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Petty Cash Guidelines

Petty cash funds in the hands of custodians represent a significant portion of the daily operating funds available to the University and thus are an important consideration in cash flow management.

It is therefore essential that petty cash funds be authorized only where there is a repetitive requirement for small dollar value purchases and only in the amount necessary to support this purchase volume. The minimum standards expected of custodians in petty cash fund management are:

1. Safety and security of the fund.
2. Accountability of the fund - for seeing that, at all times, the cash on hand or in the bank plus authorized receipts, sub-fund forms, reimbursements in transit, and withdrawal slips equal the total of the fund.
3. Preparation of periodic and written fund reconciliations.
4. Propriety of expenditures - to insure that expenditures reimbursed from the fund comply with legal and regulatory requirements, as listed in this manual, particularly to insure that there are no evasions of the \$500 limit and that every attempt is made not to exceed that limit on any individual order unless authorized to do so.
5. Prompt cooperation with the Internal Auditing Division when approached regarding periodic physical audits.
6. Annual purchase volume - to insure that annual purchase volume is equal to no less than twelve (12) times the size of the advance. The Bursar's Office will monitor size and usage of the fund and contact units to decrease fund size when necessary.
7. Reimbursement of active funds on at least a semi-monthly basis and of less active funds at least monthly.
8. Use of a single cash advance to support multiple operating accounts under a common administrator.

Further guidelines can be located on the Business and Finance's Administrative Policies and Procedures for the Bursar's Office, Procurement, Expenditure Control and Accounts Payable. <http://www.busfin.uga.edu/manual/index.html>