

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.4	Bursar	Revised:	September 2008
Policy 6.4.3	Petty Cash Fund	Responsibility:	Assistant Vice President for Business Affairs

PETTY CASH FUND

Overview

The Health Science Center's petty cash process provides a means for departments to make purchases of items independent of the institution's purchasing procedures. Under certain circumstances, a department may need readily accessible cash.

Types of Petty Cash Funds

The main types of petty cash funds are:

1. Patient Participant: To be used to pay participants of a study.
 2. Departmental Change Order: To be used for making change for sales and/or services provide by the department.
 3. Departmental Reimbursement (not readily available): To be used for purchase of office or lab supplies when University providers cannot meet needs; labor costs are not allowed.
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Procedures for Obtaining a Petty Cash Fund

To obtain a petty cash fund the [Request For Petty Cash Fund](#) form must be submitted. This four-part form is obtained from the Bursar's Office. Once completed by the department, it is routed to the Director of Accounting for review and approval. This form requires:

1. The name and location of the department requesting the fund.
 2. Identification of the fund type being requested.
 3. The account from which to draw the fund.
 4. The authorized signature(s) for the account.
 5. The purpose of the fund.
 6. The name of the proposed custodian of the fund.
 7. The custodian's phone number and physical location on campus.
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The Bursar’s Office will notify the requesting department upon approval of the fund by the Director of Accounting. The new custodian must come to the Cashiers’ Window, in the Bursar’s Office, to fill out a custody receipt and view the University’s “Petty Cash Guidelines” film, before the fund will be issued. The custody receipt cites specific responsibilities of the custodian. The custodian agrees, by signature, to abide by institutional policies.

The fund’s use is exclusively for whichever type fund it was originally requested. There are no exceptions. Accounts cannot be commingled. Cashing checks, accepting IOU’s, giving “loans”, etc., from any petty cash fund is considered misuse of the fund and could lead to dismissal from the Health Science Center and/or criminal charges.

It is the responsibility of the custodian to obtain a lock box and receipts for the fund. The cash and/or receipts should be kept in the lock box at all times. The custodian must ensure that the sum of cash and receipts equals the total fund given at all times. These funds are subject to audit; therefore, copies of receipts must be maintained by the custodian. The receipts should reflect the signature of the participant, description of service, amount received, and the participant’s social security number (ID number if the study is of a confidential nature). If the custodian leaves the department or the Health Science Center, if the petty cash fund is no longer required, or if the grant expires, it is the responsibility of the custodian to present all cash, all receipts, or a combination of both to the Cashiers’ Window for closure. The custodian of a patient participant fund is also responsible for maintaining records of amounts paid to all individuals for tax reporting purposes. This information is provided to the Accounting Office for Internal Revenue Services (IRS) [Form 1099M](#) statements.

See the Bursar’s web page for frequently asked questions concerning petty cash funds: <http://www.uthscsa.edu/business/bursar/>.

Policy

All regulations and restrictions governing the types of items purchased from institutional accounts are applicable to petty cash purchases.

1. Petty cash reimbursement is limited to purchases totaling \$100 per day, per person, regardless of fund source. Various receipts

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with the same purchase date may *not* exceed the \$100 limit. Purchases may be made from different vendors or accounts; however, the total amount for each purchase date may not exceed \$100. Submitting receipts on separate reimbursement forms and/or separate days and/or payable to persons who did not make the purchases to avoid the \$100 limit is fraudulent.

2. State and local sales tax cannot be reimbursed. In order to avoid paying sales tax, a tax exemption letter should be presented to the vendor at time of purchase. This letter may be obtained at the Cashiers' Window.
3. Proof of purchase in the form of a valid receipt must be obtained from the vendor. A "valid receipt" is defined as an original sales slip, cash register receipt, canceled check, or credit card slip which bears the following information:
 - a. The name of the vendor to whom payment was made.
 - b. The date of the purchase.
 - c. A description of the items purchased.
 - d. The cost of the items purchased.
 - e. Type of payment made.
4. Petty cash purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt.
5. Goods or services provided by various departments within the institution cannot be purchased from an outside source. Examples are postage, items available in General Stores, and services available from Photographic Services, Printing Services, and the Copy Center.

Acceptable Petty Cash Purchases

Purchases that qualify for reimbursement through petty cash include:

1. Office and lab supplies purchased for institutional use and not available in General Stores.

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Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.4	Bursar	Revised:	September 2008
Policy 6.4.3	Petty Cash Fund	Responsibility:	Assistant Vice President for Business Affairs

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2. Payments to patients or participants in research studies. A supporting receipt must accompany and include an original signature of the patient or donor and description of services. If the research study is of a confidential nature, provide only the amount paid and any ID number assigned.

Unacceptable Reimbursements

Purchases that do not qualify for reimbursement through petty cash include:

1. Travel expenditures (i.e., taxi fares, off-campus parking fees, registration fees).
2. Items that will not remain with the Health Science Center.
3. Entertainment expenditures.
4. Food and drinks for any purpose (i.e., meetings, conferences, workshops).

Procedures for Obtaining Reimbursement

To obtain reimbursement for petty cash purchases, the [Petty Cash Reimbursement Voucher](#) form must be submitted at the Cashiers' Window. This form is available through General Stores.

This form requires:

1. The name of the person being reimbursed.
2. The total amount of the reimbursement.
3. The account number from which the reimbursement is being made.
4. A description of the item(s) purchased.
5. The purpose of the items purchased.
6. The reason why the purchase was made off campus.
7. The payee's signature and date.

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8. An original signature of an individual authorized to expend funds from the account and date.
 9. If the payee and the authorized signature are the same person, a witness signature is required.
 10. A valid receipt totaling the amount to be reimbursed. (Please refer to [Section 6.1.10](#) of the *Handbook for Operating Procedures*, "Required Voucher Back-up", for a definition of a valid receipt.)

See the Bursar's web page for frequently asked questions concerning petty cash reimbursements: <http://www.uthscsa.edu/business/bursar/>.

**Petty Cash
Voucher**

The petty cash voucher (PV) is a daily summary of all reimbursements issued for a particular working day. The reference number assigned to each PV is a daily summary of all reimbursements issued for each particular working day. The reference number assigned to each PV consists of two sets of numbers: the first number set designates the month, and the second number set is the PV number which corresponds to the working day of the fiscal year. For example, all receipts issued on the first working day of September are summarized into PV 09-01; (09) represents the month of September and (01) identifies the working day of the fiscal year. PV deposits are posted to the individual departmental ledgers. For corrections in PV deposits, please refer to [Section 6.1.13](#) of the *Handbook of Operating Procedures*, "Inter-Departmental Transfers (IDT)".
