Policy Number: 317

Policy Title: Petty Cash Usage

Policy Council Review Date(s): 3/17/11 and 4/21/11

PPAB Approval Date: 7/26/11

**POLICY:**

Petty Cash purchases shall be limited to small emergency purchases of not more than $100.00 per transaction and to two instances per month per department.

**PROCEDURE:**

The Georgia Perimeter College Visa Purchasing Card (P-Card) should be used whenever possible in place of Petty Cash. Within certain limits, departments may make direct purchases and direct payment by cash for small emergency purchases. As authorized by the State of Georgia Purchasing Department and delegated by the College Purchasing Office, departments may make direct cash purchases from suppliers for emergency needs of not more than $100.00 per transaction.

**Mission Critical Needs (Possible Exceptions to the Two-Instances per Month)**

“Emergency” is defined as “mission critical” needs for immediate use. “Mission critical” is defined as items for life safety, for classroom needs that require just-in-time purchase, such as science lab supplies, and for unanticipated needs that may disrupt the operation of the institution.

Petty cash requests for Grant and Foundation Accounts may exceed the two-instance per month limitation but only in emergencies when a purchase order is not feasible due to time constraints.

Emergency and mission critical do not cover food for meetings, decorations for scheduled events, or overlooked items due to inadequate planning.

**Direct Purchases**

Direct purchases may be made only when payment-in-full is rendered at the initial point of delivery. This type of purchase is known as “Petty Cash.” The Purchasing Office has jurisdiction over this process. Exceptions to these Petty Cash limits and regulations must be approved in advance by the Director of Logistical Services or the GPC Purchasing Manager.
Repetitive purchases on the same day from the same vendor or on purchases from the same vendor in successive days totaling more than $100.00, in most cases, will be considered an evasion of the local-purchase limit and could require a written explanation and/or reimbursement denial.

**Misuse of Petty Cash**

Petty Cash purchases are viewed as a privilege and shall be revocable if abused.

The following steps will be taken in cases of suspected Petty Cash misuse:

1. Any department with more than two reimbursement requests during a calendar month will receive counseling from purchasing personnel.
2. Any purchase considered “non-emergency or routine” will incur counseling.
3. Any department counseled more than twice in any fiscal year (July 1 – June 30) will have their Petty Cash privileges suspended for a minimum of six months.
4. All departments that receive counseling will be encouraged to obtain a GPC P-Card.
5. Any purchase found to be fraudulent or abusive will result in Petty Cash privilege revocation and possible personnel disciplinary action.

**Regulations Regarding Petty Cash Usage**

Cash purchases are subject to the same State of Georgia Purchasing Department and University System of Georgia regulations. It is the responsibility of the Department Budget Manager, Campus Student Accounts Offices, and the employee making such purchases to understand all regulations regarding the use of Petty Cash. Some items that **cannot** be purchased by the use of petty cash include:

1. Items subject to library control;
2. Holiday decorations and cards;
3. Personal-use items, such as coffee pots, refreshments, and table radios;
4. Services or items provided by the institution;
5. Services involving an employer/employee relationship;
6. Payment for registration fees, travel, or travel related items;
7. Equipment, furniture, and related items;
8. Plants and cut flowers for office use;
9. Purchases of items covered by state supply contracts;
10. Typing services;
11. Hazardous or radioactive material;
12. Maintenance or other service contracts;
13. Rental of equipment for periods exceeding thirty days;
14. Entertainment or food items, except for certain fund groups (i.e. lab supplies);
15. Telecommunication equipment.
Purchases made on credit on behalf of the college must have prior approval and may not be paid from petty cash funds. Such purchases, made on credit, should be processed by use of a Purchase Requisition or Payment Request submitted to Purchasing. Only the president, executive vice president of finance and administration, and the Purchasing Department may pledge credit on behalf of the institution.

Payment to Suppliers

When absolutely necessary, payments to suppliers may be made by cash from personal funds or Petty Cash funds. Currently, the Campus Student Accounts Office maintains the only fund that may be used for Petty Cash purchases. Tax, by State of Georgia regulation, must not be paid to the supplier. If, however, the supplier will not exempt the tax, the tax may be included on the reimbursement to the employee.

Reimbursement to Employee

Cash purchases may be reimbursed to an authorized employee upon presentation of a proper receipt and completed Petty Cash Disbursement Form. Petty Cash purchases require Department Budget Manager approval. Where the purchase was paid to the supplier with personal funds, an employee may receive reimbursement from the Campus Student Accounts Office. Any individual so authorized by the Department Budget Manager will be reimbursed in cash for official Petty Cash purchases upon presentation, in person, of a properly completed Petty Cash Disbursement Form, paid receipt, and a departmental account number for the expenditure.

In cases where the purchase was made with funds temporarily advanced from the Student Accounts Office, the employee will return any excess funds with a properly completed receipt. The receipt should be presented to the Campus Student Accounts Office together with a departmental account number approved in advance by a Departmental Budget Manager. The receipt will be attached to the approved Petty Cash Disbursement Form. Where funds are advanced, the Petty Cash Form must be approved by the Department Budget Manager before an employee receives the Petty Cash advance. Petty Cash funds advanced from the Campus Student Accounts Office must be reconciled within three working days.

Receipt Requirements

All receipts submitted for reimbursement must adhere to the following:

1. Be an original. Fax copies, when originals are unavailable, may be acceptable.
2. Be marked “paid” or from a “cash register or point-of-sale” terminal. Receipts must not be plain paper containing hand-written information.
3. Show date of purchase, quantity, description, and price. Cash discounts, if any, should be taken.
4. Receipts for laboratory supply purchases should be clearly marked as “lab supplies.”
5. Be less than thirty-days old. Purchases made with advances must be reconciled within three business days. Receipts which are more than thirty days old must be accompanied
by a memorandum explaining the delay. This memorandum must be signed by the Department Budget Manager.

Questions

Questions concerning the use of petty cash should be directed to the Purchasing Department, Clarkston Campus, Phone 678-891-3325.

Approved by PPAB 7/26/11