### CASH FUND TRAINING

### TTUHSC Accounting Services

Updated May 2003

## Categories of Cash Funds

- Change Funds
  - Maintained in currency and coins
  - Used strictly for making change
- Petty Cash Funds
  - Usually maintained in a bank account (though some currency and coin petty cash funds are allowed)
  - Used for approved disbursements

#### General Guidelines

- Strong internal cash controls must be maintained at all times
- Cash fund custodians are responsible for ensuring proper operation and control of cash funds
- All cash handlers must receive cash controls training
- Potential vulnerabilities must be considered and necessary safeguards must be established

#### Cash Fund Control Plans

- A Cash Fund Control Plan (CFCP) must be completed in order to establish a fund
- Each CFCP must be reviewed and updated annually (in May)
- The CFCP must document the need (or continued need) for the cash fund
- The CFCP must describe the safeguarding procedures and facilities in use

### Cash Fund Control Plans (cont'd)

- The CFCP must include certain bank information for petty cash funds maintained in a bank account
  - Bank name
  - Bank address
  - Bank account number
  - Account title
  - Names of authorized signers

# Cash Fund Changes

- Changes to custodians must be timely documented in a revised CFCP
- Increases or decreases in balances must be requested with a revised CFCP
  - A check will be issued to effect an increase
  - A return of funds is required for a decrease
- Closures of cash funds must be requested with a revised CFCP and a return of funds

#### Reimbursements

- No expenses are recorded at the time cash funds are established
- Reimbursements of cash funds generate the posting of the related expenses and replenish the cash fund
- Reimbursements must be requested at least once per month
- Reimbursements are requested using a Purchase Order (PO) with original receipts attached and signatures of payees noted

## Security and Safeguards

- Cash funds and related materials must be kept secured at all times
- Access to cash funds and related materials must be limited to the custodian and an approved alternate
- Cash funds and related materials must be kept separate (not commingled) from personal funds and from other cash funds

#### Cash Collections

- Cash collections must be properly receipted / documented
- Responsibility for cash collection activities should be segregated from responsibility for balancing / reconciliation activities and cash fund management activities
- Checks received must be restrictively endorsed immediately upon receipt

#### Reconciliations

- The sum of cash on hand (or in bank) and approved receipts on hand must always equal the approved cash fund balance
- All petty cash bank accounts must be reconciled monthly
- The reconciliation must identify the differences between the bank balance and the approved cash fund (book) balance
- Reconciliation documents must be provided to Accounting Services monthly

### Issue Resolution

- Any issues or concerns involving cash are of the utmost importance
- Cash fund inquiries or concerns must be responded to immediately and resolved timely
- Unresolved cash fund issues and concerns will be quickly referred to the next higher level of administration for resolution or disciplinary action

#### TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

#### Cash Fund Training – Knowledge Quiz

NAME:			
DEPT:			
	1.	<ol> <li>For petty cash funds maintained in a bank account, which of the following items of information need not be included in the Cash Fund Control Plan?</li> </ol>	
		a. bank address	b. bank routing number
		c. bank account number	d. bank account title
	2. How often must reimbursements of cash funds be requested?		nds be requested?
		a. at least once each week	b. at least once each two weeks
		c. at least once each month	d. at least once each six months
	3.	True or False – Only cash fund custodians are required to receive cash controls training.	
	4.	True or False – Failure to resolve cash issues or concerns in a timely manner could result in disciplinary action.	
	5.	5. Which of the following cash handling responsibilities must be segregated from the others?	
		a. collection of checks from mail	b. recording of checks in payment log
		c. restrictive endorsement of checks	d. reconciliation of collections
	6.	True or False – Cash funds and related materials must be kept secured at night and on weekends but can be unsecured during normal business hours to allow for transaction processing.	
	7.	True or False – All checks collected for payment must be restrictively endorsed by no later than the end of the business day.	
	8.	8. Which of the following events <u>does not</u> require preparation and submittal of a revised Cash Func Control Plan?	
		a. a change in a cash fund custodian	b. a request for reimbursement of a cash fund
		c. closing of a cash fund	d. an increase in the floral abundance resulting from a prior increase in environmental moisture
	9.	9. True or False – Cash funds can be used to cash personal checks of employees.	
	10	10. True or False – An expense is recorded when a cash fund is established.	
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