

Bowdoin Finance Manual

Petty Cash Policy

Effective: July 1, 2009

Contents

1.	Purpose	1
2.	Scope	1
3.	Responsibility.....	1
4.	Establishing a Petty Cash Fund.....	1
5.	Safekeeping	1
6.	Disbursements from Petty Cash.....	1
7.	Reconcile and Replenish.....	2
8.	Change in Custodian	2
9.	Petty Cash Audits	2
10.	Exceptions	2

1. Purpose

The purpose of this policy is to establish the responsibilities, controls and procedures for establishing, maintaining, and reconciling a petty cash account.

2. Scope

This policy applies to all the departments of the College with a petty cash account.

3. Responsibility

The Department Head (or equivalent) is responsible for the integrity and accuracy of the petty cash fund in their department and appointing a fund custodian. The fund custodian is responsible for

The Paid-Out Form should be filled out each time a petty cash disbursement is made (Part I) and completed when receipt(s) are turned in (Part II). Paid-Out Forms should be retained with the fund until it is time to reconcile and replenish.

The following types of disbursements are prohibited from petty cash:

- Employee reimbursements for business expenses
- Employee wages or commissions
- Payments to vendors
- Prizes (e.g., awards for games run by student organizations)
- Gifts of any kind
- Check cashing, IOUs

7. Reconcile and Replenish

Petty cash funds should be reconciled monthly, unless cumulative disbursements did not exceed \$25.00. The Replenishment Form should be completed by the custodian and turned in to the Controller's Office. The Controller's Office will replenish the fund to its original amount and post the disbursement(s) in the general ledger.

All petty cash funds must be reconciled and replenished on June 30, the end of the College's fiscal year.

8. Change in Custodian

Petty cash funds must be reconciled immediately upon any change in the designated custodian. The cash on hand should be independently verified by the Department Head.

9. Petty Cash Audits

Random petty cash audits will be performed by the Controller and/or his/her staff as a means to assess departments' adherence to this policy. The audits may be unannounced. Policy violations may result in suspension of a department's petty cash fund.

10. Exceptions

The Controller must approve any exceptions to this policy by written notice.