

SOUTHWEST TENNESSEE COMMUNITY COLLEGE**SUBJECT:** Petty Cash Procedures and Authorization**EFFECTIVE DATE:** July 1, 2000; Revised September 15, 2024**Purpose**

The purpose of this policy is to establish procedures for and usage of Southwest Tennessee Community College (“Southwest” or “the College”) petty cash fund, which has been established to provide an expedient, cost-effective method for employees to purchase minor items that support the immediate needs of a department.

Policy

Pursuant to Tennessee Board of Regents (TBR) policy [4.01.01.10](#), Deposit and Investment of Funds, the President of the College is authorized to establish one (1) or more checking accounts for the deposit and disbursement of petty cash funds within the business office. Additional petty cash accounts may be authorized by the President for departments external to the business office provided that no account shall exceed one thousand dollars (\$1,000.00). If the custodian of the fund has accepted responsibility for the funds in writing and agreed to repay any shortages or expended funds not properly accounted for from the account, the custodian may be designated as the signatory authority for the account. The Chief Financial Officer (CFO) shall be authorized to withdraw funds from the account.

I. Authorized Usage

- A. Purchases using petty cash procedures are to be made only when there is an immediate, one-time need and the amount of the purchase is \$25.00 or less. When there is an immediate, one-time need and the purchase amount is more than \$25.00 but does not exceed \$100.00, the petty cash procedure may be used to expedite the purchase with the additional approval of the Dean, appropriate member of the President’s staff, or President. Physical Plant may purchase items up to \$50.00. Purchases of \$50.00 - \$100.00 require the additional approval of the CFO.

Types of purchases that ordinarily should not be processed through petty cash include the following:

1. Travel Expenditures – Reimbursements for meals, parking, and conference/meeting fees must be requested using a **Claim for Travel Expenses** form.
2. Food Purchases – Food purchases must be requested through the **Purchasing Department** or the **Cafeteria**.
3. Textbooks – Textbooks should be purchased through the **STCC Bookstore**.
4. Student Fee Refunds and Grant Payments
5. Expenditures for Personal Services

- B. Purchasers will not be reimbursed for sales tax on items purchased. The employee must obtain a Certificate of Tax Exemption form from the Bursar's Office prior to the purchase or be personally responsible for payment of the tax.
- C. IOU's and unauthorized advances from petty cash funds are prohibited. Cashing personal checks from petty cash funds is prohibited.
- D. All petty cash approval forms required the signatures of (1) the individual requesting reimbursement, and (2) their immediate supervisor as outlined below.
 - 1. Petty cash purchases for \$25.00 and under require the approval of the appropriate Director or Dean only.
 - 2. Purchases over \$25.00 (maximum \$100.00) require the additional approval of the appropriate Dean, member of the President's staff, or the President.
 - 3. Employees with approval authority as listed in (1) and/or (2) above may not approve reimbursement requests for their own expenditures. These reimbursement requests must be approved by the next higher level of authority. Reimbursement request approval forms of the President's staff must be approved by the CFO.

II. Disbursement Procedures

- A. All petty cash approval forms must have a copy of the receipt marked "paid" showing the items purchased and amounts itemized.
- B. Upon receipt of a petty cash approval form, a pre-numbered petty cash voucher is prepared in ink by the cashier for the total amount of the purchase and is signed by the purchaser. The cashier will reimburse the purchaser in cash and stamp "paid" on (1) the receipt, (2) the petty cash approval form, and (3) the petty cash voucher to preclude reuse.
- C. Petty cash vouchers must include the following information:
 - 1. Date
 - 2. Description of items purchased
 - 3. Amount received
 - 4. Signature of purchaser
 - 5. FRS account number
 - 6. Cashier's initials
- D. The purchase of items and requests for reimbursement on multiple petty cash approval forms in order to circumvent the maximum dollar amount per purchase is a violation of this policy.
- E. Checks for reimbursements to restore the petty cash fund to its original amount are made payable to the College and deposited immediately.

- F. Unannounced cash counts will be performed periodically by the Internal Auditor and/or a person(s) designated by the CFO or designee.
- G. Reconciliations will be performed semi-monthly. The reimbursement will be processed monthly.
- H. Overages/shortages will be handled in accordance with TBR policies.

Responsible

Source of Policy: Business and Finance

Administrator: Chief Financial Officer

Related Policy: _____

TBR Policy Reference: 4.01.01.10; 2.08.10.00

Approved: _____
President

Date: September 15, 2024