Worcester Polytechnic Institute
Petty Cash Procedures

Statement
WPI permits departments to maintain a petty cash fund in their department as described within these guidelines.

Purpose
Petty cash can be used to reimburse individuals for out of pocket expenditures for business related expenditures. Petty cash can sometimes be used in place of the university purchasing process where appropriate. For example, for small incidental department expenses when it is infeasible or impractical to use normal purchasing means. Petty cash should be used in this manner only when absolutely necessary. Petty cash cannot be used to reimburse credit /debit card transactions. An expense report must be submitted for these business related purchases.

Security
Departments are responsible for adequate security and control of their petty cash funds. The funds need to be secured at all times in a locked place with limited access by authorized employees only. Financial Services may review departmental security or audit the funds at any time.

Initiating a Petty Cash Fund
A staff or faculty member, in coordination with the department supervisor, should send an e-mail request to the Director of Financial Services, Nancy Smith. The email must detail the purpose of the fund, identify the custodian and their supervisor, and request an amount for which the fund will be established. The dollar limit for each fund is set at the department’s discretion, with a limit of 300.00 (though individual departmental circumstances may dictate a need for a higher limit). In all cases, the Director of Financial Services will review each request for appropriateness based on the documentation provided at the time of the request.

Petty Cash Custodian
The department is responsible to appoint a staff or faculty member to serve as custodian to monitor its use and replenishment. Appointment should be made by the department supervisor. A custodian cannot appoint or approve himself/herself. The Financial Services Office should be notified if there is a change in the petty cash custodian in order to transfer the responsibility to the new custodian.

Spending Petty Cash
Expenditures are only permitted for business related expenditures and receipts are required for all expenditures. When spending petty cash for business related incidental purchases, please be sure to keep all original receipts. Return the original receipt with any change to the custodian to be secured until the petty cash is reconciled and replenished. Please note, credit cards purchases cannot be reimbursed through petty cash accounts.

Petty Cash Reconciliation and Replenishment Form
This form is used for two purposes. Departments use the form to reconcile petty cash and to request replenishment of the cash that has been used. The petty cash should be reconciled and replenished monthly. The petty cash should always be reconciled and replenished at the end of each fiscal year (June 30th).
To complete the form fill in the date, department and custodian information. Count the cash on hand in the department and enter it in the Cash on hand box. List the required information for all purchases. The form is designed to total the amounts entered. The total receipts and cash on hand should equal the department’s petty cash limit which is automatically filled in at the bottom of the form (be sure to check that it is equal to the departments limit). When the form is reconciled print 1 copy and sign the Reconciled by line. Attach all original receipts and bring the form to the Bursar’s Office where it will be approved and the cash will be replenished (a check request will no longer be needed). Upon receipt of the cash the employee will then sign the Received by box. One copy of the form is left with the Bursar’s office and one copy is given to the department.

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