Custodian Funds – Petty Cash Procedure

Procedure #: 200.7
Rev.: 0
Effective Date: June 29, 2018

Related Policy: 200: Custodian Funds Policy
Functional Owner: Cash Management, Business Services
Contact: Custodian Funds Mailbox: cstdnfnd@bussvc.wisc.edu

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I. Procedure Statement

The University of Wisconsin-Madison maintains a series of funds, including Petty Cash, to assist in situations where use of the accounts payable process or a University Purchasing Card is not appropriate. Petty Cash is used by departments for handling small purchases that cannot be effectively handled by a University Purchasing Card or check. Petty Cash is not common on campus and is generally set up for less than $100.

II. Who is Affected by this Procedure

This policy applies to all Deans, Directors, Financial Officers and staff associated with Petty Cash.

III. Procedure

A. Opening Petty Cash

The following steps represent the overall process for opening Petty Cash:

1. Custodian obtains the NR Number from the NR Number Generator. The NR Number from the NR Number Generator is required on some of the necessary forms for opening Petty Cash.
2. Custodian composes a Letter of Justification explaining the purpose of the Petty Cash.
3. Custodian completes the Custodian Fund Request Form and Custodian Fund Agreement Form.
4. Custodian and Reconciler review and sign the Memorandum of Understanding (MOU) for Petty Cash.

5. Custodian routes the Letter of Justification, Custodian Fund Request Form, Custodian Fund Agreement Form, and MOU for Petty Cash to the Dean/Director’s office.

6. Dean/Director’s office reviews the documents and signs the necessary forms.

7. Dean/Director’s office keeps a copy of the forms for internal records.

8. Dean/Director’s office sends original forms via inter-d mail to the Cash Management Office.

9. Cash Management processes the request.

B. Maintaining Petty Cash
   The following steps represent the overall process of maintaining Petty Cash:
   1. Perform and document weekly reconciliations by reconciling to the authorized advanced level.
   2. Replenish Petty Cash at least every 90 days or sooner, based on activity.
   3. Notify the Dean/Director’s office and Cash Management when there is a change in Custodian and/or Reconciler and prepare applicable Custodian Fund forms.
   4. Respond to Cash Management’s annual review request.

C. Closing Petty Cash
   The following steps represent the overall process of closing Petty Cash:
   1. Contact Cash Management via the Custodian Funds e-mail address (cstdnfnd@bussvc.wisc.edu).

IV. Definitions
   • Custodian – UW-Madison employee who is responsible for monitoring the petty cash.
   • Reconciler – UW-Madison employee who is responsible for performing and documenting weekly reconciliations.

V. Related References
   • 200: Custodian Funds Policy
   • NR Number Generator
   • Custodian Fund Request Form
   • Custodian Fund Agreement Form
   • MOU for Petty Cash
VI. Revisions

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