



CALIFORNIA STATE UNIVERSITY, LONG BEACH

Subject: Controller's Office - CSULB Policy for Petty Cash/Change Fund	
Department: Financial Management (Controller's Office)	Reference No.:
Division: Administration & Finance	Issue Date: N/A
References:	Revision Date: 07/01/09
Web Links:	Expiration Date: N/A

Policy Objective

It is the policy of the California State University (CSU) to establish and maintain an adequate system of internal control to protect petty cash and change funds from loss.

Policy Statements

Petty Cash

California State University Long Beach permits departments to maintain petty cash funds described by this policy.

- A Petty Cash fund may be established in a department when it can be demonstrated that a continuing cash advance should be kept on hand to permit small expenditures that cannot be effectively addressed by use of a procurement card.
- Accountability for petty cash funds should be assigned to an employee who is designated as the petty cash fund custodian. The custodian is to control the use and replenishment of the cash fund and ensure the proper documentation of the cash transactions. The appointment should be made and approved by the Department Head or Department Manager.
- Departments are responsible for the security of their petty cash funds. The custodian is required to keep the cash in a safe, vault, or lock box adequate to safeguard it.
- The operation of petty cash funds shall abide by established campus cash handling procedures (see hyperlink below).
- Petty cash funds should not be commingled with other funds.
- The custodian must report immediately all instances of loss of funds to the Department Head or Department Manager and file a report with University Police, as soon as any loss is discovered. Any losses from the fund must be covered by the custodian and/or the department.
- The custodian is responsible to perform a full reconciliation of the fund on a monthly basis. The custodian of the petty cash fund must submit all cash receipts and vouchers for reimbursement at least once a month.
- Employees must obtain verbal authorization to make cash purchases from the appropriate administrator who will approve the Disbursement Voucher. The administrator approving the cash purchase can be any of the following: Vice President, Dean or Division Executive, Director or Department Head, Division Fiscal Officer, or Administrative Service Manager as long as he/she is officially authorized to approve these expenses. The appropriate administrator must not be the employee who makes the cash purchase.
- Amount of any cash purchase may not exceed \$50 per day, exclusive of sales tax. The employee can turn in a Disbursement Voucher with more than one transaction but not to exceed \$100 exclusive of sales tax.



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- Petty Cash funds are not to be used for reimbursing the following expenses:
 1. Moving and Relocating Expenses;
 2. Meals, with the exception of Housing and Athletics (student activities);
 3. Overnight Travel Expenses. Only incidental travel expenses such as mileage and parking, for which the total amount may not exceed \$50 per day up to a maximum of \$100 exclusive of sales tax, will be reimbursed from Petty Cash Funds.
- When petty cash funds are no longer needed, or upon termination or departmental transfer of the custodian, petty cash funds will be re-deposited at the cashiering office. Transfer of funds to a successor is not authorized. If a successor is to be furnished a petty cash fund, a new request is required.
- The integrity of the petty cash fund must be maintained at all times. The custodian must ensure that all transactions are made according to this policy and CSULB Petty Cash Procedures.

Change Funds

California State University Long Beach permits departments to maintain change funds described by this policy. Change funds are established to provide change in denominations and amounts necessary to permit the making of change in the cash collection operations of the University.

- A change fund may be established in cashiering and sub-cashiering locations.
- Cashiering and sub-cashiering locations are responsible for the security of their change funds. The custodian is required to keep the change fund in a safe, vault, or lock box adequate to safeguard it. Any losses from the fund must be covered by the custodian and/or the department.
- Accountability for change funds should be assigned to an employee who is designated as the change fund custodian.
- The operation of change funds shall abide by established campus cash handling procedures (see hyperlink below).
- Change funds should not be commingled with other funds. Change funds are not to be used for reimbursing employee's expenses.
- Cash handlers must not exchange checks for currency or make change for each other. Any such change-making must be handled only by the custodian of the reserve change fund.
- When change funds are no longer needed, or upon termination or departmental transfer of the custodian, change funds will be re-deposited at the cashiering office. Transfer of funds to a successor is not authorized. If a successor is to be furnished a change fund, a new request is required.
- The integrity of the change fund must be maintained at all times. The custodian must ensure that all transactions are made according to this policy and CSULB Change Fund Procedures.

All processes such as initiating or closing a petty cash or change fund, setting up or changing the custodian, changing the fund amount, documentation and reimbursement are included in the [CSULB Petty Cash/Change Fund Procedures](#).

Go to:

http://daf.csulb.edu/offices/financial/controller/general_accounting.html

Petty Cash/Change Fund Audit

An unannounced cash count and verification of change and petty cash funds for which cashiers and cash handling employees are accountable shall be performed on a periodic basis (as prescribed below) by someone other than the fund custodian. Verification of cash balances must be performed in the presence of the petty cash/change funds custodian and must be documented.



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Petty Cash

Size of Fund	Frequency of Count
\$300.00 or less	Annually
\$300.01 to \$1,500.00	Quarterly
\$1,500.01 and over	Monthly

Change Funds

Size of Fund	Frequency of Count
\$300.00 or less	Annually
\$300.01 and over	Quarterly