

UNIVERSITY OF COLORADO
DEPARTMENT OF OTOLARYNGOLOGY
STANDARD OPERATING POLICY AND PROCEDURE

Title	Petty Cash Management
SOP #:	OTO 302
Version #:	4
Effective Date:	April 18, 2022
Supersedes:	Petty Cash Management v 3, January 15, 2021

1. POLICY

Individuals assigned to be petty cash custodians are responsible for obtaining and maintaining petty cash funds in accordance with University and Departmental policies and procedures.

2. SCOPE

These policies and procedures apply to all personnel who pay research subjects using petty cash funds.

3. RESPONSIBILITY

The custodian is responsible for obtaining appropriate approvals prior to paying subjects. The custodian is responsible for securing and distributing petty cash in a secure manner to ensure against loss or theft of cash. The custodian is also responsible for completing and maintaining an inventory of petty cash.

4. APPLICABLE REGULATIONS AND GUIDELINES

University of Colorado Denver Procurement Service Center (PSC) Procedural Statement: Petty Cash & Change Funds. <https://www.cu.edu/psc/psc-procedural-statement-petty-cash-change-funds>

University of Colorado Denver Procurement Service Center (PSC) Procedural Statement: Study Subject Payments. <https://www.cu.edu/psc/forms/study-subject-payment-ssp>

5. REFERENCES TO OTHER APPLICABLE SOPS

N/A

6. ATTACHMENTS

N/A

7. PROCESS OVERVIEW

- A. Procurement of petty cash
- B. Custody of petty cash
- C. Dispensing of petty cash
- D. Reconciliation
- E. Shortage and Overage of Petty Cash Funds
- F. Replenishing Funds
- G. Changing or Closing Petty Cash Funds

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8. SPECIFIC PROCEDURES

A. Procurement of petty cash

#	Who	Task
1.	Department Finance Administrator or designee	A petty cash fund is established by submitting a Petty Cash/Change Fund Request (PCCF) to the campus controller's office. A copy of the form must be maintained by the department.
Note:		

B. Custody of petty cash

#	Who	Task
1.	Custodian	One individual must be responsible for the custody and dispensing of petty cash per each authorization.
2.		Petty cash must be maintained in a double-locked location. The custodian must have possession of both keys (i.e., cabinet and secure box). A second person should have a duplicate of the cabinet key and a third person should have a duplicate of the secure box key.
3.		Petty cash should be reconciled when it is first received. A reconciliation form is accessible via the UC Denver Petty Cash Policy at https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-petty-cash-change
Note:		

C. Dispensing of petty cash

#	Who	Task
1.	Custodian or designee	Custodian must record the following details for each transaction: <ul style="list-style-type: none"> <input type="checkbox"/> Subject ID <input type="checkbox"/> Date paid <input type="checkbox"/> Purpose of the payment <input type="checkbox"/> Amount paid
2.		If the cash dispensed to each recipient is to exceed \$100 in a single year, a W-9 must be collected. A W-9 can be found at irs.gov/pub/irs-pdf/fw9.pdf .
3.		Upon transfer from custodian to recipient, recipient must sign a receipt indicating the items in C1.
4.		All receipts and spreadsheets must be kept up to date and readily available for audit purposes.
Note:		

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D. Reconciliation

#	Who	Task
1.	Custodian	<p>Petty cash must be reconciled each time new cash is received, at least once per quarter, and at the end of the approved period. Reconciliation must include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Total amount indicated on receipts + total cash remaining = total petty cash initially received.
Note:		

E. Shortage and Overage of Petty Cash Funds

#	Who	Task
1.	Custodian	<p>The custodian is responsible for reporting lost, stolen or overage of funds to the Principal Investigator (PI) and the department.</p> <p>Any shortage or overage will be reported immediately to the campus controller's finance office.</p> <p>The overage or shortage must be resolved by responding to the questions below:</p> <ul style="list-style-type: none"> <input type="checkbox"/> When did the shortage/overage occur and when was it discovered? <input type="checkbox"/> How was the shortage/overage identified? <input type="checkbox"/> Who identified it? <input type="checkbox"/> How was the shortage/overage investigated? <input type="checkbox"/> What actions will be implemented to prevent future losses? (May need to add additional security measures to the program's internal controls) <input type="checkbox"/> Who has access to the fund? <input type="checkbox"/> Have there been any other times the fund was short or over? <p>For a shortage, reimbursement will be 1 of the 2 options listed below:</p> <ul style="list-style-type: none"> <input type="checkbox"/> PI will personally reimburse the shortage to the petty cash fund, or <input type="checkbox"/> The PI will use an unrestricted departmental funding source (NOT Fund 30, 31, 34, 35, etc.). <p>Payment Authorization (PA) should be completed to bring the fund back to the full authorized amount. Shortages should be recorded using Account Chartfield 552630 (Cash Over/Short). If greater than 10% of authorized fund amount email a completed PA to the Finance Office at pcgc@ucdenver.edu for a Controller Delegate review/signature.</p> <p>For an overage, the department should complete a Cash Receipt to move the overage off of the fund and deposit it under another speedtype. Account Chartfield 552630 (Cash Over/Short) should be used. If greater than 10% of authorized fund amount email a completed PA to the Finance Office at pcgc@ucdenver.edu for a Controller Delegate review/signature.</p>
Note:		

F. Replenishing Funds

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#	Who	Task
1.	Custodian	When replenishment of funds is needed, at least quarterly and at the end of the fiscal year and when the fund is to be closed out, the custodian or designee will prepare a PA form and submit to PSC. The payee should be designated as the custodian's name, "Petty Cash Custodian".
Note:		

G. Changing or Closing Petty Cash Funds

#	Who	Task
1.	Custodian	For any changes to the petty cash program (e.g. custodian, speedtype, amount), the custodian will complete a Petty Cash/Change Fund Request form identifying the needed changes, attach a copy of the initial approval, and submit to the Campus Controller's Finance Office. To close the program, the custodian will contact the campus controllers finance office for instructions.
Note:		