

# University Of Rhode Island

## Petty Cash/Imprest Policy & Procedures

### I. Policy

All obligations of the University of Rhode Island are paid by the Controller's Office. Under certain circumstances, the Controller's Office may delegate a part of its authority to a University department by allowing that department to operate a Petty Cash/Imprest fund. In any case, the Controller's Office reserves the right to reduce or dissolve any Petty Cash/Imprest fund at its sole discretion.

A. The URI Controller's Office has identified three classes of Petty Cash/Imprest Funds:

1. Those which are established to support general operations. General operating Petty Cash/Imprest transactions are limited to less than \$50.00. Repetitive purchases from the same vendor should be handled via a blanket Purchase Order.
2. Those which are established to meet specific needs associated with a particular department. Acceptable Petty Cash/Imprest transactions will be detailed on the approved [Petty Cash/Imprest Application/Modification Form](#) on file in the URI Treasury-Cash Reconciliation Office. A department's purchases must conform to their application.
3. Those which are established exclusively as change funds. A change fund must be reconciled daily and used only to fund cash drawers.

B. Petty Cash/Imprest Custodians must adhere to the following guidelines:

1. The Petty Cash/Imprest fund must be kept in a secured location. Access to the fund must be limited to those authorized to make disbursements and/or change. Theft or misappropriation must be reported immediately to Campus Security and the Vice President for Administration and Finance.
2. The Petty Cash/Imprest fund must be kept in tact and not co-mingled with any other department receipts. It must not be used to cash checks. It must not be used to give travel or salary advances, unless specifically exempted from this rule.
3. The custodian is responsible at all times for the amount of the funds on hand either as cash or as signed receipts. The custodian must send a monthly [Petty Cash/Imprest Reconciliation form](#) to the Treasury-Cash Reconciliation Office by the 20<sup>th</sup> day of the following month.
4. The University is exempt from paying RI Sales Tax. Custodians should use the University's "[Certificate of Exemption](#)" when purchasing taxable items so that the University is not charged sales tax on those items. Custodians should make this certificate available to authorized individuals making purchases on their behalf. This certificate is available at the URI Treasury-Cash Reconciliation Office.

- C. The Petty Cash/Imprest fund is subject to surprise audit by the following groups:
- Board of Governors for Higher Education (BGHE).
  - Independent firm of CPAs under contract with the BGHE to examine the University’s general-purpose financial statements.
  - State Auditor General and State Bureau of Audits.
  - Vice President for Administration and Finance, University of Rhode Island.
  - Department Dean, Director or Business Manager responsible for the fund.
  - The URI Treasury-Cash Reconciliation Office.
- D. The URI Treasury-Cash Reconciliation Office will monitor fund activity annually to insure that Petty Cash/Imprest funds are being used effectively. Under utilized funds will be reduced or dissolved at the discretion of the Treasury-Cash Reconciliation Office.
- E. Policy violations will result in immediate fund dissolution.

## II. Procedures

### A. Establishing a Petty Cash/Imprest Fund:

1. A Dean, Director, or Business Manager will submit a “[Petty Cash/Imprest Application/Modification Form](#)” to the URI Treasury-Cash Reconciliation Office.
2. If the need is justified and adequate accounting controls are in place the Treasury-Cash Reconciliation Manager will approve the fund and appoint a custodian.
3. The custodian will sign for the Petty Cash/Imprest fund thereby indicating that he/she has accepted both custody and responsibility for the fund and will adhere to URI Petty Cash/Imprest Policy. Noncompliance will result in forfeiture of the Petty Cash/Imprest fund.
4. The General Accounting Office will cut a check made payable to the custodian. Depending on the amount of the check, the custodian will either deposit it to an petty cash/imprest checking account or maintain a locked cash drawer.

Dr: Petty Cash/Imprest (GL - 1030)	\$300.00
Cr: Cash (GL - 1003)	\$300.00

### B. Reimbursing a Petty Cash/Imprest fund:

In order to maintain reasonable control, simplicity of operation and general adherence to University policies, the Controller’s Office employs the Petty Cash/Imprest System to reimburse Petty Cash/Imprest disbursements:

1. As disbursements are made, the Petty Cash/Imprest custodian will obtain a signed receipt from each individual to whom cash is paid. Evidence of the disbursement such as an original cash register receipt or vendor invoice will be attached to the Petty Cash/Imprest slip. The Petty Cash/Imprest slip must be signed by both the individual requesting funds and the disbursing officer and must include

the description and total amount of the purchase. All expenditures must adhere to purchasing policy and fall within the intended purpose of the Petty Cash/Imprest fund.

2. When the supply of cash runs low, the custodian will request reimbursement by completing a reimbursement voucher (Imprest Reimbursement Voucher//Payment Order) and submitting it to the accounting office (General Accounting/Research/GSO) for approval. The reimbursement voucher must be signed by the appropriate individuals. All Petty Cash/Imprest receipts and any other evidence that supports the custodian's disbursements must be attached to the reimbursement voucher. Custodians with imprest checking accounts must also attach an [Electronic Funds Transfer Request Form](#).
3. The Accounting Office will preaudit the reimbursement voucher. Reimbursement vouchers that do not conform to policy will be returned to the custodian without reimbursement. If the reimbursement voucher conforms to policy it will be approved and the General Accounting Office will either cut a check payable to the custodian or initiate an EFT crediting the custodian's imprest checking acct.

Dr: Office Exp (SL – 3323)	76.00	
Dr: Postage Exp (SL – 3321)	23.00	
Dr: Educational Exp (SL – 3432)	55.22	
Cr: Cash (GL – 1003)		154.22

4. The custodian should request reimbursement as the fund is depleted. However, since Petty Cash/Imprest transactions are not recorded until the fund is reimbursed, in order to maintain accurate financial statements, the fund must be reimbursed for all outstanding receipts by each fiscal year end (June 30).
- C. Modifications to a Petty Cash/Imprest fund:

1. A [Petty Cash/Imprest Application/Modification Form](#) must be completed in its entirety and sent to the Treasury-Cash Reconciliation Office for each of the following modifications:
  - A change in fund location or fund custody
  - A request to increase the fund
  - A request to decrease or dissolve the fund – attach cash/check and, if necessary, an Imprest Reimbursement Voucher/Payment Order when also submitting unreimbursed receipts.

Note: [Petty Cash/Imprest Application/Modification Forms](#) requesting to decrease or dissolve a fund will be signed by the Treasury-Cash Reconciliation Manager thus verifying the amount returned and creating a receipt of the transaction.

- C. A written confirmation will be mailed annually to each University college/department business manager requiring that they confirm the existence of all Petty Cash/Imprest accounts under their jurisdiction. The returned confirmation will be kept on file in the URI Treasury-Cash Reconciliation Office.