

**University of Rhode Island
Office of the Controller**

Petty Cash / Imprest / Change Fund Policies & Procedures

Revised: November 2016

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. **Checking** - Those which are established to support general operations. General operating Imprest transactions are limited to less than \$100.00. Repetitive purchases from the same vendor should be handled via a blanket Purchase Order. Exception, need written approval by Controller's Office.
Approved exception: Athletics, Master Gardeners and Short Term Loans Accounts
2. **Petty Cash** - Those which are established to meet specific needs associated with a particular department. Petty Cash transactions are limited to amount equal to no more than \$100 or 35% of the established amount of the fund. Acceptable Petty Cash/Imprest transactions will be detailed on the approved [Petty Cash/Imprest/Change Fund Application/Modification Form](#) on file in the URI Treasury-Cash Reconciliation Office. A department's purchases must conform to their application.
3. **Change Fund** - 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/Change Fund Custodians must adhere to the following guidelines:

1. The Petty Cash/Imprest/Change 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 Controller.
2. The Petty Cash/Imprest fund must be kept intact 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. Exception, if approved by Controller's Office.

Approved exception to Short Term Loan account which is used for student short term loans and certain staff salary advances (approved by Controller).

3. The custodian is responsible at all times for the amount of the funds on hand either as cash or assigned receipts. The custodian must send a monthly [Petty Cash/Imprest Reconciliation form](#) to the Treasury-Cash Reconciliation Office by the 20th 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.
- 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 audit the University's general-purpose financial statements.
 - State Auditor General and State Bureau of Audits.
 - URI Internal Auditors.
 - URI Treasury-Cash Reconciliation Office.
 - Department Dean, Director or Business Manager responsible for the fund.
- D. The URI Treasury-Cash Reconciliation Office will monitor fund activity annually to insure that Petty Cash/Imprest funds are being used effectively. Underutilized funds will be reduced or dissolved at the discretion of the Controller.
- E. Policy violations will result in immediate fund dissolution.

Procedures

- A. Establishing a Petty Cash/Imprest Fund:
1. A Dean, Director, or Business Manager will submit a "[Petty Cash/Imprest/Change Fund Application/Modification Form](#)" to the URI Treasury-Cash Reconciliation Office.
 2. If the need is justified and adequate accounting controls are in place the Controller's Office will approve the fund and appoint a custodian. The custodian must be an employee of the University.
 3. The custodian will sign for the Petty Cash/Imprest/Change Fund thereby indicating that he/she has accepted both custody and responsibility for the fund

and will adhere to URI Petty Cash/Imprest/Change Fund Policy. Noncompliance will result in forfeiture of the Petty Cash/Imprest/Change Fund.

4. The URI Accounting Office will issue a check made payable to the custodian, petty cash or send EFT (Electronic Fund Transfer) payment to directly deposit to imprest checking fund. Custodian must cash check at bank.

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 checking balance is low, the custodian will request reimbursement by completing a Petty Cash/Imprest Reimbursement voucher form and submit to the URI Accounting Office for approval. The 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 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 URI Accounting Office will either issue a check payable to the custodian or initiate an EFT crediting the custodian's imprest checking account.
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 custodian

- A request to increase the fund
- A request to decrease or dissolve the fund – attach internal deposit slip and, if necessary, a [Petty Cash/Imprest Reimbursement voucher form](#) when also submitting unreimbursed receipts.

Note: [Petty Cash/Imprest/Change Fund Application/Modification Form](#) requesting to decrease or dissolve a fund will be signed by the Controller's Office thus verifying the amount returned and creating a receipt of the transaction.

D. Annual Reporting:

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.

Exhibit 1 – Unallowable Purchases

Unallowable Purchases with Petty Cash & Imprest Checking Accounts

Alcoholic Beverages for any purpose

Automotive (Rentals, Repairs and Fuel)

Cash Advances

Cellular Phones, Pagers and Calling Cards

Catering Services

Consulting Services (Attorneys, Medical Services, Honoraria, etc.)

Contracted or Personal Service Providers (Specific to unincorporated 1099 providers) Except Athletic Referees

Equipment Maintenance Contracts (Statewide contract exists with Remi Group / MPA#422)

Fines, Penalties and Late Fees

Firearms, Ammunition, and Explosives

Gifts, Donations and Contributions

Meals or beverages purchased. If yes, conforms to Food & Beverage policy?

Medical such as prescription medications , doctor/dentist office visit fee, vaccinations, etc.

Personal Purchases (even with the intent of reimbursing the University)

Postage Stamps (should be purchased from URI Postal Services)

Prizes and Awards

Purchases from URI Employees

Purchases in which a URI Employee has a Conflict of Interest

Radioactive and Controlled Substances

Rare and Precious Metals

Salary Advances

Sales Tax

Special Occasion Items (Flowers, Fruit, Baskets, Candy, Balloons, etc.)

Tips/gratuuity that exceeds 18%