

Effective Date Friday, September 23, 2011

Status Final

Last Revised Thursday, October 5, 2023

Policy Type [University](#)

Contact Office [Treasury Management](#)

Oversight Executive

Vice President and Chief Financial Officer

Applies To Academic Division and the College at Wise.

Table of Contents

[Policy Statement](#)

1. [Limiting Change Fund Amounts](#)
2. [Establishing, Changing, or Closing a Change Fund](#)
3. [Managing a Change Fund within Departments](#)
4. [Storing and Reconciling Change in a Cash Register/Box](#)
5. [Compliance with Policy](#)

[Procedures](#)

Reason for Policy

The University has set forth requirements for administering, safeguarding, and reconciling change funds and to provide for effective oversight and control over University change funds.

Definition of Terms

Change Fund

Description

A specific amount of cash kept by departments and used to make change for payments received in exchange for services rendered or goods sold by the department.

Change Fund Approver (Approver)

Description

A full-time employee of the University who has been given authority by the department head to approve reconciliations of a Change Fund. (Approvers may not be temporary personnel or students who are not otherwise full-time employees of the University.)

Change Fund Custodian (Custodian)

Description

A full-time employee of the University who is responsible for safeguarding, administering, and reconciling a Change Fund. (Custodians may not be temporary personnel or students who are not otherwise full-time employees of the University.)

Worktags

Description

The financial data required to submit a financial transaction in the finance system, such as Cost Center, Project, Fund, Grant, and Spend category.

Policy Statement

A change fund may be established only by making a request to, and receiving approval from, Treasury Management. Departments may establish a change fund exclusively to provide change for payments received for services rendered by the University. A change fund may not be used to procure goods or services or make cash advances.

1. Limiting Change Fund Amounts:

Change funds are limited to \$1000 unless special written approval is obtained from the appropriate dean or vice president and approved by Treasury Management.

2. Establishing, Changing, or Closing a Change Fund:

To establish a change fund:

- a. The department head along with the change fund custodian and change fund approver must sign and submit the [Petty Account Request Form](#). This form must be submitted to Treasury Management, which has the final authority to approve, establish, and abolish a fund. If the request or the aggregate of existing and requested funds is above \$5,000, the department's vice president must approve the request.
- b. A department head must designate an individual to act as the change fund custodian.

In order to increase or decrease the amounts or close a change fund, the [Petty Account Request Form](#) must be filled out and submitted to Treasury Management.

3. Managing a Change Fund within Departments:

Change funds must be reconciled on a daily basis. The Office of the Treasurer may grant an exception to this daily requirement under unusual circumstances. It is the responsibility of the change fund custodian and the department head to limit the use of the change fund to legitimate and allowable University-related financial transactions. Change funds may not be commingled with other types of University funds or personal funds.

Change funds are non-transferable and must remain in the department/unit in which they originated. Anytime there is to be a change of the change fund custodian, a new [Petty Account Request Form](#) must be submitted to Treasury Management prior to the time a change is made to the change fund custodian. This

process is required for temporary changes as well. Upon the transfer of custodian responsibilities for any change fund, the former and new custodians must perform a change fund reconciliation and both must sign the [Petty Change Reconciliation form](#).

For those areas that have daily change fund activity, it may be necessary to have more than one change fund custodian and change fund approver designated to provide coverage on all business days. All individuals designated as a custodian or approver must complete a [Petty Account Request Form](#).

All change funds shall be subject to periodic review by the University's Internal Audit Department, Treasury Management, and the University's external auditors. The department head and the change fund custodian are both responsible for ensuring that the funds are properly safeguarded. The funds must always be locked in a secure location, such as a lock box or safe. Cash must not be stored in desk drawers or filing cabinets since they are easily accessed.

If a loss or theft of these funds occurs, such loss must be refunded by the department to the account from which the funds were disbursed. If loss occurs from negligence, it will be the responsibility of the department who owns the change fund to bring the account back to its authorized balance. The change fund custodian and change fund approver may be held personally responsible for any loss of cash as a result of their fraudulent or negligent actions. If at the time of a change fund closure, the fund is not fully reimbursed, the department may be charged bad debt to their worktag to fully replenish the fund back to the Central Office account.

All thefts MUST be immediately reported to Treasury Management, the University Police Division, the Office of Property & Liability Risk Management, and the Internal Audit Department.

4. Storing and Reconciling Change in a Cash Register/Box:

When using a cash register for cash storage, the department head must ensure that the cashier does not have access to the audit tape generated by the cash register. At the end of each day, a cash register or box should be reconciled or “counted” to determine if there is a shortage or overage in the fund. The change fund approver and change fund custodian must reconcile the fund to determine if the beginning-of-day balance in the fund plus any receipts minus any credits equals the end-of-day balance. The change fund approver must keep a log of all fund reconciliations and a record of any shortages or overages. In addition, the change fund custodian must ensure each customer receives either a cash register receipt or a hand-written receipt and a copy of each receipt is available when reconciling the fund.

A change fund approver must perform these steps when reconciling change funds.

- Remove the change fund before the day's cash receipts are counted.
- Use a standard daily settlement sheet for cash balancing.
- Attach the register tape and supporting documents to the daily cash settlement sheet.
- Ensure the supervisor has initialed approval for voided sales and the voided sales slips have been retained.
- Ensure the cashier and a reviewer sign the balancing sheet.
- Ensure refund information is adequately explained and reviewed.
- Address overages and shortages in the register as soon as they are identified.

Change fund custodians and approvers are required to read and follow the policy on [FIN-016: Receiving and Depositing Cash & Select Monetary Instruments](#).

5. **Compliance with Policy:**

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Questions about this policy should be directed to [Treasury Management](#).

Procedures

[Petty Account Request Form](#)

[Petty Change Reconciliation Form](#)

Related Information

[FIN-016: Receiving and Depositing Cash & Other Monetary Instruments](#)

[FIN-020: Establishing and Managing Bank, ATMs, and Other Financial Institution Accounts for University Funds](#)

[IRM-017: Records and Information Management](#)

Major Category [Finance and Business Operations](#)

Next Scheduled Review Monday, October 5, 2026

Revision History

Updated titles, nomenclature, links 10/5/23; Updated links 8/24/23; Added Compliance section 7/19/21; Removed Finance Procedures 8/10/18; Updated 7/11/17, 11/20/15, 8/28/13.

Supersedes Policy Text

II.E.2, Petty Cash, Petty Cash Checking and Change Funds

Approved By Policy Review Committee

Approved Date Friday, September 23, 2011