

Petty Disbursing Fund Purchases

Policy 501.11

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As a result of the increasing costs of issuing procurement requests, purchase orders and checks, petty cash funds have been established for small purchases and emergency purchases.

Petty cash funds are available for use by University departments and areas under University control. All areas are required to follow the same procedures when using petty disbursing funds.

The fund should not be used to cash personal checks for employees or students, for any type of loan to any person, nor to pay a person for services rendered. This procedure does not replace the routine purchasing procedures. However, if the purchase meets the criteria outlined in Items 1 through 7 below, this procedure may be used in lieu of the regular purchasing procedures.

4.1 Requirements For Use of Petty Disbursing Fund

4.1.1 The Central Petty Cash Fund may be used when:

1. There is a need for items that can be purchased locally at an economical price.
2. The University Warehouse is out of the items.
3. The reimbursement amount is \$75.00 or less per item with a \$100.00 total purchase price. (Note: Orders may not be split into smaller increments to avoid the \$100.00 limit)
4. The budget account to which the purchase is being charged is maintained by the Controller's Office.
5. The purchase of first aid supplies must be approved by the Safety Officer before reimbursement will be made by the Controller's Office.
6. Requests for reimbursement must be submitted for payment within thirty calendar days from the date of purchase.
7. Designated University employees may be reimbursed for the one-pair-per-year safety shoes allowed by NC Statutes. The reimbursement shall be for the allowed maximum amount of \$80.00, regardless of the cost of the shoes shown on the invoice. The authorized reimbursement amount was effective as of October 24, 2007.

4.2 The Petty Cash Fund May Not Be Used For

1. Cashing checks
2. Making loans
3. Making advances
4. Reimbursing travel-related expenditures or to make travel advances
5. Paying wages for students or temporary employees, or pay overtime for any employee
6. Paying expenses relating to the use of private motor vehicles, including mileage and fuel
7. Providing floral tributes, small gifts and other tokens of appreciation or prizes and awards
8. Making purchases of food items
9. Making purchases that would not be approved under normal policies and procedures

4.2.1 **Location of Fund** - A Petty Cash disbursing facility is located in the Cashier's Office in the John E. Thomas Academic Support Building and the Controller's Office, Business Affairs Annex Building located on State Farm Road, Boone, North Carolina.

4.2.2 **Questions Concerning Purchases** - If there is any question about a purchase being legitimate, the Petty Cash Disbursing Officer should be asked for a clarification prior to the purchase.

4.2.3 **Consider Total Cost** - Offices contemplating the use of this procedure should consider the total cost of procuring the items. Personnel costs must be kept to a minimum.

4.2.4 **Unauthorized Purchases** - The University cannot be responsible for the purchase if it does not meet the established

purchasing regulations and as stated above.

4.2.5 Necessary Form - When the use of the small purchase procedure is contemplated, a Petty Cash Disbursing Slip should be completed. Petty Cash Disbursing Slips may be acquired from the Central Warehouse by warehouse requisition.

4.2.6 Information Required Before Purchase - The Petty Cash Disbursing Slip must have the following information completed before the purchase is made:

1. Date
2. Quantity of items
3. Description of items
4. Maximum cost
5. Requesting department
6. Account number to which the purchase will be charged
7. Signature of person authorized to expend from that account.

4.3 Acceptable Paid Invoice/Receipt

4.3.1 Complete Description - The receipt must set forth a complete description of materials purchased. Cash register tapes will be accepted if they itemize and clearly identify the items purchased. The store name must be stamped on the receipt if it is not pre-printed.

4.3.2 Receipts must be executed by typewriter, in ink or by indelible pencil. It is preferred that the signature of the vendor clerk be in ink; however, a legible signature in pencil is acceptable.

4.3.3 Original Receipts - Receipts must be originals. The only exception is in cases when firms use standard business forms and issue their receipts on standard carbon copy forms which have imprinted thereon "Customer's Invoice" or like designation.

4.3.4 Positive Evidence of Payment - The receipt must be positive evidence of payment.

1. Petty cash disbursing receipts, when executed by a firm or corporation, should bear the official "Paid" stamp of the firm; or, if the name of the firm is written on the receipt, it should bear the signature of the clerk issuing the receipt or, if the name of the firm is affixed by a rubber stamp, the initials of the clerk issuing the receipt will be acceptable. The receipt must be made out to "Appalachian State University".
2. When vendor's printed invoice forms are used as receipts, the invoice must clearly indicate that it has been paid, either by being stamped with the official "Paid" stamp of the firm that contains the name of the firm, or by being marked "Paid" and signed or initialed by the clerk. All invoices must be made out to "Appalachian State University".

4.4 Reimbursement for Purchase

4.4.1 Conditions of Purchase - After the purchase is made, the Petty Cash Disbursing Slip and paid invoice/receipt must be presented to the Petty Cash Disbursing Officer. If the purchase meets the following conditions, the Petty Cash Disbursing Officer will fill in the amount paid, date paid, and sign the slip:

4.4.2 Copy to Department - The original Petty Cash Disbursing Slip and receipt will be retained by the Petty Cash Disbursing Officer, and the reimbursement money will be given to the purchaser. The purchaser must sign the Petty Cash Disbursing Slip to verify receipt of the money and then return the duplicate to the person responsible for the budget in his/her department. When these charges appear in departmental expense accounts, they will be labeled "Petty Cash" in the description column.

4.5 Purchasing Through the Central Petty Disbursing Fund

4.5.1 Procedure References

4.5.1.1 Refer to Accounting, Policy Statement 16, Purchases Through Petty Disbursing Funds.

4.5.2 Procedure Description

4.5.2.1 A Central Petty Disbursing Fund exists to accommodate small purchases and emergency purchases. This procedure does not replace the routine purchasing procedures; however, if the purchase meets the criteria outlined in Accounting, Policy Statement 16, it may be used in lieu of the regular purchasing procedures. A Central Petty Disbursing Fund exists to accommodate small purchases, emergency purchases, and reimbursement for overnight camping permits.

4.5.3 Procedure Steps

4.5.3.1 ITEM IS NEEDED THAT MAY BE PURCHASED THROUGH THE PETTY DISBURSING FUND

4.5.3.2 Check with the Central Warehouse to make sure they do not have the needed item.

4.5.3.3 Make sure that any item is no more than \$75.00 and that the total purchase will not exceed \$100.00.

4.5.3.4 Check the appropriate budget account to make sure funds are available.

4.5.3.5 Complete a petty disbursing slip, indicating the following information in the labeled blocks:

1. Date: Date of purchase.
2. Quantity.: Quantity of each item to be purchased.
3. Description: Description of each item.
4. Max Cost: The maximum amount that each item should cost.
5. Requesting Dept.: Name of requesting department.
6. Requestor: Name of person requesting the purchase.
7. Take petty disbursing slip to individual authorized to expend from the appropriate budget account, and have the following two blanks completed:
8. Account Number: The nineteen digit number of the budget account to be charged for the purchase.
9. Authorization: Signature of person authorized to expend from that account.

4.5.3.6 Make purchase and obtain an acceptable paid invoice/ receipt which meets the requirements outlined in Accounting, Policy Statement 16. Note: Requests for reimbursement must be submitted for payment within thirty calendar days from the date of purchase.

4.5.3.7 Take petty disbursing slip and paid invoice/receipt to the Petty Disbursing Officer in the Cashier's Office or the Controller's Office. If the purchase meets the requirements of Accounting, Policy Statement 16, the Petty Disbursing Officer will fill in the amount paid, date paid, and sign the slip.

4.5.3.8 When the Petty Disbursing Officer gives you the reimbursement money, sign the slip and return the original and paid invoice/receipt.

4.5.3.9 Return the duplicate copy of the petty disbursing slip to the individual responsible for the budget in your department.

4.5.3.10 The University cannot be responsible for the purchase if it does not meet the established Purchasing regulations and the requirements of Accounting, Policy Statement 16.

5 Additional References

6 Authority

7 Contact Information

8 Original Effective Date

9 Revision Dates