Petty Cash

Policy/Procedure

The Cashier’s Office maintains a petty cash fund for the purpose of disbursing approved reimbursements to Dickinson College (the “College”) students and employees. Cashier funds are available for expense reimbursements that total $100 or less, including travel expenses, business meals and the purchase of low-cost goods that cannot efficiently be accomplished by other methods (e.g. Purchasing Card).

Travel advances should only be used when cash is required for travel and use of a College Purchasing Card is not feasible (loaner Purchasing Cards are available in Financial Operations). A travel advance will not be issued for lodging, conference fees, or other substantial costs that can be prepaid, prearranged or invoiced. Travel advances given to directors of short-term (up to six weeks) study-abroad and domestic programs constitute an exception to the travel advance policy. Refer to the policy on Travel and Related Expenses for more information on requesting and reconciling travel advances.

College students and employees presenting an approved Payment Voucher or Travel Expense Reimbursement Form, accompanied by appropriate supporting documentation and a valid College identification card may receive reimbursements at the Cashier’s Office. The Cashier’s Office must be notified in advance when sending a proxy to pick up a reimbursement on behalf of an employee.

Specialized Petty Cash Funds

A specialized petty cash fund is a fund administered by a named custodian for use by one department for a specific purpose. The custodian is responsible for safeguarding petty cash funds under his or her control. Each specialized petty cash fund must be reconciled no less than once a month. Specialized petty cash funds may only be established when there is a demonstrated need which cannot be met by funds available in the Cashier’s Office, and require the approval of the Vice President for Finance and Administration.

The department custodian is responsible for ensuring that all disbursements from the petty cash fund are in accordance with College policy. Financial Operations may perform surprise petty cash counts on a random basis to ensure proper funds and documentation are maintained. Any funds missing from petty cash will be charged to the responsible department and the custodian may be subject to disciplinary action for any violations of this policy contributing to the loss of funds.

A specialized petty cash fund must be closed immediately if the purpose for which the fund was established ceases to exist or changes significantly, or if the fund has been inactive for one year. If a fund custodian terminates employment at the College, the fund must be closed or a new custodian must be appointed to the fund. In order to close a fund, a final reconciliation approved by the custodian and a department administrator must be submitted to Financial Operations accompanied by all remaining cash and required supporting documentation.

Guidelines for Reimbursements from Petty Cash Funds
Petty cash is an important payment vehicle for small dollar items, but is frequently not the most cost effective way to purchase these goods and services. A Purchasing Card or college-wide vendor contract (e.g. Phillips) may be more effective and allows the purchaser to apply the College’s sales tax exemption to purchases made in Pennsylvania and other states (see applicable sales tax exemption forms at http://www.dickinson.edu/info/20082/financial_operations/1344/sales_tax_exemption).

The following types of expenses may not be processed using petty cash:

- Payment of salary or wages, honoraria and other payments for services performed by an employee that are subject to reporting and withholding as taxable income (paid through Payroll)
- Expenditures of more than $100 (paid through Accounts Payable)
- Personal expenditures or borrowings in any amount by the fund custodian or other employees are strictly prohibited
- Expenditures not allowable by sponsored programs (e.g. alcoholic beverages) must not be charged to a grant or contract

When processing a reimbursement request for an individual who is not a U.S. citizen or a U.S. permanent resident, please refer to the Nonresident Alien section of the Financial Operations website for information about the additional required documentation. The documentation requirements for petty cash reimbursements are the same for reimbursements processed through Accounts Payable (including services performed by U.S. citizens and permanent residents reportable on Form 1099).

Requests for payment from a petty cash fund must be approved by a department authorizer (in accordance with the Procurement Authorizations policy) other than the payee and must be accompanied by receipts and other documentation as specified by College policy and guidelines for supporting documentation for business expenses (see Procurement of Goods and Services and Travel and Related Expenses).

Replenishment of Petty Cash Funds

Cashier and specialized petty cash funds will be replenished only in amounts up to the original amount advanced. However, a request for an increase in a specialized fund may be granted if appropriate. Funds may also be reduced if business needs diminish.

All requests for replenishment must be authorized by a department administrator who is not the fund custodian and submitted for approval to the Cashier’s Office (up to $100) or Accounts Payable using the Petty Cash Reimbursement Voucher.

Related Information
Sponsored Projects and Grants Administration
Check Cashing Policy
Payments to Non-Resident Aliens
Procurement of Goods and Services
Procurement Authorizations
Personal Purchases
Purchasing Card
Tax-Exempt Purchases
1099 Tax Reporting and Withholding
Travel and Related Expenses

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