

## Petty Cash Management Procedure

Cash transactions within the organization undergo meticulous scrutiny and are subject to regular audits to mitigate associated risks. Financial and Accounting Compliance is responsible for the careful management and regulation of cash, aiming to minimize risk. Acceptance of petty cash implies acknowledgment of potential review by both internal and external auditors. Financial and Accounting Compliance will conduct at least one audit on every petty cash holding annually, starting July 1, 2024. Please review the information below to effectively manage your petty cash account.

- **Authorized Amount and Balancing:**
  - Petty cash accounts are assigned an authorized amount.
  - At the end of each month, the cash in hand must align with the authorized amount.
  - If the cash on hand exceeds the authorized amount, a deposit must be made by the 15th of the following month.
  - If the cash on hand falls short of the authorized amount, certain tasks must be performed:
    - Account for the usage of cash, keeping receipts or invoices for purchases, records of cash received for research participant payments, and explanations of sales made for change provided.
- **Replenishment:**
  - If the cash in hand is less than the authorized amount at month-end, the petty cash account must be replenished.
  - A Finance Specialist in Finance Delivery must complete a manual journal to transfer the deficit amount to a departmental account.
  - Documentation (receipts, invoices, records of cash received, and sales information) must be provided as an attachment.
  - Surplus cash may be returned using an Ad Hoc Bank Transaction if no longer needed and no documentation is necessary.
  - In case of missing or stolen cash, follow the procedures outlined on the Financial and Accounting Compliance website.
- **Petty Cash Reconciliation:**
  - Petty cash reconcilers (not custodians) must submit their Petty Cash Account Certification in Workday every month.
  - This completed and signed document is a required attachment.
  - The reconciler is responsible for certifying the account each month.
  - Failure to certify by the end of the following month may result in the restriction or closure of the petty cash account.
- **Closing a Petty Cash Account:**
  - To close a petty cash account, please follow the instructions on Page 3 of the [Petty Cash Manual](#).
  - Additionally, please send an email to [fact@iastate.edu](mailto:fact@iastate.edu) stating the intention to close the account.
- **Contact Information:**
  - For inquiries or concerns, contact Dave Baker in Financial and Accounting Compliance.

# Iowa State University of Science and Technology

## Petty Cash Reconciliation Form

Reconciliation Date: \_\_\_\_\_

Petty Cash Program: \_\_\_\_\_

Authorized Amount: \_\_\_\_\_

	Amount
Cash on Hand Beginning of the Month (Should be equal to the authorized amount)	
<b>Subtract</b> Cash Used (ENTER AS A NEGATIVE AMOUNT) (payments for research participation, studies, or purchasing items) Documentation is required and should be submitted as the manual journal attachment when replenishing	
<b>Add</b> cash received (income from sales, change drawers, not including what has been deposited) Deposits should be made no later than the 15th of the following month	
Cash on hand at the end of the month	
Workday Certification Amount (ENTER AS A NEGATIVE AMOUNT)	
Difference	

Reason for Difference (if any):

\_\_\_\_\_  
 Independent Reconciler Signature Date  
 Independent Reconciler name (printed)

\_\_\_\_\_  
 Department Chair Signature Date  
 Department Chair name (printed)

### Instructions

This form is to be completed monthly by the independent reconciler, which is someone who does not have access to the petty cash and is also not the custodian. Cash on Hand is the total of all types of currency (cash, coins, and checks).