

COLLEGE of CHARLESTON

OFFICIAL POLICY

2.2.3.3

Petty Cash Fund and Change Fund

10/13/2020

Policy Statement

The College of Charleston (CofC) has authorized selected funds to be used solely for the purpose of making change or making small emergency purchases. Petty cash fund and change fund policy standards will be in compliance with College and State of South Carolina guidelines.

Policy Manager and Responsible Department or Office

A. Controller's Office

The Controller's Office staff has the responsibility for ensuring that cash funds meet State and College guidelines, and to approve and forward the request to the State Auditor's Office. When approval has been granted, a new account will be established in the college financial system of record by the Controller's Office.

B. Custodian Supervisor

The custodian's supervisor has the responsibility of ensuring the custodian understands and adheres to the written policy and procedures for administering the petty cash fund and change fund.

Departments/Offices Affected by the Policy

This policy affects all departments and offices of the College of Charleston.

Policy

Petty Cash Fund and Change Fund Policy

A petty cash fund is established to handle small emergency purchases or purchases which must be paid for immediately. A petty cash fund should not be used when it is possible to arrange for the college to be billed for the purchase and the item paid for through normal channels utilizing the College, Comptroller General, and State Treasurer's established procedures. Agency employees are encouraged to arrange for bills to be submitted to the college for payment. Reimbursement to a college employee for items purchased for college use should be a rare occurrence. The petty cash fund may be used to purchase small items (i.e. coffee and donuts) for volunteer workers, but not for state employees. Change funds are used to make change at sales locations (i.e. event tickets). Change funds are not to be used to purchase small items. The amount on hand in a change fund should remain the same at all times.

A. Establishment

1. A supervisory official must make a written request to the Controller's Office with the following criteria for the fund to be established.
 - a. State the purpose for which the cash fund is to be used.
 - b. State the amount requested.
 - c. State that strict adherence to published internal control procedures will be in place to safeguard the fund and prevent misuse.
2. If the request is deemed reasonable, the Controller and the Internal Auditor will approve it and will forward the request to the State Auditor's Office. When approval has been granted, a new account will be established in the Chart of Accounts by the Controller's Office.
3. The established amount of the fund is limited to the cash requirement of a short period of time.
4. If the need for the fund ceases to exist or if the fund is handled improperly or not in accordance to the written policies and procedures, it will be removed.
5. A check will be issued, indicating the Treasurer's Office as the payee, deposited at the Treasurer's Office, and recorded in a newly established index.
6. The approval of the Controller's Office and the State Auditor is required in order to create a petty cash fund, a change fund, or to increase the amount of an existing fund.

B. Custodian

1. The custodian's supervisor will ensure that the custodian understands the written procedures for administering the petty cash fund and change fund. The custodian will be solely responsible for the amount of the fund.
2. The custodian must keep the fund under lock and key at all times with the key in his/her possession.
3. Responsibility for the fund may not be shared between two or more people. The custodian may have a backup with the written consent of the Controller's Office. However, the custodian will be solely responsible for the full amount of the fund.
4. To change custodians, a letter must be sent to the Controller's Office by a supervisory official requesting a change and appointing a new custodian. The entire fund will then be deposited at the Treasurer's Office and removed from the General Ledger. A check will be issued to the new custodian and recorded in the General Ledger.

C. Operation

1. At all times, cash on hand plus receipts, must be equal to the original amount of the petty cash fund.
2. The funds are subject to surprise audits at all times by either a representative of the College Internal Audit office, or the auditors of the State of South Carolina, or an independent auditor.
3. No expenditures for wages, cash advances, or loans may ever be paid from the fund. No personal checks may be cashed from the petty cash fund or change fund.
4. Replenishment of the Petty Cash Fund and Cash Change Fund
 - a. To replenish a Petty Cash Fund, the custodian must submit an Expenditure Authorization (EA) Form to the Accounts Payable unit. The EA should note "College of Charleston Treasurer's Office" as the payee on the first line and "OBO Department XYZ Department Petty Cash Fund" on the second line. The receipts to be reimbursed must be attached to the EA, and the related expenses should be charged to the appropriate FOAP's on the form. The A/P check should be deposited at the Treasurer's Office, who will order the required cash from the bank. Once the cash funds have been received from the bank, the Treasurer's Office will contact the custodian, who will obtain and secure the funds.
 - b. From time to time, the Change Fund custodian may need to replenish the funds supply of small bills and change. The custodian may take the fund to the Treasurer's Office to make change. The funds may not be replenished by anyone other than the custodian, who is fully responsible for the fund.

- c. The custodian must certify in writing to the Controller that the full amount of the fund is accounted for.
- d. If any funds are stolen, notify the Department of Public Safety (3-5611) immediately. The custodian must notify the Controller's Office and Internal Auditor in writing if funds are stolen or if any of the funds are missing.

Related Policies, Documents or Forms

S. C. Comptroller General Disbursement Regulations

Issue Date: 4/8/2011
Date of Policy Review: 10/13/2020

Next Review Date: 10/15/2025

POLICY APPROVAL

(For use by the Office of the Board of Trustees or the Office of the President)

Policy Number: 2.2.3.3 (Petty Cash Fund and Change Fund)

President or
Chairman, Board of Trustees



Date: 10/13/2020