds for any purpose must be approved by the Director of General Accounting.

Use of Petty Cash Funds

General Petty Cash Funds

- Minor business transactions that must be paid in cash, such as postage, emergency office supplies, collect charges, and local transportation expenses.

Note: Cash purchases for miscellaneous office supplies are limited to \$100 for any one-time or any single purchase.

- Bank fees and check and deposit ticket purchases.

Working Funds

- Working Funds are established to facilitate making change by departments that accept cash receipts. Working funds are not to be used to pay expenses.

Sponsored Research Project Petty Cash Funds

- Sponsored research project participant payments.

Participants receiving \$600 or more in a calendar year must be reported to the Payment Processing Compliance Group at 3000 Cathedral of Learning by January 10th of each year for reporting to the Internal Revenue Service (IRS). Failure to report this information may subject the University and the participant to a fine by the IRS.

- Miscellaneous expenditures related to the approved sponsored research project.

Student Payment Center Petty Cash Funds

- Student cash refunds (\$200 maximum per term).
- Emergency student loans approved by the Student Payment Center.

Athletic Department Petty Cash Funds

- Program and ticket commissions for non-University temporary employees.
- Band, camp, parking, postage, or ticket refunds.
- Payment for services to non-University temporary police employees.
- Travel advances (for Athletic Department employees only).
- Travel and business expense reimbursements (for Athletic Department employees only).

Regional Campus Petty Cash Funds

- Support for operating checking accounts.
- Minor business transactions that must be paid in cash, such as postage, emergency office supplies, collect charges and local transportation expenses.

Note: Cash purchases for miscellaneous office supplies are limited to \$100 for any one-time or any single purchase.

Restrictions on the Use of Petty Cash Funds

Petty Cash Funds may not be used for the following:

- Purchasing of products that are normally obtained through the University Purchasing Department, departmental on-line purchasing, PCard, I-Procurement, the Book Center, the Health Center Book Store, University stock rooms, Facilities Management, Public Safety, or any other central service office.
- Emergency student/other loans (except in the Student Payment Center).

- Refunds.
- Cashing personal checks.
- Office entertainment or decorations.
- Travel advances or travel and/or business reimbursements (except in the Athletic Department).
- Payments to non-University employees for services rendered (except in the Athletic Department).
- Payments to University employees for services rendered.
- Participant payments to Nonresident Aliens (NRAs). These payments require special handling and need to be submitted on a disbursement request along with a Foreign National Tax Information Form (available at <http://www.bc.pitt.edu/payment/arNFIF.pdf>) to the Payroll Foreign Disbursement Area at 215P Craig Hall.

Note: Exclusion of a category of expenditures from the above list does not imply approval. Questionable uses should be discussed with the General Accounting or Payment Processing Department before expenditures are made.

III. REFERENCES

[Procedure FN 18, Petty Cash – Pittsburgh and Regional Campuses](#) (formerly 05-06-06)

[University's HIPAA Policy](#)

[Guidelines to Reconcile Funds on Hand to Petty Cash Imprest Balance](#)

[Foreign National Tax Information Form](#)