

PETTY CASH FUND POLICY

AUTHORIZATION

Title 70, Section 3903(b) of the Oklahoma State Statutes gives the authority to the Oklahoma State Regents, with the approval of the Director of State Finance, to allot money to any institution of higher education to establish and operate a petty cash fund.

A petty cash fund provides a means for making immediate cash payments that are too small to be made economically by check. Its use should be restricted to infrequent small dollar purchases. If frequent purchases are made for the same materials to the same vendor, other arrangements for payment should be made. A petty cash fund will be established only if there is a proven need. Any petty cash fund request associated with the establishment of an outside bank account will be reviewed by the Controller to determine if circumstances justify the necessity of such an account.

A portion of the overall petty cash fund may be allocated as cash to departmental or operating areas for use in making immediate cash payments for small expenditures if properly secured in the department or operating area and in the control of one person known as the custodian. Additionally, an internal auditor or other independent employee may count a petty cash fund at unannounced intervals. The balance of the fund at those "no notice" cash counts will be reported to the Controller and the department sponsor for review.

RESTRICTIONS

- Individual expenditures shall not exceed \$500. The splitting of invoices for the purpose of avoiding the \$500 limitation is prohibited.
- Expenditures shall not be made for:
 - personal services (*whether employee or nonemployee*).
 - travel reimbursements
 - professional services
 - postage
 - food
 - gift cards
- A petty cash fund shall not be used to cash personal checks or to make loans or advances to employees or other individuals.
- Expenditures shall be documented by a copy of a properly authorized invoice.