

Prepared by the Disbursing Office
This replaces Administrative Procedure No. A8.814
dated May 1988

A8.814
July 1996

A8.800 Disbursing/Accounts Payable and Payroll

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A8.814 Petty Cash Fund Disbursement Procedures

1. Purpose

To provide procedures for the proper disbursement of petty cash funds.

2. Responsibilities

a. The custodian or (in his/her absence) the alternate, is responsible for safeguarding the fund, ensuring that proper accounting and recording procedures are maintained, and ensuring that all disbursements are properly authorized.

b. The Fiscal Officer is responsible for ensuring that the petty cash fund is being properly administered. This includes ensuring that the duties of the custodian/alternate are being properly executed.

3. Guidelines

a. The maximum petty cash disbursement is set at a ceiling of \$25.00.

b. All disbursements of \$25.00 or less shall be made through a petty cash fund, or if more appropriate, an imprest checking account.

c. Petty cash disbursements must be administered in accordance with all applicable laws, State policies and procedures, University policies and procedures. Specific restrictions on the use of petty cash funds are described in A8.811 - Petty Cash Funds-Overview, section 5.c.

d. The petty cash fund and replenishment or advance checks not yet cashed must be kept in a locked metal box, in a location not readily susceptible to theft. (A safe is preferred but a locked file cabinet is minimally acceptable.) Only the custodian or (in his/her absence)

the alternate should have access to the fund since they are the only ones authorized to disburse petty cash.

e. Campus/Department Documentation Requirements

Campus/department units are responsible for maintaining proper documentation to support petty cash disbursements including:

- 1) Petty Cash Disbursements forms, FMIS-8A
- 2) Authorization forms for petty cash disbursements³
Itemized receipts
- 4) Certification of satisfactory receipt of goods and services

Any other relevant supporting documentation (logs, memoranda, worksheets, etc.) should be maintained. These documents are to be maintained in office files and made available for review upon request. Copies are to be maintained when originals are required to be submitted to other offices (e.g. FMIS-8, itemized receipts, etc.). Refer to A8.811 - Petty Cash Funds-Overview, section 5.a.6 for a complete listing of documents to be retained.

- f. Campus/department units must ensure the accuracy and propriety of petty cash fund disbursements because they are direct payments initiated at the campus/ departmental level. Campus/department units must carefully guard against duplicate payments, erroneous payments, restricted disbursements, etc.

4. Procedures

- a. Prior written approval for all petty cash disbursements is normally required. Under extenuating circumstances, at the discretion of the Fiscal Officer, petty cash disbursements may be verbally approved or approved after-the-fact. In all situations, however, written documentation is required to substantiate proper approval for the expenditure of funds. A suggested authorization form is included (Attachment 1).

Authorization forms are to be maintained in office files and made available upon request.

- b. Disbursements of petty cash are to be made only by the custodian or (in his/her absence) the alternate. At the

time of each disbursement, the appropriate entry is to be made on the Petty Cash Disbursements form (FMIS-8A). Disbursements from all sources of funding are reflected on the Petty Cash Disbursements form (FMIS-8A). The individual actually receiving the petty cash from the custodian is required to sign the "Cash Paid To" column on the form (Attachment 2).

- c. Each disbursement must be supported by an original itemized receipt. Invoices/receipts, delivery slips, or cash register tapes are acceptable for this purpose. Cash register tapes must be annotated to indicate items purchased. All under-sized (less than 8-1/2" x 11") documents are to be affixed to a letter size sheet of paper. All requests for reimbursement must be supported by proof of payment.

In special instances where receipts cannot be obtained (e.g. coin-operated photocopy machines and parking meters) the expenses can be listed on an adding machine tape with a description of the items and certified (signed by the claimant) that the expenditures were incurred in the conduct of official business for which no receipts were issued.

Copies of the FMIS-8A and supporting receipts are to be maintained in office files and made available for review upon request.

- d. A special effort must be made to follow up on all outstanding receipts required for the replenishment process. Timely processing of the replenishment claim is critical in maintaining an adequate supply of available cash and in properly recording expenditures in the period when incurred.
- e. In situations where the exact amount of a purchase is not known, petty cash should be advanced to the individual requisitioner (avoid having to use personal funds). To properly account for the cash advance, an authorization or a temporary receipt must be maintained which certifies acceptance of the advance by the requisitioner. A section on the bottom portion of the suggested Authorization Form (Attachment 1) provides for this need. Cash advances must be strictly monitored to ensure timely processing of receipts for replenishments.

- f. Documentation that the individual responsible for verification of satisfactory receipt of goods and services has certified acceptance must be maintained in office files and made available upon request.
- g. The petty cash custodian should initiate cash counts as frequently as necessary to maintain control. Weekly cash counts are required but daily cash counts are preferred. The Fiscal Officer should initiate cash counts as frequently as necessary to ensure proper administration of the petty cash fund. Annual, unannounced cash counts are required but more frequent cash counts may be necessary as dictated by the situation. (Refer to A8.819 - Cash Counts of the Petty Cash Fund.)

5. Availability of Forms

The Imprest Check/Petty Cash Purchase Authorization form should be reproduced as required. Supplies of the Petty Cash Disbursements form (FMIS-8A) are available upon request from the Disbursing Office.

UNIVERSITY OF HAWAII
FORM INSTRUCTIONS
PETTY CASH DISBURSEMENTS (FMIS-8A)

PURPOSE: To certify receipt of petty cash funds.

DATA ITEM **COMPLETION INSTRUCTIONS**

| | |
|---------------------------------|--|
| DEPARTMENT | Enter department name. |
| CUSTODIAN | Enter custodian's last name, first name, and middle initial. |
| DATE | Enter transaction date. |
| REIMB. NO. | Enter numerical sequence number (e.g., 1,2,3, etc.). |
| VENDOR | Enter vendor name. |
| ITEM/PURPOSE | Enter item purchased with petty cash funds. |
| ACCOUNT CODE | Enter 6-digit account code. |
| SUBCODE | Enter 4-digit subcode. |
| AMOUNT | Enter amount of purchase. |
| CASH PAID TO (SIGNATURE) | Signature is required by receiver of petty cash. |
| TOTAL | Enter total claim amount for this page. |

Maintain FMIS-8A in office files to support petty cash disbursements.
FMIS-8A forms are to be available for review upon request.