Petty Cash Policy

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Policy Overview
Local business units can establish their own petty cash account, which is overseen and managed by a custodian. The amount of cash in each petty cash fund varies (usually $100-$500), depending on the needs of the business unit, but the overall purpose is to provide immediate cash or reimbursement for minor business expenditures. These funds may only be used for University business and, whenever possible, a PCard should be used instead of petty cash.

This policy outlines proper use of petty cash, how to establish and close a petty cash account, and responsibilities of petty cash custodians. If you have questions about petty cash, which are not answered in this policy, please contact your local custodian. (See the section on “Establishing a Petty Cash Account” to identify your custodian.)

HUIT Custodians
HUIT currently has seven petty cash accounts with respective custodians:

<table>
<thead>
<tr>
<th>Petty Cash Account Location</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Story Street</td>
<td>Matt Randrup</td>
</tr>
<tr>
<td>565 Smith Center</td>
<td>Maggie Ronald</td>
</tr>
<tr>
<td>1230 Soldiers Field Road</td>
<td>Ahmed Ahmed</td>
</tr>
<tr>
<td>60 Oxford Street</td>
<td>June Dever</td>
</tr>
<tr>
<td>1033 Mass Ave</td>
<td>Katie McNaught</td>
</tr>
<tr>
<td>90 Mt. Auburn Street</td>
<td>Patti Fucci</td>
</tr>
<tr>
<td>2 Arrow Street</td>
<td>Karen Ela</td>
</tr>
</tbody>
</table>

The Custodian is responsible for the following:

- Distributing petty cash to employees or visitors (ensuring a valid business expense)
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• Maintaining a petty cash log for each transaction
• Retaining all receipts (subject to review by Risk Management)
• Reconciling and replenishing the petty cash account quarterly
• Securing the petty cash fund (e.g., in a locked drawer or small safe) to prevent theft
• In the event of theft, the Custodian should notify his/her immediate superior as well as the University Police
• Closing an underutilized petty cash account

Using Petty Cash Funds
Detailed below are the restrictions and responsibilities to be aware of for the appropriate use and documentation of petty cash funds.

Who Can Use Petty Cash
Only the following individuals may receive petty cash funds:
• HUIT employees
• Visitors on University business

Responsibilities of Petty Cash Users
The person receiving petty cash funds is responsible for the following:
• Obtaining management approval for the expenditure
• Ensuring purchase was made in the conduct of University business
• Retaining original receipt from vendor
• Completing petty cash voucher form from the Custodian
• Providing detailed description of expense
• Ensure Massachusetts Sales/Meals tax is not charged
• Ensuring appropriate 33 digit billing code is used

Appropriate Use of Funds
Petty cash should only be used for expenditures under $50. Examples of appropriate use of petty cash funds include:
• Taxi fare
• Business related parking
• Postage
• Office supplies
• Food or drinks (for example, donuts and coffee) for events allowed under "Use of Departmental Funds" policy

Petty cash should not be used to pay for the following:
• Invoices for goods or services
• Salaries or wages
• Advances or loans
• Parking tickets

Additional Responsibilities of Petty Cash Custodians
Maintaining the Petty Cash Log
Custodians must maintain an accurate log of all petty cash transactions using the University’s petty cash log. The log should be detailed and filled out completely, with the supporting receipts attached as documentation for all transactions. As with any reimbursement, the custodian should ensure that funds are disbursed for valid business expenses.

Document Retention
In order to receive petty cash, employees and visitors must provide their receipts and fill out a petty cash voucher, which should be attached to the corresponding employee receipt. All
custodians should have a supply of these vouchers at their site in order to document petty cash disbursements. Custodians can request additional petty cash vouchers from Ahmed Ahmed as needed.

Reconciling/Replenishing the Account
The custodian must reconcile and replenish petty cash quarterly.

Additionally, a financial partner must verify petty cash balances annually. Each time petty cash is reconciled, custodians should make sure that they have logged all of their petty cash vouchers and receipts correctly. The total of the disbursed amounts and the cash on hand should equal the total value of the petty cash account. The “Total Disbursement” is the dollar amount to be reimbursed.

Once the custodian has completed the log and reconciled the account, he or must send the petty cash log (along with proper receipts and completed vouchers) to Ahmed Ahmed at 1230 Soldiers Field Road. The data is input into the Web Voucher (WV) application system and submitted for approval. The WV report and petty cash log are then sent to Central Accounts Payable for a check disbursement. HUIT Accounts Payable retains copies of the WV report, petty cash log, and original receipts.

Central Accounts Payables takes three to five business days to issue a check. Checks are disbursed to custodians via US mail or University mail. It is important that custodians allow sufficient time to complete the process in its entirety.

Custodians can cash petty cash checks at either their own personal bank or at Harvard’s Cash Receipts Department, located at 1033 Mass Avenue (2nd Floor)

Establishing a Petty Cash Account
Local units who want to establish a petty cash account should forward a request to David Murphy. The University has restricted availability of new petty cash accounts, and therefore, the Financial Dean must approve a custodian for each new fund.

Closing a Petty Cash Account
If a need to maintain a particular petty cash fund no longer exists or a petty cash account becomes inactive (defined as six months of no activity), the custodian should contact David Murphy to cancel the account.