

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

