PETTY CASH

Policy Statement

The university strongly discourages the establishment and/or use of petty cash funds and has developed alternative means of conducting business to replace using cash as a payment method. However, when a department provides a documented showing of need, the Financial Operations Office may approve establishment of a small departmental petty cash fund. Any petty cash fund established is subject to the use and management requirements set forth in this policy and in the Petty Cash Procedures Manual.

Reason for Policy

The purpose of this policy is to establish the criteria by which petty cash funds will be established and approved, and to provide guidance on proper management of those funds.

Who is Governed by this Policy

Faculty and staff

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Policy

Requesting Petty Cash Funds

Use of petty cash funds is strongly discouraged. However, in limited circumstances when a need is established and documented by a department head, establishment of a small departmental petty cash fund may be approved. Requests for establishment of petty cash funds must be submitted to the Financial Operations’ Office via the Petty Cash Establish/Replenish Form. The following criteria will be considered in granting approvals:

A. The purpose of the petty cash fund;
B. Whether or not the petty cash fund requirements can be met in another way, (such as through use of a Procurement Card (P-Card), which is the primary method for small, miscellaneous business expenses);
C. How often will the petty cash fund turn over (be replenished); and
D. The department’s ability to properly safeguard the petty cash fund.

Use and Management of Petty Cash Funds

Departments with petty cash funds are responsible for appointing a petty cash fund custodian, and for following all use, management and safeguarding requirements set forth in the Petty Cash Procedures Manual. Custodians of petty cash funds are accountable for misuse, misconduct or mismanagement of petty cash funds. The university may conduct unannounced audits of petty cash funds at any time.

It is the sole responsibility of the department to ensure that the funds are secured at all times in a locked place (i.e., a safe deposit box or locked desk drawer). Theft or any losses of the petty cash fund are the sole responsibility of the department.
The university will close or reduce the authorized amount of a petty cash fund that is not operated in accordance with this policy and the Petty Cash Procedures Manual. Funds with no activity within a one (1) year period will be closed and all remaining funds will be returned to the Financial Operations’ Office.

All petty cash disbursements must be approved in advance by the department head or his/her designee, and must be made in accordance with the requirements of the Petty Cash Procedures Manual. Petty cash may be used to reimburse employees for legitimate business expenses up to $50 per transaction. Transactions may not be split to avoid the $50 limitation. Use of petty cash to pay human research subjects is not subject to the $50 limitation. When Sponsored Projects funds are used to reimburse employee expenses, the applicable Sponsored Project Administrator in the Office of the Vice President for Research must approve the disbursement.

The Accounts Payable Services Petty Cash Fund Forms are available online.

Definitions

**Petty Cash Fund**: A separate departmental cash fund for paying minor business expenses that cannot be paid with a Procurement Card (P-Card).

Forms

Accounts Payable Services Petty Cash Fund Forms

Petty Cash Establish/Replenish Form

Related Information

Financial Management Responsibility Policy

GW University Policies

Opening Bank Accounts Policy

Petty Cash Procedures Manual

Procurement Card (P-Card) Policy

Reporting Financial Irregularities Policy
Contacts

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<tr>
<th>Contact</th>
<th>Telephone</th>
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<tbody>
<tr>
<td>Accounts Payable Services</td>
<td>571-553-0247</td>
<td><a href="mailto:apcustsv@gwu.edu">apcustsv@gwu.edu</a></td>
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Document History

- **Last Reviewed Date**: March 19, 2018
- **Last Revised Date**: September 28, 2009
- **Policy Origination Date**: Not Available

Who Approved This Policy

Louis H. Katz, Executive Vice President and Treasurer

*This policy, as well as all university policies, are located on the Office of Compliance’s home page.*