

**Skidmore College
Petty Cash Policy
Revised 4/2010**

If approved by Financial Services, a department is allowed to maintain a small amount of petty cash to pay minor expenses that do not necessitate a check. Once the petty cash fund is approved, an initial cash disbursement is made to the department. The amount of petty cash authorized will be agreed upon between Financial Services and the Department.

Purpose and Use

Petty cash can be used to reimburse individuals for non-travel, out-of-pocket expenditures. Petty cash can sometimes be used in place of the purchasing process where appropriate, for example, as reimbursement for small, incidental department expenses when it is infeasible or impractical to use the department P-Card or normal purchasing processes. Petty cash should be used in this manner only when absolutely necessary. A petty cash fund can also be used as a "change fund" in the department for handling ticket sales, etc., where expenses are not incurred.

Safeguarding of Petty Cash

Departments are responsible for adequate security and control of their petty cash funds. The fund should be secured at all times in a locked place. No insurance is available to cover losses from the fund. Theft and any other losses of petty cash are the responsibility of the department.

Control and Disbursements from Petty Cash

The petty cash fund should be maintained at the balance given level at all times, that is, the total of cash plus receipts should equal the authorized amount. For example, if your authorized balance is \$100, the total of cash and receipts at any given time should be exactly \$100. The designated person is responsible for maintaining the balance at the authorized level. Disbursements should be supported by original receipts. Petty cash is subject to audit at any time by Financial Services.

Replenishment of Petty Cash

When the cash balance gets low (an amount below which the department deems necessary for operating purposes) replenishment can be requested. Complete a check request made out to Petty Cash in the amount of the receipts with the expense codes listed for the various expenses. Your expense budget will be charged for the amount of the reimbursement. Replenishment should never be for more than the authorized balance.

Petty cash should not be used for the following:

- Travel reimbursements. Employees should use the travel expense report.
- Travel advances. Employees should use the cash advance process.
- Payment for items that should be purchased through the purchasing system; the Department P-Card or Accounts Payable and a Purchase Order.
- Payments to independent contractors, consultants, awards, etc. These should be processed with Accounts Payable.
- Payments to employees including students for services, stipends, awards, bonuses, etc. These should be processed through the HRs/Payroll process.
- Payments to other College departments (e.g., Skidmore Shop, Office Services, etc.). Use the SCIP Card.
- Non-College business, i.e. personal borrowing.