VIII-6.00(E)  UNIVERSITY OF MARYLAND POLICY AND PROCEDURES
CONCERNING PETTY CASH FUNDS

(Approved by the President March 6, 1993, Revised February 28, 2012)

I.  PURPOSE

This statement sets forth Campus policies and procedures for establishing, disbursing, and reimbursing petty cash funds.

II.  POLICIES

A.  A department or “activity” petty cash fund may be established with approval from the Office of the Comptroller, College Park. Any department or activity seeking to establish a petty cash fund must submit a written request, including a properly executed Petty Cash Memorandum of Understanding (MOU), designating the petty cash custodian(s) and justifying the need, duration, and amount of the fund.

B.  Petty cash funds may be established for a specific period of time or for an indefinite period of time if the requirements for the fund are of a permanent and continuing nature.

C.  The department head or designee and the custodian(s) of the petty cash fund shall be jointly responsible for proper use of the petty cash fund, prompt return of the fund by the agreed termination date, and safeguarding of the cash. When not in use, the fund must be stored in a secure, locked area with limited access. Fireproof file cabinets, safes and other containers designed for safekeeping of documents are acceptable; desk drawers and non-fireproof file cabinets are not.

D.  Purchases made from petty cash funds are subject to the same guidelines and regulations as purchases made through normal campus channels using university purchase orders, master contracts, and small dollar ELF forms.

E.  Petty cash cannot be used for non-university purposes, employee loans, or salary advances.

III.  PROCEDURES

A.  The department head or designee must identify one individual to act as primary custodian of the petty cash fund. One or more alternate custodians may be designated to serve during periods of time when the primary custodian is away on leave. Before a change to/from an alternate custodian, the alternate and the primary custodian (or the department head designee in the absence of the primary custodian) shall reconcile the fund as described in paragraph C, below. The department head or designee and each custodian must sign a Petty Cash MOU to document their understanding of the policies.
and procedures associated with the fund. Access to the petty cash fund should be restricted to the custodian(s) only. Petty cash funds are not transferrable. Any change in the primary custodian will require the return of the fund and a subsequent issuance of a replacement fund to the new primary custodian.

B. Petty cash funds must be kept separate and apart from all other funds. They are not to be commingled with personal funds, miscellaneous cash receipts, or revenue of any type that may have been collected.

C. If money is advanced from the petty cash fund for purchases, the recipient must sign a receipt for the advance. After expenditure, the receipt for the advance should be replaced by a third-party, vendor receipt and a petty cash expense form signed by the recipient. Vendor receipts and petty cash forms must be kept in the fund until it is reimbursed. The total of (a) currency and coin on hand, (b) receipts for advances still outstanding, and (c) the unreimbursed petty cash expense forms with vendor receipts attached should always equal (reconcile to) the amount of the petty cash fund authorized by the Office of the Comptroller. Expenditures chargeable to more than one University account may be paid out of a single petty cash fund.

D. Expenditures from petty cash funds must be submitted to Accounts Payable for reimbursement using a Miscellaneous Payment Request Form (MPR) at a minimum on a monthly basis. A Petty Cash Reconciliation as well as expenditure receipts must be attached to the MPR. Reimbursement may not exceed the amount of the petty cash fund.

E. The amount of a petty cash fund may be increased, provided the increase is justified, by submitting a written request to the Office of the Comptroller. A petty cash fund may be reduced whenever the total amount of the fund exceeds the actual needs of the department or activity. That portion of the fund in excess of the department's needs should be returned to the Comptroller's Office when the funds are no longer needed.

F. All petty cash funds, regardless of whether established for specific or an indefinite period of time, must be returned to the Office of the Comptroller when the fund is no longer needed.

G. Surprise Petty Cash counts by UMS Internal Audit and the Office of the Comptroller will be performed periodically. The UMCP Police and the UMCP Comptroller should be notified immediately in the event of theft or suspected theft of funds. Reference should be made to the police report.

H. To receive copies of the Petty Cash Memorandum of Understanding, please contact the Office of the Comptroller, Working Fund x52622.

Responsible Administrative Office: Office of the Comptroller, Accounts Payable, 3101 Chesapeake Building, Extension 52640