

---

**PETTY CASH FUNDS**

---

- Scope:** All campuses served by Louisiana State University (LSU) Office of Accounting Services.
- Effective:** July 1, 2007. This FASOP supersedes and replaces all prior versions.
- Purpose:** Petty cash funds are provided to permit certain miscellaneous small purchases (\$100 or less) of supplies, materials and services. Accounting Services recommends the use of the LaCarte procurement card (p-card) for these small purchases, which allows departments to make direct purchases from vendors without using petty cash, paying sales tax or requiring the processing of reimbursement requests.

Petty cash transactions may be handled in one of three ways:

- A. Departments that have only an occasional need to make petty cash purchases will not have an established petty cash fund. Those departments may be reimbursed for purchases up to \$100 over the counter in Bursar Operations by following the procedure described below under "Procedure".
- B. A department having regular needs for petty cash funds may request the establishment of an imprest cash fund for its use by submitting justification in writing to the Director of Financial Accounting and Reporting. This written correspondence should fully explain the requesting department's need for an imprest cash fund, as well as designate an appropriate University employee as Petty Cash Supervisor, the custodian of the fund. A strict accounting of all such approved funds is required of the Petty Cash Supervisor. At all times the sum of cash on hand plus the receipts on hand and/or in the process of being reimbursed must equal the amount initially obtained upon establishment of the fund.
- C. Temporary needs for petty cash funds (or temporary increases to existing funds) may be requested by submitting written justification to the petty cash administrator, an employee of the Financial Accounting and Reporting division in Accounting Services. This correspondence (e-mail will suffice) should include amount requested, purpose, custodian, and duration of fund. If approved, the petty cash administrator will contact the requesting departmental representative to set up a temporary fund and discuss the procedure for returning the money. The same strict accounting responsibility for permanent funds (discussed above) applies to temporary funds.

**Procedures:**

A. Receipts for Expenditures

Each disbursement must be substantiated by an original receipt, providing reasonable documentation that the actual purchase was made. The receipt should provide at least the following information:

1. Date of purchase.
2. Clear description of item purchased.
3. Name of vendor.
4. Amount paid.
5. Signature and printed name of University employee making purchase or accepting delivery.
6. Brief description of purpose.

Note: Items listed above must be written on the receipt or otherwise identified if not printed on the vendor-provided receipt.

B. Limitations on Use

1. The splitting of purchases to stay within the \$100 limitation is not permitted.
2. Food items related to an official University function may not be purchased from petty cash. Such official functions must be approved on an AS499, "Request for Approval of Special Meal". Reimbursement for related expenditures should be requested on an AS300, "Travel Expense Reimbursement Request", and sent to the Accounts Payable & Travel Office for processing. A copy of the approved AS499 should be attached to the AS300.
3. No disbursement to cover the following items should be made from petty cash.
  - a. Purchases in excess of \$100.
  - b. Purchase of items inconsistent with University policy; such as, but not limited to desk sets, decorative items, and internet service for home office.
  - c. Any wage or salary payment or earnings advance.
  - d. Check cashing.

C. Receipts for petty cash expenditures should be processed through the Bursar Operations division for reimbursement on a GLS on-line "PC" entry. Immediate reimbursement for such expenditures will be provided by Bursar Operations during the hours of 10:00 a.m. – 11:45 a.m. and 12:30 p.m. – 4:00 p.m. Individuals requesting petty cash reimbursements must present a valid University ID card.

D. Post Audit

Accounting Services performs a post audit of all petty cash reimbursements. Any reimbursement for unauthorized or improperly documented purchases will be disallowed, and a refund of such reimbursement will be required.