



Rowan College of South Jersey

Administrative Procedure: 6011
PETTY CASH AND CASH MANAGEMENT

Petty Cash

Establishment of Funds

While it is the policy of the College to limit the petty cash fund to the Business Office, occasions may arise where an exception will be made.

In the event that the College needs to establish additional petty cash funds, the requesting department head will have to provide justification to the Executive Vice President and Chief Operating Officer/Chief Financial Officer (VP/COO/CFO) for the account and designate an employee as custodian of the funds.

The Executive Director of Financial Services, Assistant Chief Financial Officer in cooperation with the department head, will periodically review and verify the documentation related to the use of petty cash funds. Once the review is completed, funds for acceptable use requests will be replenished.

Reimbursement of Petty Cash

Petty cash purchases are defined as non-competitive, non-recurring purchases of \$20 or less made with personal funds of a College employee on a voluntary basis. The purchase must be subsequently approved by the authorized department signatory for reimbursement in cash to the employee.

The following rules promote the use of petty cash for appropriate business transactions while assuring the observance of internal controls:

- Any purchase outside the scope and mission of the College will not be reimbursed.
- Sales taxes are not reimbursable.
- Reimbursement of petty cash will not mean or imply the employee is acting as an authorized agent for the College for future purchases.
- Petty cash purchases should be limited to instances when the urgency of the need does not permit submission of a purchase requisition or contacting the Purchasing Department.
- Petty cash purchases are to be submitted for reimbursement within (10) days of the purchase date identified on the receipt. Any reimbursement request received in excess of (30) days of the purchase date may be denied.

- Employee will be reimbursed in cash upon presentation of an executed Petty Cash Voucher¹ and original, itemized receipt(s) along with any applicable support to the Business Office. Form and receipt(s) must identify items purchased.
- Petty cash purchases may not be subdivided into two or more requisitions to facilitate a cash reimbursement. Repeated attempts considered to artificially divide reimbursements for a cash reimbursement by a department will be forwarded to the department's respective vice president.

Cash Purchases Over \$20 Dollars

Cash purchases over \$20 will not be reimbursed in cash, but by College check upon submitting an executed Check Request Form² and original, itemized receipt(s) along with any applicable support to the Accounts Payable department in the Financial Services Office. Check request and receipt(s) must identify items purchased.

All petty cash reimbursement requests are subject to Fiscal Year-end Deadline or other funding deadline requirements.

Cash Management

All funds received on behalf of the College must be deposited in the Business Office in accordance with the procedures set forth below. "Funds received on behalf of the College" include, but not limited to, amounts collected as a result of the use of college equipment and facilities, all proceeds from sales, services, gifts, grants, contracts, prizes, awards, raffles, fines, fundraisers, rewards, ticket sales, and refunds.

Proceeds will not be netted against expenses before deposit. Expenses associated with generating the proceeds must be incurred according to College purchasing policy and procedures. Any exceptions to the policy must be approved in advance and in writing by the VP/COO/CFO or designee.

Refunds cannot be paid out of receipts and no expenditures can be made directly out of receipts. All expenses must be made through normal purchasing procedures.

Individual departments and student organizations are not permitted to have their own bank accounts. All funds must be deposited in the College's bank accounts through the Business Office. Any noncompliance will be considered a serious violation of policy and will result in disciplinary action up to and including termination of employment.

Before handling cash, the following guidelines apply to all departments:

- Only full-time faculty/staff members are permitted to handle cash. The Business Office offers to train full-time faculty/staff members in handling of cash in keeping with the College's cash management policy.
- All necessary cash management forms are available from Financial Services.

¹ Form available from Financial Services

² Form available from Financial Services

- Individual departments and/or student organizations must provide and use a locking cash box, or lock and key bag. Financial Services has a limited number of lock and key bags for loan purposes only.
- Must have ability to either deposit the funds with the Business Office at the end of the business day, lock in a secure area such as a safe or locked filing cabinet in the evening, or deposit the funds in the Business Office safe with a Business Office staff member.
- A Business Office representative will be available at the close of events meeting the threshold requirements of \$2000 or more in cash receipts. The representative will count the funds received, in the presence of the faculty/staff member coordinating the event. The faculty/staff member and a Business Office representative will each sign the Cash Management Reconciliation form provided by Financial Services that verifies all accounted money. A sheriff will accompany the faculty/staff member and Business Office representative to the College where the money can be properly secured in the safe provided, until the next business day available for deposit.
- If an event did not collect \$2000 or more in cash in the prior year, a Business Office representative will not be required at the event. The event coordinator will be required to use a bank bag with a lock key (bags can be borrowed from Financial Services located on the second floor of the College Center building, but must be returned the next business day). At the end of the event, two full-time faculty/staff members will complete and sign the Cash Management Reconciliation form provided by Financial Services. One faculty/staff member will take the bag and the other will take the key. The money must be deposited the next business day at the Business Office.
- A faculty/staff member is able to sign tickets out to students. However, the student will need to complete the ticket sales form provided with all of the required information. The student will return all money and/or tickets to the faculty/staff member. The faculty/staff member will record all required information. All ticket sales forms and/or tickets need to be returned to the event coordinator the morning of the event. The faculty/staff member will reconcile all money, ticket sales forms and receipts, and cash management reconciliation forms, and deposit all cash the same day at the Business Office. The day following the event, the Internal Auditor will reconcile all ticket sales forms, ticket receipts, cash management reconciliation forms, and deposit slips. All cash will be handled in the Business Office by the Bursar and/or trained cashiers during normal business hours. The faculty/staff member in charge of the event will be responsible for any missing funds.

Area: Finance
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President's Authorization: _____



References:

Rowan College of South Jersey Board of Trustees Policy Manual, *6011 Petty Cash and Cash Management*

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