1. Petty Cash Purchases

Policy Statement
A petty cash fund is established through an advance of funds by the Bursar and Treasury Services Division. All petty cash purchases and reimbursements must adhere to University of Georgia purchasing policies and procedures. Direct petty cash purchases may only be made for purchases not exceeding $500 (with exceptions below) when payment in full is made at the time and initial point of delivery. Petty cash should not be used for purchases and reimbursements when a procurement card, purchase order, or check request can be used.

Reason for policy
This policy is intended to provide information regarding: 1) cash limitations, 2) unallowable purchases using petty cash funds, 3) receipt requirements, and 4) reimbursements to employees.

Procedures
University departments may make direct purchases from suppliers for immediate needs of not more than $500 per purchase. The $500 limit may be exceeded if the cause of the excess amount above $500 is due entirely to transit insurance, C.O.D. charges, freight charges, custom charges or container deposits.

A. Cash Limitations:

Any item construed as equipment that has a unit value exceeding $99.99 cannot be purchased. Consumables such as software and printer cartridges are allowable; they may not exceed $500.00.

A total transaction may not exceed $500.00 PER VENDOR with the exception to repairs (involving labor and parts). For Repairs, see item #3 of this section.

Repetitive purchases in the same day from the same vendor or in consecutive days, totaling more than $500.00, might be considered an evasion limit by the University and could require a written explanation and/or reimbursement disallowance.

B. Prohibited Purchases: Items, which cannot be purchased by petty cash, include:

- Alcoholic Beverages (w/ exception of the GA Center or Food Services)
- Gasoline (This should be part of a person's travel reimbursement.)
- Trophies/Plaques that are being purchased to be given away. (Some exceptions are made with prior approval from senior management and if the account allows such a purchase).
- Christmas decorations and cards
- Personal-use items. If a personal-use item is going to be purchased (ex. Coffee maker for a conference room or microwave for research) the receipt and reimbursement form needs to be accompanied with a Letter of Justification explaining the end use of the item. Any item in this category with a unit cost of $100 or more which could be construed as equipment, and must be procured via purchase request procedures and accompanied by a letter of explanation.
- Any transaction involving a property exchange or trade-in
- Radioactive materials
- Firearms
- Memberships
o Landline Telephones (these purchases should be routed through Telephone Services)

o Fees for conferences, seminars and registrations

o Subscriptions (unless approved with a separate memo from Dean/Director/Dept Head).

o Services involving an employer/employee relationship. (An employer/employee relationship involves any time an individual is paid for performing services except under a valid contractual agreement.

o Purchases of inventory and non-inventory equipment; (for information purposes, non-inventory equipment is equipment with a unit price greater than $99.99)

o Purchases from non-contract suppliers of items covered under mandatory statewide contracts

o Rentals that consist of one of the following: 1) exceed three months’ duration, 2) require a signed agreement, 3) rental of a vehicle, data processing equipment, telecommunication equipment, printing or copying equipment

o Construction services or public works services.

3. Repairs:

Only repairs that involve billable labor are allowable. The limit is $1,000.00 if reimbursed via Master Petty Cash; otherwise, the limit is $5,000.00. If the repair work was done on a state vehicle, the state vehicle # will be necessary. Repairs between $1,000.00 and $5,000.00 should be submitted on a separate check request or paid via Pcard.

4. Food Purchases:

Food purchases are highly restricted and may only be made using an authorized restricted, agency, and/or workshop/conference account. Any transaction must have prior approval by the Travel and Encumbrance Section of Accounts Payable. Also, food purchased and charged to a restricted account needs authorization from Post Award Accounting. Any other exceptions must be approved by the Procurement Office.

5. Gasoline:

Gasoline can only be purchased via petty cash for state vehicles. The Vehicle Identification Number (VIN) must be shown on the reimbursement form.

6. Parking Fees:

As a general rule, parking fees are not reimbursable via petty cash. With certain limited exceptions, some types of parking fees may be reimbursed with prior approval from the Travel and Encumbrance Section of Accounts Payable. Examples of these exceptions are: non-employee parking and loading permits. Other situations may be approved as circumstances warrant.

7. Collection-on-Delivery (C.O.D.) Purchases:

To facilitate purchasing under the cash procedure from non-local suppliers C.O.D may be used, provided cash payment is made at the time of delivery. This procedure should be used only when necessary since the C.O.D. charge adds to the already higher cost of small order purchasing. Both the C.O.D. receipt provided by the carrier and the cash sale ticket or C.O.D. invoice enclosed in the shipping container are required for reimbursement, since the C.O.D. receipt does not itemize the items purchased but is signed by the carrier, while the reverse is true for the cash sale ticket.

8. Special Authorization Purchases:

The following units have been authorized to exceed the $500 cash purchase limit:

Faculty members on field trips (permission must be requested on a case by case basis); this procedure is covered under Procurement for Unique Purchasing and Payment process for Specific Types of Expenses - Field Trips.
The College of Veterinary Medicine for previously approved farm and domestic animals (not available from commercial suppliers).

Experiment Stations for previously approved farm and domestic animals that will be bought at an auction.

Rental of conference facilities with prior written approval from Procurement.

Purchases made under special authorization should be reimbursed separately. One check request may cover any number of purchases, which were made under the same authorization, but it should not include purchases made under other authorizations. In an instance where a purchase exceeded $500 without authorization, a separate reimbursement check request and letter of explanation (as to why prior approval was not obtained and that the individual involved now understands the correct procedure) should be prepared, so the remaining reimbursement to the petty cash fund will not be delayed. Letters of explanation, attached lists, etc., should be attached to the check request, not included in the petty cash voucher envelope.

Split charges should be shown on the check request in accordance with split charge procedures listed in this manual in the section on Purchase Requests. If the accounts have the same budgetary head, one check request can cover all of the envelopes. If more than one budgetary head is involved in the reimbursement, make separate check requests for each budgetary head and route for signature accordingly.

Only the original of the petty cash receipt should be included in the envelope. Duplicates, if any, may be retained by the fund custodian and destroyed when the reimbursement check has been received.

9. Utilities:

It is permissible for a non-Clarke County agricultural station to pay utility bills with cash with the authorization of the Director of Agricultural Experiment Stations, or the Assistant Director, Cooperative Extension Service. This is allowed since some small utility companies do not provide adequate time for normal check request processing. "Utility bills" include only those from regulated utility companies (power, telephone, water, and gas—but not bottled gas.)

10. Sales Tax:

Sales Taxes charged on petty cash purchases should not be paid by the purchaser. If, however, a petty cash item cannot be purchased without payment of sales tax, the University will make reimbursement of the sales tax.

C. RECEIPT REQUIREMENTS:

Receipt Requirements:

The receipt should always be the original and not a copy. The receipt should be an official receipt marked "paid" and include the name of the vendor. The receipt should show the date of the purchase, quantity, description, unit price, and extension of each item purchased. Cash discounts, if allowed, should be taken.

If paying with cash or check then no further documentation should be needed. If the purchase was made with a credit card, then a vendor receipt is required. If the receipt is deemed insufficient, a copy of your credit card statement will be required.

Purchases made using the Internet are acceptable only if you provide the original packing slip (not applicable when it is software that is downloaded), an invoice that indicates what was purchased and that it was paid in full. If you are being reimbursed via Master Petty Cash your credit card statement showing the purchase was indeed billed will be required. You may only be reimbursed if the product has been received.

Exceptions:
In those instances where only a cash-register receipt is obtainable from the supplier, the cash-register receipt may be submitted for reimbursement provided the vendor’s name is on the “Petty Cash Disbursement receipt” and signed by merchant. If the vendor does not sign the Disbursement Receipt, then the Cash-register receipt needs to have the vendors stamp on it and be signed by the merchant. The form should be completed at the time of reimbursement. This form can be completed ahead of time by accessing the Petty Cash Disbursement Receipt Form at the website at www.busfin.uga.edu/forms.

D. REIMBURSEMENT TO EMPLOYEE. Cash purchases may be reimbursed to an authorized employee or departmental agent upon presentation of an original receipt complying with criteria listed in this section. Reimbursement may be made from one of three sources: 1) departmental fund (by cash or petty cash check); 2) master fund; or 3) by University check/Direct Deposit

1. Reimbursement to Employee: From Departmental Fund. The original receipt should be presented to the departmental cash fund custodian together with a University account number to which the payer was authorized to charge by the budgetary head of that account. The name of the payer (person who made the purchase) and the account number should be recorded on the receipt. The account number to be charged need not be an account under the jurisdiction of the unit in which the departmental cash fund custodian is employed, unless otherwise designated by appropriate department heads. Reimbursement may be made in cash or by petty cash check.

2. Reimbursement to Employee: From Master Fund. When formal University purchasing and billing processes cannot be used, an employee may receive reimbursement from a master petty cash fund in the Bursar and Treasury Services located on the first floor of the Business Services Building, 424 East Broad Street. Departments making only occasional small order cash purchases should use this method in lieu of requesting their own departmental cash fund or Procurement Card.

Employees so authorized by their budgetary head will be reimbursed in cash from the master fund for official petty cash purchases upon presentation in person, of the original receipt and properly completed Master Petty Cash Reimbursement Request form. A copy will be sent by the Bursar and Treasury Services to the budgetary head. Charges to the account will be direct-billed by the Bursar and Treasury Services. The budgetary head need take no further steps with any Finance and Administration Office unless the monthly Account Status Report reflects an erroneous charge.

3. Reimbursement to Employee: By Check Request/Direct Deposit. Where the purchase(s) was paid to the supplier(s) with personal funds, an employee or authorized departmental agent may receive reimbursement by submitting an electronic Check Request with the original paid receipt(s). Special authorization purchases should be reimbursed on separate requests with full documentation attached. In order for expenditures to be reimbursed to the departmental fund checking account, a petty cash ACH authorization will need to be completed. Once direct deposit is established, this will be the only form of payment for reimbursements submitted via check request.
Responsible University Senior Administrator: Vice President for Finance & Administration
Responsible University Administrator: Procurement Officer
Policy Owner: Procurement
Policy Contact: Annette Evans
Phone Number: 706-542-2361

Record Retention
Records may include but are not limited to: check requests, purchase orders, invoices, journal vouchers, departmental requisitions, justifications of purchases, payment authorizations, reports of receipt of goods or services, and related documentation and correspondence.

Retention: 5 years, BOR 0472-03-001

FAQs
Who should I contact if I need a petty cash account set up?

Answer 1: Contact Bursar and Treasury Services.

Related information
Link to Section 9.5 Petty Cash and Change Fund

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