Western Illinois University Foundation, Inc.
Policy on Petty Cash

Policy #
Effective Date: 3/11/09
Responsible Departments: Foundation Office and areas with Petty cash funds.

1. PURPOSE

To provide guidelines for the appropriate establishment, use, and accountability of petty cash funds.

2. APPLICABILITY

This policy is applicable to every University department, administrative office, and affiliated organization involved in handling any Foundation petty cash.

3. POLICY

The Western Illinois University Foundation has the authority and responsibility for establishing policies and procedures for all cash handling activities.

Establishing a Petty Cash Fund

- Complete a Petty Cash Account Certification Form. This form identifies the type of petty cash account requested and other necessary information such as custodian, requested amount, and departmental account number.
- Forward the certification form to the Foundation Office.
- Once the form has been reviewed and approved by the Foundation Office, a check will be issued to the custodian to establish the petty cash fund.
- The custodian will be notified when the check is available for pick-up.

Use of Petty Cash Fund

- Adequate receipts and documentation must be maintained to support all transactions made from the Petty Cash Fund.
- Expenditures must meet the legal requirements attached to the source of University funds used to establish the account
- The petty cash fund may not be used to circumvent Foundation purchasing procedures.
- A petty cash fund or custodian may be revoked at the discretion of the Foundation.
- The amount of the petty cash fund may be reduced at the discretion of the Foundation.

Accountability of Petty Cash Fund

Each petty cash fund established is specifically assigned to one individual who is designated as the fund custodian. This individual should have exclusive access to and control of the fund.

1. Petty cash funds must be properly safeguarded. The custodian is personally responsible at all times for the appropriate and adequate safekeeping of these funds. The money should be kept in a secured, locked location and should never be commingled with an individual’s personal funds or any other University funds.

2. The custodian is responsible for keeping accurate records of the fund. A Petty Cash reconciliation form must be maintained. Each time monies are withdrawn from the fund, a Petty Cash form should be appropriately completed. This form shows the amount withdrawn, the individual who has been given the money, the purpose, the date, a signature of the individual who has the money, and
custodian approval.

3. Once a purchase has been completed, the individual should return the paid sales receipt and any change to the custodian. The Petty Cash Receipt form should be attached to the sales receipt and maintained in the safekeeping area for proper accountability of the funds. Please note, the sales receipt should always include the vendor's name. Adding machine tapes and scrap pieces of paper will NOT be accepted as proper documentation.

4. Custodians are required to reconcile daily, weekly, or monthly, depending upon the amount of activity involved and the dollar amount of the fund. The Petty Cash Reconciliation Log offers the recommended format for performing the reconciliation. The supervisor of the custodian will approve the Petty Cash Reconciliation Log in writing.

5. The custodian should maintain appropriate records on a daily basis, as this petty cash fund is subject to audits, at all times, by the Foundation Office, the Internal Auditors, and State appointed Auditors.

6. The custodian will be personally accountable for the Petty Cash Fund until all of the funds and/or receipts have been submitted to the Foundation Office and the account closed.

7. To change the custodian on a departmental petty cash fund, the newly appointed custodian must submit an updated certification form to the Foundation Office with a memo stating the reason for the change.

8. Departments are required to replenish the fund by forwarding the outstanding receipts to the Foundation Office on the WIU Campus in Macomb when the fund needs to be replenished and by June 15th of every year. At that time, the receipts will be audited, expenditures will be recorded, and a check will be issued to the custodian for the amount of the receipts.

4. CLARIFICATION

Requests for clarification of this policy should be directed to the Senior Accountant located in the Foundation Office.

Certified as approved by the Executive Committee of the Western Illinois University Foundation Board of Directors on:

Date 3/11/09

Judith W. Kerr, Secretary

References:

Review schedule: Annual

Revision history: 03/09 original policy