



STANDARD OPERATING PROCEDURE

DEPARTMENT	Business and Admin. Services	TITLE	Petty Cash Reimbursement
PURPOSE	To provide procedures for routing and processing petty cash reimbursement		

PROCEDURE

Petty cash reimbursements may be permitted in the event of a small emergency purchase of supplies or services for employees not to exceed \$100.00. Petty cash reimbursement must be preapproved by the appropriate cost center manager. The Requestor and Approver cannot be the same person. The appropriate cost center department shall initiate a requisition and will forward the appropriate documentation to the designated Business Office staff will review each request for the appropriateness of the expense and the appropriate funding source. It will then be reviewed and approved by the Vice President of Administrative Services and forwarded for reimbursement.

- Petty cash form and requisition is to be completed by the requestor and approved by the respective cost center manager
- Petty cash form with attached copy of requisition is turned into Business Office
- Staff Services Specialist reviews
- Vice President of Administrative Services reviews
- Business Office will forward approved requests to Bursars Office
- Bursar to notify and reimburse requestor (pending availability of petty cash funds)
- Bursar to send completed petty cash to Business Office, Staff Services Specialist
- Staff Services Specialist to submit completed petty cash form to Accounts Payable
- Send scanned completed petty cash reimbursement request to Accounts Payable to initiate process to replenish petty cash fund

References:

AP 6300 General Accounting Revised 1/9/17
 Peralta CCD Purchasing Department Standard Operating Procedure Revised 1/4/11

Last Edits:	December 2019 – K.Tran		
Responsible:	Staff Services Specialist Fiscal	Approved by:	Vice President of Admin. Services
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Previous Titles:			

F. Petty Cash

1. Authorization

A petty cash fund may be approved by the Vice Chancellor for Finance and Administration to pay for small emergency purchases of supplies or services. The Vice Chancellor for Finance and Administration will review each request for the establishment of a petty cash fund and set the dollar amount of the fund if it is approved. Approval for expenditures from the fund must be granted by the appropriate Responsibility Center Manager or the fund custodian.

2. Establishment of a Petty Cash Fund

A Responsibility Center Manager may request a petty cash fund. The request must identify the fund custodian and a requested dollar amount. Upon approval, a check will be forwarded to the requesting party payable to the designated fund custodian.

3. Petty Cash Custodian's Responsibility

- a. The petty cash custodian will sign for and assume responsibility for the safeguarding and proper utilization of the petty cash fund. The petty cash custodian is the only individual who may make cash transactions. If an authorized change in custodian occurs, the status of the fund should be verified before any transactions are completed by the new custodian. A status memo signed by both the outgoing and incoming custodians must be sent to the Vice Chancellor of Finance and Administration.
- b. The petty cash fund will be maintained at the approved amount, and will at times be kept in balance with cash, petty cash vouchers, and receipts.
- c. A copy of the Petty Cash Reconciliation Form will be retained by the custodian for a minimum of two years.
- d. All cash, sales receipts, and other related documents shall be kept in a locked metal box. When unattended, the box shall be placed in a safe, desk or cabinet that is also to be kept locked.

4. Purchase Authorizations and Procedures

- a. Single disbursements from petty cash may not exceed \$100.00.
- b. The petty cash custodian must approve all expenditures from the fund. The custodian must sign a Petty Cash Disbursement Voucher for each expenditure.
- c. The purchaser may request a cash advance or be reimbursed for authorized purchases. If a cash advance is made, the purchaser must provide a sales receipt and change, if any, to the custodian and sign a petty cash voucher indicating reimbursement.
- d. A sales receipt must be kept with each Petty Cash Disbursement Voucher.

5. Replenishment Procedure

- a. The petty cash fund will be replenished when substantially depleted. On June 30 of each fiscal year the account must be fully replenished or closed in order for expenditures to be recorded in the proper fiscal year.
- b. A request for replenishment will be made on a purchase requisition signed by the Responsibility Center Manager.
- c. An itemized list of expenditures is to be recorded on the Petty Cash Reconciliation Form. Separate Petty Cash Disbursement Vouchers with sales receipt shall be presented for each expenditure.
- d. Reimbursements of petty cash are to be the only deposits into the fund.

6. Accounting Audit

- a. Any shortage must be adequately documented and explained by the fund custodian. Replenishment requests for shortages in excess of \$5 must be approved by the Vice Chancellor for Finance and Administration. Overages must be deposited with the revolving cash accountant.
- b. The Vice Chancellor for Finance and Administration or designee or designated accounting personnel will periodically make unannounced audit reviews of the petty cash fund. The independent auditors will also make test counts and review the petty cash fund. The fund custodian and responsible manager should ensure the fund is balanced and available for audit at any time.
- c. The internal control checklist is to be completed by each petty cash fund custodian at least once a year. The Vice Chancellor for Finance and Administration or designee will periodically review the petty cash operation and determine if the operation of the fund is in compliance with the checklist.

Approved by the Chancellor: September 29, 2011

Revised and approved by the Chancellor: June 15, 2015

Revised and approved by the Chancellor: January 9, 2017

Laney College Petty Cash Reimbursement Flow Chart

1. Requestor:

- Request approval for use of petty cash reimbursement
- Purchase item(s)
- Complete Petty Cash form and submit original receipts to Cost Center Manager/Department
- Department Manager Approval, Business Office Approvals
- Bursars to notify when reimbursement is available (pending availability of funds)
- Reimbursed

2. Cost Center:

- Department Manager Approval
- Requisition initiated
- Department to forward to Business Office

4. Bursars Office:

- Bursar will notify requestor when reimbursement is available
- Upon reimbursement, forward signed/completed Petty Cash Form to Business Office

5. Petty Cash Reconciliation:

- Upon reimbursement to the original requestor, completed Petty Cash Form is forwarded to the Business Office
- Completed Petty Cash form is electronically sent to Accounts Payable

3. Business Office Review Process:

- Signed Petty Cash Form & Receipts received from Cost Center Manager/Department
- Business Office Staff reviews
- Vice President of Administrative Services reviews
- Petty Cash form forwarded to Bursars Office

6. Petty Cash Account Replenishment:

- Accounts Payable to receive electronic scan of completed Petty Cash Form
- Voucher is keyed in for payment
- Voucher is issued and sent to Bursar's Office for replenishment of funds

