HSC OP: 50.20, Regional Campus Spot Purchase Petty Cash Funds

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish the rules and guidelines for making small purchases using the Spot Purchase Petty Cash Funds.

REVIEW: This HSC OP will be reviewed on April 1 of each year (EY) by the Director of Accounting Services, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by April 15.

POLICY/PROCEDURE:

1. Petty Cash Funds. Each regional campus has the option to maintain a spot purchase petty cash fund (hereafter referred to as “the fund”) for the purpose of purchasing local goods and services. The fund should be used only when extenuating circumstances prohibit the use of regular purchasing procedures or the use of the procurement card. All purchases must comply with state, institutional, and departmental purchasing guidelines.

   Petty cash funds (either cash or bank) that are not recorded on the TTUHSC balance sheet nor operated through the Banner Financial System are prohibited. Anyone with knowledge of an off-the-books fund should immediately notify the Executive Vice President for Finance and Administration or the Director of Accounting Services.

2. Procedure.
   a. Administrative Requirements.
      (1) The balance of the regional funds should never be greater than $3,000.00. If a required payment is greater than the available bank balance at the time payment is needed, the cash fund custodian must contact Accounting Services in advance for approval of an overdraft.
      (2) The vendor’s original itemized invoice or sales slip must be submitted. If no receipt is available, it will be necessary to itemize the purchase on a Certification for Receipt of Materials or Services form (Attachment A) or reasonable equivalent.
   b. Check Payment Procedure. The person making the purchase should present evidence of need to use the spot purchase petty cash fund rather than normal purchasing methods to the petty cash disbursement area located in the finance office at the El Paso campus and in the administrative offices at the Amarillo and Odessa campuses. These offices will issue a check and any other required forms. Vendor receipts and invoices must be returned to the petty cash disbursement area within two business days from the time the check is issued. If a receipt is not returned within two business days, the petty cash privilege will be discontinued for the entire department until the receipt is returned.
   c. Reimbursement. Spot purchase petty cash funds must be reimbursed no less frequently than monthly. Reimbursement requests should be submitted to Accounting Services on the Cash Fund Reimbursement form (Attachment B) and must include original receipts for all purchases to be reimbursed.
   a. The fund **must not** be used to purchase or pay for registration fees, membership dues, professional fees, subscriptions, books, gifts, donations, or awards. (Payments for such items should be processed using a Purchase Order or through the Direct Pay System.)
   b. The fund **must not** be used for travel payments including advances. (Payments for such items should be processed on a Travel Voucher.)
   c. The fund **must not** be used for payments that are 1099 or W-2 reportable, as outlined by IRS guidelines. (Payments for such items should be processed on a Purchase Order or through Payroll.)
   d. The fund **must not** be used for food and entertainment expenditures, including, but not limited to, food, entertainment, flowers, and decorations. (Such payments should be processed through the Food and Entertainment System.)

Additional restrictions and process descriptions are provided in HSC OP 50.21. Any exception to these restrictions must be approved in advance and in writing by the Director of Accounting Services.

4. Responsibility of Fund Custodian. The custodian of the fund is responsible for ensuring that petty cash purchases are in compliance with this HSC OP and other applicable HSC OPs. Non-compliance will result in loss of custodianship or closing of the fund.

5. Resolution Process for Cash Issues. Appropriate custodians will be notified by a representative from Accounting Services, Business Affairs, or Audit Services in the event of cash control questions or concerns.
   a. Cash concerns must be addressed by the custodian immediately, even if a resolution is not immediate. There will be zero tolerance for unresponsiveness and/or failure to resolve concerns in a timely manner. Custodians are expected to be responsible. Any unaddressed or subsequently unresolved cash concerns will be quickly forwarded to the next higher level of administration for resolution or disciplinary action.
   b. Where needed, custodians should seek assistance from Accounting Services, Business Affairs, or Audit Services in researching, assessing, and addressing cash concerns.