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## Petty Cash FAQ

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### How do I establish a petty cash account?

TO ESTABLISH a petty cash or change fund, a requesting department must complete and submit to the Bursar's Office the "Application for Petty Cash or Change Fund" form and a letter of explanation addressing the need for the fund, including an analysis justifying the dollar amount requested.

### Where do I find an application?

Copies of the petty cash application may be obtained from the Bursar's Office and are available at: <http://www.busfin.uga.edu/forms>

To fill out the application please follow the instructions below:

1. Description of Need for Fund: Enter the type fund desired.
2. Enter the department name, account number, name and title of custodian.
3. Briefly describe the need and intended use of the fund.
4. Describe the type of storage provided (such as locked file drawer, combination safe, etc.) and enter the building and room number in which the fund will be kept.
5. Obtain the signature of the person who will be in charge of the fund.
6. Obtain the signature of the dean, director, or department head.
7. Attach a letter describing the purpose of the fund and an analysis justifying the dollar amount requested.

### Where does the money come from?

Upon approval of the application, the Bursar's Office will make arrangements to prepare a check payable to the petty cash custodian. **This initial issue is not charged to your departmental account. Your account is charged at the point your petty cash receipts are submitted and processed for reimbursement.** These funds are issued out of the Bursar's Office petty cash account. The fund must remain intact either in cash or in cash and authorized receipts of purchases. These funds must be returned in full when they are no longer needed and/or termination of the employee who is custodian of the account.

### How long can I keep it?

There are two different types of petty cash funds:

1. **General Purpose:** This type of petty cash account may be needed when

the number of expenditures or amounts of routine purchases, which cannot be invoiced to the University, justify the use of cash for payment. Remember that all petty cash purchases must be made in accordance with University purchasing guidelines.

**2. Special Purpose:** This type of petty cash account is given to Professors and other UGA employees when going on a UGA sponsored trip. This type of account has a close out date that is given at the time the account is opened. Future request for such funds can be denied if previous special purpose account was not closed within the time frame given.

### **How can the account be used?**

Petty cash funds may be used only for official authorized "small purchases" not to exceed the limit of \$500 from one vendor within 2 consecutive days. Single items should not exceed \$99.99. The custodian of the fund is responsible for enforcing the University purchasing regulations in making expenditures from this fund and is also responsible for insuring that the funds are adequately safeguarded. The fund should always be held separately and should not be commingled with personal money. Any overage and shortage should be reported to the Bursar's Office immediately.

\*\*For further details, please refer to the Purchasing Section in the Administrative Policies and Procedures Manual at <http://www.busfin.uga.edu/manual/index.html>\*\*

### **Can I open a checking account with the funds?**

For both general purpose and special purpose, the custodians are allowed to open a checking account. We suggest that you use Wachovia Bank for your banking needs because they do not charge service fees on UGA petty cash accounts.

### **Can I have direct deposit for my reimbursements?**

Direct deposit of petty cash reimbursements is an option for our general purpose accounts. To establish this payment option, please complete the "Request for Petty Cash Reimbursements form" at <http://www.busfin.uga.edu/forms/>

### **Can I have a debit card?**

In most cases, debit cards are not allowed. If your case warrants the use of a debit card you must have special permission from the Bursar's Office.

### **What if I have an overdraft in my petty cash checking account?**

Bank accounts established for petty cash purposes must be reconciled at least monthly and monitored to ensure the account is not overdrawn. All overdraft fees are the responsibility of the petty cash custodian(s). Custodians are personally responsible for all overdraft fees and such expenses cannot be

submitted for reimbursement. Written documentation that overdraft fees have been paid should be submitted to the Bursar's Office. Bank accounts established for petty cash purposes should not be opened as an interest bearing account.

### **Who do I contact about questions?**

You may contact the Bursar's Office by email [bursar@uga.edu](mailto:bursar@uga.edu) or by phone at 706-542-1625.

### **How do I close out the fund?**

Funds in the total amount of the petty cash dispersed should be brought to the Bursar's Office for deposit to close out an existing account that will no longer be used. The Bursar's Office will issue a receipt after verifying the funds returned. When the account is closed, the custodian's name will be removed from the records of existing accounts therefore relieving the custodian of the responsibility for the funds.

### **What if I need to decrease the amount of money I have?**

To decrease an existing account that is still being used, funds in the total amount of the reduction should be brought to the Bursar's Office for deposit. The Bursar's Office will issue a receipt after verifying the funds returned. When the account is decreased, the records will be adjusted to reflect the new balance and the custodian's amount of responsibility will be reduced by the amount of funds returned.

### **What if the original custodian no longer works for the University, how do I put the fund in my name?**

If for any reason a fund is no longer required or if the custodian ceases employment with the University unit, the fund must be returned to the Bursar's Office, thereby terminating the responsibility of the custodian. If it is impractical to close the fund, the fund may be transferred to a new custodian under the following procedure:

- 1.** A written reconciliation of the fund must be provided to the Bursar's Office. This must be reviewed and signed by both the custodian and the Dean, Director or Department Head.
- 2.** A copy of the new signature card (if petty cash fund is maintained in a checking account) must be provided to the Bursar's Office.
- 3.** A new petty cash application establishing the new custodian, must be completed, signed and submitted to the Bursar's Office.