**CHANGE FUND OR PETTY CASH FUND?**

A Change Fund is a ***temporary*** issue of cash (or a check to be cashed by the Custodian) to a department or organization that will take cash payments and wants to make change for an event or sale. The funds issued must be returned to the Business Office by the agreed upon repayment date, along with all funds collected for the event or sale. A deposit form must accompany the funds collected.

A Petty Cash Fund is a ***permanent****\** issue of cash that departments can request in order to have cash on hand for small purchases (less than $25) and/or reimbursements. Petty Cash Funds must be kept secure, require diligent accounting of the expenses paid, and replenishment requests must be made on a regular basis by submitting receipts along with a payment voucher. Petty Cash Funds are not commonly issued because of the difficulty in keeping cash secure and ensuring the expenses paid from a Petty Cash Fund are reported in a timely manner. Please keep in mind that the department must demonstrate a significant need for a Petty Cash Fund before the Bursar considers whether to grant final approval. Departments should contact the Bursar before submitting a Petty Cash Fund request.

\*Petty Cash Funds may remain permanent unless the department’s needs change or the Business Office determines the cash is not kept secure and the expenses are not being reported in a timely manner. The Business Office may also decide the work involved in tracking and auditing the Petty Cash Fund is outweighed by how frequently the fund is used and request the fund be closed.

**INSTRUCTIONS FOR CHANGE FUND ADVANCES**

Departments can request Change Fund advances through the Business Office (MO 103) to use for making change for events, etc. Because the Business Office keeps only enough cash on hand to cover the daily Business Office change requirements, the requests that come to the Business Office are limited to $200 or less. The Business Office reserves the right to dispense the Change Fund in denominations that do not adversely affect the distribution of cash kept on hand. **For requests greater than $200.00 the department must submit the request to the Finance Office (MO 211), and if approved will receive the advance in the form of a check (instructions follow).**  Requests to Business Office can be approved and filled immediately, but requests to Finance Office should be made at least a week prior to the date the check is to be issued.

**Business Office instructions for Change Funds of $200 or less**:

**Requests:**

1. When requesting a change fund through the Business Office, the department must complete a written Change Fund Application (Dynamic Form) in order to obtain a Change Fund advance.
2. The department or organization requesting the Change Fund must be included on the application form.
3. The amount requested must be entered on the application form.
4. The anticipated dates of Fund Need and Repayment must be included on the application form.
5. The Custodian of the Fund must be included on the application form.
6. The application form must include an explanation of the reason for establishing the fund.
7. The application form must include the department or organization FOAPAL.
8. The electronic signature of the Custodian and date signed must be included on the application form.
9. The electronic form must route to one of the following: Department Head, Dean or Area Head.
10. After approval from the department, the form route to Bursar for final approval.
11. Once the Change Fund Application Form is approved, the form is printed by the Business Office and brought to the Cashier window.
12. When the Custodian comes to the Cashier window to pick up the Change Fund, the Custodian and the Cashier both sign the Custodial Record form, indicating the advance was paid out as requested.
13. The signed Custodial Record is kept in the Business Office safe pending the return of the Change Fund.

**Returns:**

1. When the Change Fund is returned, the Custodian brings the funds to the Cashier window in MO103.
2. The “Termination or Reduction of Change Fund” portion of the form must be completed and signed by a Cashier in the Business Office.
3. The Custodian of the Change Fund must also sign as a record that the amount advanced was returned to the Business Office.
4. The originals of the Change Fund Application Form and the Change Fund Custodial Record are included in the Cashier’s daily backup documentation.
5. The Custodian must also prepare a Deposit Form to deposit proceeds from the sale or event at the Cashier window in the Business Office.
6. If the total of the Change Fund returned plus receipts from the sale or event do not equal the total amount authorized for the Change Fund, the Custodian must attach a separate sheet explaining the reason for the difference.

**Finance Office instructions for Change Funds over $200:**

**Requests:**

1. When requesting through the Finance Office, the department must complete a written Change Fund Application (Dynamic Form) in order to obtain a Change Fund advance.
2. The department or organization requesting the Change Fund must be included on the application form.
3. The amount requested must be entered on the application form.
4. The anticipated dates of Fund Need and Repayment must be included on the application form.
5. The Custodian of the Fund must be included on the application form.
6. The application form must include an explanation of the reason for establishing the fund.
7. The application form must include the department or organization FOAPAL.
8. The electronic signature of the Custodian and date signed must be included on the application form.
9. The electronic form must route to one of the following: Department Head, Dean or Area Head.
10. A Payment Voucher must also be prepared and accompany the request.
11. Both the application form and the payment voucher require approval by the Director of Finance before a check will be issued.
12. Payment will be made in the form of a check made out to the Custodian signing the application form. It is the responsibility of the Custodian to pick up the check from the Cashier window then cash the check at an outside bank in order to obtain the denominations of cash that they require.

**Returns:**

1. When the Change Fund is returned, the department must prepare a Deposit Form to return all funds to the Cashier window in the Business Office.
2. The Deposit Form will first note the repayment of the amount used for the Change Fund, using the same FOAPAL provided on the Payment Voucher.
3. The Deposit Form will then note the total receipts from the sale or event. If the total of the Change fund returned plus receipts from the sale or event do not equal the total amount authorized for the Change Fund, the Custodian must attach a separate sheet explaining the reason for the difference.

**INSTRUCTIONS FOR PETTY CASH FUND ADVANCES**

1. Departments should contact the Bursar before submitting the request.
2. Departments can request Petty Cash Fund advances in order to have cash on hand in a department for small purchases (less than $25 each) and/or reimbursements. The department must complete a written Petty Cash Application Form (Dynamic Form) in order to obtain a Petty Cash Fund advance.
3. The department or organization requesting the Petty Cash Fund must be included on the application form.
4. Indicate if the form is for an initial request or increase to a current Petty Cash Fund .
5. The amount requested must be entered on the application form.
6. The Custodian of the Petty Cash Fund must be included on the application form.
7. The application form must include an explanation of the reason for establishing or increasing the fund.
8. The application form must include the department or organization FOAPAL.
9. The electronic signature of the Custodian and date signed must be included on the application form.
10. The electronic form must route to one of the following: Department Head, Dean or Area Head.
11. Because the fund will be issued in the form of a paper check, a Payment Voucher must also be prepared and accompany the request.
12. After approval from the department, the form routes to Bursar for final approval.
13. Once the Change Fund Application Form is approved, the form is printed by the Business Office and brought to the Cashier window.
14. When the Custodian comes to the Cashier window to pick up the check, the Custodian and the Cashier both sign the Custodial Record form, indicating the Petty Cash Fund was paid out as requested.
15. Originals of the Petty Cash Application Form and Custodial Record are kept by the Senior Accountant in the Business Office.

**INSTRUCTIONS FOR PETTY CASH FUND DECREASES**

1. If the department wants a Petty Cash Fund to be decreased or eliminated, the department prepares a miscellaneous deposit form using the FOAPAL information provided earlier.
2. The deposit form must indicate whether the deposit is a full or partial return of Petty Cash Funds.
3. If the total of the cash returned plus unreimbursed receipts does not equal the total amount authorized for the Petty Cash Fund, the Custodian must attach a separate sheet explaining the reason for the difference.
4. The Cashier will obtain a copy of the original of the Petty Cash Fund request and/or Custodial Record from the Senior Accountant in the Business Office.
5. The Cashier in the Business Office shall sign the lower portion of the form to acknowledge receipt of the amount returned.
6. The Custodian of the Petty Cash Fund shall sign as a record that the cash was returned to the Business Office.
7. Copies of the Petty Cash Application Forms and the miscellaneous deposit form are included in the Cashier’s daily backup documentation to record the return of the funds by the department.
8. Originals of the Petty Cash Application Form and deposit form are kept by the Senior Accountant in the Business Office in order to document the updated fund balance.