



1. Petty Cash Purchases

Policy Statement

A petty cash fund is established through an advance of funds by the Bursar and Treasury Services Division. Departments can seek approval to establish a petty cash fund to handle small, unanticipated purchases from suppliers when immediate payment is required and other University of Georgia purchasing and payment processes are impractical or cannot be used. .

All petty cash purchases must adhere to University of Georgia purchasing policies and procedures. Petty cash purchases may only be made for purchases not exceeding \$2500.00 when payment in full is made at the time and initial point of delivery. Colleges/Units/Departments; may, at their discretion, establish, maintain, and grant exceptions to Petty Cash limits lower than \$2500.

Please note: Petty cash should not be used for purchases when a procurement card, purchase order, or payment request can be used.

Reason for policy

This policy is intended to provide information regarding: A) cash limitations, B) prohibited purchases using petty cash funds, C) allowable purchases, and D) receipt requirements.

Procedures

Petty cash transactions are limited to direct purchases from suppliers for immediate needs of not more than \$2500 per purchase. Users are encouraged to include information supporting the business need/purpose of the purchase on their payment request.

A. Cash Limitations:

A total transaction may not exceed \$2500.00 PER SUPPLIER

Repetitive purchases in the same day from the same supplier or in consecutive days, totaling more than \$2500.00, might be considered an evasion of the cash 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:

1. Purchases from non-contract suppliers of items covered under mandatory statewide contracts. If the goods or services are available on a mandatory statewide contract, the purchase must be from a supplier on the statewide contract and for goods/services offered under the contract.

Note: An index of statewide contracts is available on [Team Georgia Marketplace](#). Use tgmquest as both the user name and password. Then use the search functionality to search for the category of products, etc. Search results will show if the contract is mandatory or convenience. The Procurement Office may pursue a waiver from State Purchasing on your behalf. Please reach out to Procurement if you wish to pursue a waiver.

2. Alcoholic Beverages (w/ exception of the GA Center or Food Services)
3. Gasoline (This should be part of a person's travel reimbursement.)
4. Employee & Non-Employee Awards
5. Holiday decorations and cards

6. Personal-use items.
7. Any transaction involving a property exchange or trade-in
8. Radioactive materials and/or trackable chemicals
9. Firearms
10. Memberships (unless made in accordance with other applicable [policies](#)).
11. Telephones
12. Expenses associated with conferences and events (unless prior written approval obtained from Procurement (see section C below)
13. Subscriptions
14. Services involving an employer/employee relationship. (An employer/employee relationship is involved any time an individual is paid for performing services except under a valid contractual agreement.
15. Personal services (consultants, temps, royalties, and non-employee payment form)
16. Rentals that consist of one of the following:
 - 1) require a signed agreement,
 - 2) rental of a vehicle, equipment, or event/conference space/rooms/lodging, etc.
17. Construction services or public works services.
18. 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
19. Purchases that require (1) regular interaction with students, employees, minors, and/or (2) regular access to facilities, monies, sensitive/confidential information. (Note: Departments may request Procurement to grant an exception to this policy if the supplier will not accept a purchase order. The supplier will need to confirm compliance with background check requirements for their employees for an exception to be granted.)

C. Allowable Purchases: Items which can be purchased with petty cash provided the purchase meets the above cash limit

1. Emergency Equipment/Vehicle Repairs: May involve parts only, labor only or a combination thereof. If the repair work was done on a state vehicle, the state vehicle # will be necessary.
2. Food Purchases: Food purchases are highly restricted and specifically addressed in [the University's Food and Business Related Entertainment Policy](#). Please refer to that policy for information regarding the purchase of food.
3. Registration fees only for conferences, events, and meetings.
4. Study away expenses incurred during the trip and/or purchases needed for faculty members participating in field trips while in the field both of which are limited to unforeseen expenses or expenses that cannot be billed, invoice or paid in advance.
5. Utilities. It is permissible for a non-Clarke County station to pay utility bills with cash. . This is allowed since some small utility companies do not provide adequate time for normal payment request processing. "Utility bills" include only those from regulated utility companies (power, telephone, water, and gas – but not bottled gas). Please note: per SAO policy, utility payments may exceed \$2500 without being paid via purchase order or pcard.
6. Gift cards for research participants provided alternative purchasing methods are not feasible and the purchase is made in accordance with the [University's Research Participant Incentive Payments policy](#).

D. Receipt Requirements:

Only the original of the petty cash receipt should be submitted with the payment request. Duplicates, if any, may be retained by the fund custodian and destroyed when the reimbursement check has been received.

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 supplier. 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 debit card associated with a petty cash account a, then a supplier receipt is required. If the receipt is deemed insufficient, a copy of your petty cash bank account 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.

Sales Tax: While the University of Georgia is sales tax exempt, many suppliers will charge sales tax if not presented with a sales tax exemption certificate. If, however, a petty cash item cannot be purchased without payment of sales tax, the University will make reimbursement of the sales tax

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 supplier's name is on the "Petty Cash Disbursement receipt" and signed by the merchant. If the supplier does not sign the Disbursement Receipt, then the Cash-register receipt needs to have the supplier's stamp on it and be signed by the merchant.

Forms/Instructions

Additional Contacts

Accounts Payable

Bursar & Treasury Services Division

Definitions

Payment Request – PeopleSoft functionality for processing unencumbered payments to companies and non-employees.

Public Works/Construction see Section titled [Invitation to Bid \(Construction/Public Works\)](#)

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President – Finance Division

Policy Owner: [Procurement](#)

Policy Contact: Robert Currey

Phone Number: 706-542-2361

Record Retention

Citation or Reference: [Research Grant Records](#)

Number: 0472-09-006

This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expenses records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts, and invoices. For expenditures processed with grant funding, all documentation should be retained for the life of the grant.

Retention: Final research report: PERMANENT; All other records: 7 years after the end of the grant period.

Citation or Reference: [Accounting Records](#)

Number: 0472-03-001

This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expenses records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts, and invoices.

Retention: Monthly and quarterly reports: 1 year; All other records: 5 years.

Appendices

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 5.4 [Petty Cash and Change Fund](#)

Policy Dates

Effective Date: 01/01/2021

Date Last Updated: 01/01/2021

Date of Last Review: 12/24/2020

Date of Approval:

Previous Version of Policy: 07/01/2020