



Petty Cash

Original Adoption: February 10, 2008
Effective Date: February 10, 2008
Last Revision: August 29, 2014

Petty cash fund controls and procedures are implemented to ensure that petty cash funds are properly established and maintained, and Louisiana Technical College (LTC) assets are adequately safeguarded. When making small purchases, a campus can use funds from the petty cash account to reimburse employees who prepay for a small item or to fund the initial purchase of the small item. Purchases made from or reimbursed through the petty cash account cannot exceed \$50.00. This policy applies to all LTC employees.

*Policy Reference: LTC Policy #FS1930.343 Petty Cash
LTC Form #FS300.31 Petty Cash Authorization/Change Request*

Approved:

Dianne Clark
Interim Director



Petty Cash Procedures & Specific Information

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INTRODUCTION AND BACKGROUND

When making small purchases, a campus can use funds from the petty cash account to reimburse employees who prepay for the small item or to fund the initial purchase of the small item. Purchases made from or reimbursed through the petty cash account cannot exceed \$50.00.

PURPOSE

To state the policy and procedure of the LTC regarding establishing petty cash accounts for the campuses and the use of petty cash funds.

DEFINITION

Petty cash - a sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming.

GENERAL POLICY

The campus accountant for each school shall request, in writing, the amount of petty cash that the campus wishes to keep on hand. LTC Form #FS300.31 should be used to establish a petty cash account and must be submitted to the LTC Regional Office to the attention of the Cash Management Accountant. This request must be signed by the Campus Dean and the Regional Accountant before forwarding to the LTC Regional Office for approval.

The maximum amount of reimbursement for a single purchase is \$50.00. Prior approval must be obtained from the appropriate department head before purchases are made. Payments for goods or services in excess of the maximum amount are to be handled through the regular purchasing process.

Petty cash purchases may not be made for personal expenses, or for the reimbursement of any travel expenses.

All original receipts shall be signed, and dated with the purpose of the item written on the receipt.

The receipt is then submitted to the Petty Cash Custodian for reimbursement within 30 days of the purchase.

No reimbursements can be issued without the original receipt.

The following transactions and purchases may not be processed with petty cash funds:

Items required to be purchased through the regular purchasing process

Items covered by state contract

Travel reimbursements

Registration fees

Membership fees

Cash advances to employees or students

Check cashing

Items charged to SGA or Technology fee funds.

The petty cash fund must not be commingled with any other funds. At all times, the total of the cash on hand plus reimbursements in transit and receipts on hand should equal the total amount authorized for each campus.

Periodic audits of the petty cash fund will be conducted by the LTC Regional Office's staff. Violations of these policies may result in the removal of the petty cash fund from a campus.

INCREASE/DECREASE IN PETTY CASH

After an increase in petty cash has been authorized, the Senior Accountant will enter an accounts payable voucher to the appropriate petty cash custodian for the approved increase.

After an increase or decrease in petty cash has been authorized, the following entries with the appropriate additional required chart fields should be made via a journal voucher by the campus accountant and approved by the Comptroller:

Increase

Acct. 1001	Petty Cash	\$xxxxx
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Acct. 1011	Cash in Bank	\$xxxxx
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Decrease

Acct. 1011	Cash in Bank	\$xxxxx
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Acct. 1001	Petty Cash	\$xxxxx
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ANNUAL REPORTING

Each campus accountant is required to submit to the LTC Cash Management accountant, at the end of each fiscal year, a petty cash approved authorization amount and the amount in its custody.

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Approved:



Dianne Clark
Interim Director