



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

**AUTHORITY:**

SAM 3580, 8000, 8100 – 8199  
ICSUAM 3103.11

**OBJECTIVE:**

To establish written procedures regarding the use and safeguarding of cash funds to prevent loss to the University.

There are two types of operating cash funds: Petty Cash and Change Funds. Together these are referred to as CASH FUNDS. Petty Cash Funds may be used to make small purchases which cannot be acquired by any other means. Change Funds are used by departments which routinely handle cash. Unlike the Petty Cash Fund, a Change Fund will always have the same amount of cash on hand.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

This procedure outlines:

- A. Establishing Petty Cash and Change Funds
- B. Safeguarding Cash
- C. Use and Operations of a Change Fund
- D. Use and Operations of a Petty Cash Fund
  - I. Different Types of Petty Cash Reimbursements
  - II. Allowable (Qualified) Petty Cash Expenses (hospitality)
    - i. Hospitality (ICSUAM 1`301.00)
    - ii. Employee Travel
    - iii. Other Qualified Reimbursable Expenses
    - iv. Non-qualified Expenses
- E. Processing Petty Cash Reimbursement Request
  - I. Annual Deadline
  - II. Review Petty Cash Requisition
  - III. Receipt
  - IV. Use Tax
  - V. Notifying Requisitioner
  - VI. Disbursing Petty Cash
  - VII. Replenishment of Petty Cash Fund
- F. Cash Advances
- G. Increasing a Cash Fund
- H. Transferring Custodianship
- I. Reducing or Closing a Cash Fund
- J. Reconciling the Cash Fund
- K. Overages (SAM 8171)
- L. Shortages (SAM 8172)
- M. Responsibilities of the Cash Fund Assigned Controller
- N. Cash Fund Audits
- O. Accountability
- P. Year End
- Q. Lost and Stolen Petty Cash and Change Fund



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

**PROCEDURE**

*A – ESTABLISHING PETTY CASH AND CHANGE FUNDS*

The authority to establish either a change fund or a petty cash fund must come from the Director of Accounting. This request is made in writing through the assigned General Accountant (“Assigned Controller”). This formal request is prepared by the Department Chair and Custodian by submitting a completed and executed **Application for Petty Cash or Change Fund** form (“Application”). The Department Chair must also attach a formal letter of explanation, or an informal email when deemed acceptable by the Director of Accounting, to the Application describing the purpose of the fund and justification for the dollar amount requested. The Department Chair is held responsible for its accountability and proper control of the fund in accordance to policy and procedures. The assigned custodian, under the Department Chair’s control, is held responsible for safeguarding the cash until the monies are either returned to the University General Cashier (Accounting) or until another employee is assigned the responsibility. Under no circumstances will the Custodian of Petty Cash or Change Funds have access to performing monthly review/approval of the general ledger, maintaining accounts receivable records, or following up on collectibles in accordance with ICSUAM 3102.02. *(Note: The Department Chair and the custodian can be held personally liable for losses due to negligence. The General Accountant is responsible for reviewing the travel advance open items, total employee receivables related to travel advances, reconciling the two and also preparing the travel advance aging on a monthly basis.)*

Upon approval by the Director of Accounting, the new custodian is provided a copy of this procedure as well as the synopsis of the policies/procedures around petty cash and change funds. Prior to the disbursement of funds, the Assigned Controller must be provided a copy of the synopsis signed by the new custodian confirming they have read and understand the policies and procedures. Further, the Assigned Controller must ensure appropriate training over controls and use of the cash funds. These signed synopses, along with the executed applications are kept in the Cash Fund Binder maintained by the Assigned Controller (Accounting Department).

A Temporary Change Fund may be established upon completion of the Temporary Change Fund Authorization form following the same approval process through the Director of Accounting discussed above.

Each cash fund in excess of \$500 shall be established only after approval of the Fiscal Systems and Consulting Unit, State of California Department of Finance (per SAM 8111.1).

Upon approval by the Director of Accounting, the Assigned Controller will write up a Payment Request Form for a check to be issued to the newly approved petty cash custodian for the amount approved.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

***B - SAFEGUARDING CASH***

Cash Funds must be safeguarded at all times. These funds should never be left unlocked or unprotected during working hours, and must be locked in a safe or otherwise safely and properly secured during non-working hours.

Cash funds are particularly susceptible to theft; it is the personal responsibility of each fund custodian to take all reasonable precautions to safeguard the assigned funds. Access shall be restricted at all times to the custodian or his/her authorized designees of the funds.

If the Petty Cash or Change Fund is over \$100 the custodian will be provided a locked, secure storage facility to which the custodian and his/her designees has access. This could be a lockable bank zipper bag, cash drawer, safe, vault, money chest or filing cabinet (per SAM 8111.1). If possible, the fund should be moved to a more secure location afterhours. The degree of security provided by the storage facility should be commensurate with the amounts stored.

Combinations or keys to safes and other storage facilities should be restricted to the custodian of the cash and a designated backup. Combinations or locks should be changed as necessary when the custodian terminates employment. Persons responsible for cash should be instructed to maintain confidentiality of safe combinations. Appropriate precautions should be taken when transporting cash from the department to the Cashier’s Office. Cash shall not be sent through campus mail.

The Department Chair shall ensure that the custodian and designees assigned cash handling responsibilities receive appropriate training, and are familiar with the campus policy guidelines and departmental procedures.

Refer to SAM 8000 on cash handling policy and controls (<http://sam.dgs.ca.gov/TOC/8000.aspx>)

***C – USE AND OPERATIONS OF A CHANGE FUND***

The purpose of a change fund is to provide a minimum, adequate amount of cash to facilitate change-making necessitated by revenue transactions. In accordance to SAM 8111, change funds may be established to provide cash in denominations and amounts necessary to permit the making of change in the day-to-day cash collecting operations of an agency.

Unlike a petty cash fund, a change fund is maintained at the authorized level at all times, which means there should be exactly the same amount of cash on hand as the original fund amount approved.

Based on need, change funds may be for one-time, temporary use, or long term use.

Temporary change funds are available for single instance use. Change fund amounts are based on the need of the particular event/purpose. The change fund custodian will be notified to pick up a check at the Cashier’s



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

Office, located in Mountain Hall, building 84C. Notification will come from the Assigned Controller after completion of the appropriate forms, when the proper authorization is secured and the check has been issued (discussed in §A above).

Change funds shall be maintained separate of all other funds, including personal and/or petty cash funds.

***D - USE AND OPERATIONS OF A PETTY CASH FUND***

Petty cash is used to reimburse an individual that is affiliated with the University of CSUMB (Faculty, Staff, Student, etc.) for qualifying and pre-approved purchases that the individual has made on behalf of CSUMB and is unable to make the purchase with a Procurement card (“ProCard”). There are restrictions regarding what can be purchased with petty cash funds.

Petty cash requisitions with a total of less than \$50 (before tax) is processed by the custodian. Petty cash disbursements totaling \$50 and more (before tax) must be processed through Accounts Payable (AP) (i.e. no departmental petty cash fund can payout to reimburse employees for purchases of >\$50).

Petty cash funds shall be used for University business only and should not be used for items that would not be approved through normal channels (see SAM 3580). Petty cash funds shall be maintained separate of all other funds, including personal and/or change funds.

Cash funds shall not be used to cash employee paychecks (payroll or personal), short-term loans, travel claims, or advances (only with prior approval from custodian assigned).

***I – DIFFERENT TYPES OF PETTY CASH REIMBURSEMENTS***

- Individual and Departmental Reimbursements
- Cash Advances (only upon prior approval - Receipts must be submitted within 3 days after the cash is advanced or privileges will be restricted)

***II – ALLOWABLE (QUALIFIED) PETTY CASH EXPENSES***

Qualified petty cash expenses are expenses that pertain to official University business, with no personal benefit by the official host or other university employees. Follow the guideline of the CSUMB Travel Procedure Handbook, and requirements of HR 2005-42, ICSUAM 1301.00, and EO 761. Examples include:



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*i. Hospitality (ICSUAM 1301.00):*

Hospitality expenses may be paid with CSUMB funds to the extent that the purchase and use of these services and items is consistent with the mission and fiduciary responsibilities of CSUMB.

Funds may be used for activities that promote CSUMB to the public as well as activities that may generate financial or other support to the University. The funds allow University officials to host guests such as student groups, community members, individuals, and organizations that are interested in supporting the University. Funds may also be used for materials that are distributed to promote the name or image of the University, to provide information about the University, or to enhance University productivity.

Qualified business-related hospitality expenses may be paid from three fund sources: *General Fund Appropriations, Special Funds, and Auxiliary Organization Funds.*

*ii. Other Qualified Reimbursable Expenses:*

- Faculty or Staff Retreat expenses
- Meetings of a Learned Society or Organization – food expense
- Fund raising events – expenses
- Meeting of student organizations and groups – expenses
- Student events – commencement exercises - expenses
- University related groups – alumni association – expenses
- Meetings of an Administrative Nature – food expense
- Receptions to promote employee morale – length of service awards or retirement presentations
- Promotional items
- Professional memberships
- Magazines and subscriptions
- 100% meal cost if pertains to faculty recruitment per collective bargaining agreement
- Business Meals - includes tax and tip per person and cannot exceed:
  - \$10.00 Breakfast
  - \$20.00 Lunch
  - \$25.00 Dinner
  - *Note: requires a list of all attendees and the state of business. Business meals can be reimbursed through Petty Cash only if less than \$50*



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*iii. Examples Non-Reimbursable Expenses Through Petty Cash:*

- Alcoholic Beverages (Note: Alcoholic beverages may not be charged to State Funds or to Trust Funds (see Trust Agreement).
- Payroll payment
- Food/Drink for staff and faculty meetings at same work location (e.g. coffee, coffee supplies, coffee makers, teapots, tea, soft drinks or juices. Except for authorized business meals, the University does not reimburse for the cost of beverages purchased for daily employee consumption and routine operations)
- Tobacco products
- Gifts
- Awards
- Dependent/pet care
- Club membership fees
- Personal entertainment
- Personal care
- ATM/ credit card fees
- Fines/ citations
- Clothing and accessories
- All expenses while on travel status
- Mileage reimbursements
- There is no allowable incidental or lunch reimbursement for any travel less than 24 hours.

*E - PROCESSING PETTY CASH REPLENISHMENT REQUEST*

The petty cash custodian completes a **Petty Cash Replenishment Form** and attach the original **Personal Reimbursement and Petty Cash Forms** along with original receipts. Forward completed documentation to AP for processing.

*I - Annual Deadline:*

Last date to submit current fiscal year petty cash requisition is prior to the last check run for the fiscal year. Note: As discussed in §P, this is a required deadline to ensure petty cash funds are fully replenished as of year end.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*II – Review Petty Cash Requisition:*

The **Personal Reimbursement and Petty Cash** form is reviewed for the following:

1. Requisitioner’s name and contact information
2. Itemized original receipt attached and items to be refunded are allowable
3. Receipts for items purchased must include the following:
  - a. Vendor name
  - b. Date of purchase
  - c. Description of merchandise purchased
  - d. Amount
  - e. If an itemized receipt is not provided then attach a signed statement from the requisitioner stating that the amount being claimed does not include alcoholic beverages. Detailed description of the use of funds – must be business related and benefit the University. If activity related, note the purpose of the activity and provide a list of attendees
4. Identify if meal was breakfast, lunch or dinner
5. Receipts total to the dollar amount requested to be refunded
6. Chartstring is verified to be correct and complete
7. Approving authority and required signatures are in place
8. Supporting documentation such as registration form and event flyer should be attached when applicable stating date, time and place of the event.
9. If related to travel include a copy of the travel claim and approval by travel coordinator. Ensure payment is not duplicated through travel.
10. If requisitioner is set up for EFT/ACH to their personal bank account, Personal Reimbursement and Petty Cash form is routed to AP for vouchering process and further EFT process even if under \$50.

If requisition passes AP review, the amount on the form is initialed as approved to replenish petty cash fund.

If the form is incomplete, AP to email custodian to provide required additional support. If request is rejected, AP to return with explanation.

*III – Lost Receipts:*

Requires a statement from the requisitioner that the original receipt is lost or destroyed and pledges that expense is not being recovered through any other process or program. Also states that expense is for University business, and detailed description clearly what was purchased, where and when it was purchased.





**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*IV – Use Tax:*

If CSUMB purchases an item to either use, give away, store or otherwise consume from out-of-state businesses that do not collect California tax on their sales (or in-state businesses that erroneously do not charge California sales tax), then CSUMB must accrue use tax on the item purchased. This includes purchases by internet, telephone, or mail. The use tax rate is the same as the sales tax rate.

*V – Notifying Requisitioner:*

Requisitioner is emailed by the Assigned Controller to pick up the refund after Petty Cash Replenishment has been reviewed and processed. Date and time is given when can pick up the refund and whom to contact. This can also be done by checking the chartfield string. A copy of the email is attached for reference and to track how much time has transpired since the last notice was sent to requisitioner. 2nd and 3rd Notices are sent in two week intervals. If the funds are never picked up, then request mailing address from Human Resources and give to Accounts Payable to issue a check instead. Explain why requesting a check to be issued on the requisition. If have multiple invoices for the same requisitioner amounting to over \$50, then give collectively to AP to process check.

*VI – Disbursing Petty Cash:*

Petty Cash is only disbursed Monday through Friday at the Cashier’s Office (except for holidays).

- Pull Petty Cash Form that has been processed for reimbursement.
- Petty Cash Cashier must verify ID first.
- Individual being reimbursed must sign and date the original Petty Cash Form.
  - Review signature same as on the form when first requisitioned.
- Disburse funds for the amount stated on the form and supported by the receipts.
- Place signed form in Petty Cash Box in order to balance and be replenished.
  
- If Petty Cash is to be picked up by another person other than the payee, then need an original, signed letter from the payee stating:
  - Name of person picking up the petty cash in their absence.
  - Provide the ID number (e.g. Driver License number and name of state) of the payee.
  - Provide the ID number and type of ID that the person picking up the petty cash will show the Cashier.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*VII - Replenishment of Petty Cash Fund:*

Replenishment of funds is done when sufficient funds are unavailable to continue business. Additionally, replenishment occurs at year end to ensure all CY expenditures are booked to the GL in the CY (i.e. proper matching). A **University Petty Cash Replenishment** form is completed, which charges back the appropriate departments for petty cash that had been disbursed. The amount being replenished *should* bring the Petty Cash fund back to the original total fund amount. To determine if the bank balance reconciles, is over or short, the cash on hand plus cash reimbursements paid out, plus cash advances due receipts should agree to the total petty cash fund amount; for assistance, complete the **Petty Cash Reconciling Report**. If over or short, re-verify that **Petty Cash Reconciling Report** includes all disbursements since the last request for replenishment. See sections K and L for overages/shortages procedures. The Petty Cash Replenishment form is verified and signed by the custodian. The original supporting documents are attached to the Petty Cash Replenishment form and submitted to AP to process a replenishment check in the name of the custodian or replenishment is processed via EFT to the custodian’s personal bank account as authorized on file with BSS department. There is log of all Cash Funds replenished on the M:/ drive maintained by AP. See [M:\Accounting\Private\Petty Cash\\_Change Fund\\_Gift Cards\\_Stamps](M:\Accounting\Private\Petty Cash_Change Fund_Gift Cards_Stamps).

*F – Cash Advances:*

In cases where it would create hardship for the purchaser to advance personal funds for an initial purchase, the custodian may issue a cash advance to the purchaser who must complete and sign a **Personal Reimbursement & Petty Cash** form. Mark the cash advance box at the top of the form. The purchaser must provide the custodian with acceptable receipt for the purchase together with any change remaining from the cash advance within three (3) days.

*G – Increasing a Fund:*

If the department determines that the amount of the petty cash or change fund needs to be increased, the appropriate form, **Application for Petty Cash or Change Fund**, must be completed and signed, stating the amount of the increase and the reason it is needed. If approved, a check request is prepared to generate a check payable to the cash fund custodian.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*H – Transferring Custodianship:*

If there is a new custodian for the same cash fund, the department must complete and sign the **Application for Petty Cash or Change Fund**, mark *Change Custodian* box at top of form.

Transfer of custody will only be accomplished after:

1. Funds are audited by the Assigned Controller upon transference of the funds, and closed out with prior custodian.
2. New custodian recounts the funds and signs off on the audit form showing receipt of full funds.
3. New custodian is given a copy of the audit form signed by prior custodian, new custodian and Assigned Controller.
4. New custodian has received the cash fund procedures, and agrees to follow and remain in compliance with the guidelines.

*I – Reducing or Closing a Cash Fund:*

If for any reason a cash fund is no longer needed – temporarily or permanently – or the amount of the cash fund needs to be reduced, the cash fund must be turned in to the University Cashier and Assigned Controller. A completed deposit slip, with the funds returned, are deposited through the University Cashier’s Office, located in Mountain Hall, building 84C. The custodian takes the cashier’s CashNet receipt to the Assigned Controller as proof that the deposit has been completed. Reducing or Returning a Cash Fund form must be completed and signed. The funds are deposited into the original source fund and/or department.

*J – Reconciling the Cash Fund by the Custodians:*

1. Custodians of the change funds are responsible for reconciling their change fund on a regular, consistent basis to verify that the total amount of the fund is still in their possession.
2. Custodians of petty cash funds are responsible for reconciling their petty cash fund to ensure that their total cash, plus receipts, plus any outstanding reimbursements requested equals the total amount of the fund.

*K – Overages (per SAM 8171):*

Cash overages in a change fund, cash purchase fund, or cash payment fund will be credited to CSUMB chartstring to offset overages: 660836 XXXX (department ID number funds assigned to) at the time of identification. All cash overages will be cleared as revenue or operating revenue at least once each quarter.



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*L – Shortages (per SAM 8172):*

Cash shortages in a change fund, cash purchase fund, or cash payment fund will be established as an accounts receivable from the custodian at the time of identification. A Revolving Fund Disbursement Voucher, [STD.438](#), will be prepared for the amount of the shortage and a revolving fund check will be issued to reimburse the cash fund for the shortage. Procedures in SAM Sections [8072](#) will then be followed to reimburse the revolving fund.

CSUMB chartstring to offset shortages: 660836 XXXX (department ID funds assigned to).

*M – Responsibilities of the Cash Fund Assigned Controller:*

1. Ensure all required forms are fully completed and executed
2. Track cash funds issued to whom, when, from what department, forms signed, noting how the cash funds are safeguarded, and who has direct access to the funds.
3. Adhere to audit schedule and document dates when audits performed
  - a. Performance of surprise audits throughout the year without providing prior warning to the custodian and the department.

*N – Cash Fund Audits:*

The Assigned Controller performs surprise counts of the funds – for frequency, see section O. The Assigned Controller also ensures that the custodian manages the funds in accordance with established policy and procedures. If Assigned Controller notes management of funds outside established policy/procedure, the custodian risks losing authorization for use/custody of the cash fund.

An **Audit Worksheet** is used to tabulate if there is any difference between amount physically found in the petty cash fund and the authorized fund amount.

**IMPORTANT:** If there is any difference discovered in an audit, the audit finding must reported to the General Accounting Manager; the situation may require further investigation and corrective action. Overages and shortages require further action (see further discussion at sections K and L). A history of overages and shortages for a particular custodian shall be reviewed by the General Accounting Manager. Lost and/or stolen funds must be reported to the University Police Department (for further discussion, see section Q).



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

*O – Accountability (per SAM 8111.2):*

The custodian is personally responsible for the amount advanced from the revolving fund. Transfers of custody will be accomplished only after the steps discussed in section H above.

An employee other than the petty cash fund custodian will count the fund in accordance with the following schedule (this can be the Assigned Controller or a third party designee of the Assigned Controller):

<b>Size of Fund</b>	<b>Frequency of Count</b>
0 to \$200	Semi-Annually (CSUMB takes stricter approach than CO)
\$201 to \$500	Quarterly
\$501 to \$2,500	Monthly
>\$2,500	Monthly, if not prescribed more frequently by Fiscal Systems and Consulting Unit, Department of Finance.

*P – Year-End:*

As discussed in section E-VII above, at year-end all petty cash funds must be replenished in full and audited before AP stops cutting checks. Subsequent to final replenishment and audit, petty cash cannot be distributed until the new fiscal year budget is approved, since funds will not be available to replenish.

Prior to year-end, for requisitions being reimbursed by main petty cash bank for the campus (i.e. Accounting Department’s petty cash fund), the Accountant obtains the current mailing addresses from Payroll for requisitions and gives to AP to issue checks for the last check run in the fiscal year. Therefore, petty cash is not accrued at year end since it is all disbursed prior to year-end.

*Q – Lost and Stolen Petty Cash and Change Funds:*

If a petty cash and/or change funds is lost or stolen, the University Police Department and the Accounting Department is to be immediately notified – you must obtain case number.

The Department must disclose the following information to the Accounting Department in a memo as soon as possible:



**CALIFORNIA STATE UNIVERSITY MONTEREY BAY  
ADMINISTRATION & FINANCE - ACCOUNTING  
PROCEDURES**

<b>Title</b>		<b>No.:</b>	<b>U-AP-003-01- PETTYC</b>
<b>Petty Cash Procedures</b>		<b>Effective:</b>	<b>12/09/2010</b>
<b>Submit Questions To:</b>	<b>Extension(s)</b>	<b>Approved:</b>	
<b>Brenna Dresser</b>	<b>4302</b>	<b>Reviewed:</b>	
<b>Written by: Cory Castaneda</b>	<b>Revised By: Garren Fisher</b>	<b>Revision On:</b>	<b>10/12/2016</b>

- Type of fund (petty cash or change fund)
- Estimated date and time of theft
- Amount of theft
- Circumstances involved
- Case number assigned by the police
- Preventive measures being taken to prevent a future recurrence

All reimbursements of missing funds will be charged to the department initially until theft investigation is completed. The Director of Accounting will make the final determination based on the findings of the investigation on recovery of funds.