

SECTION 15: CASH

Change or Close Petty Cash Fund

INTRODUCTION

Change or Close Petty Cash Fund provides detailed procedures for increasing or decreasing an existing petty cash fund, changing a petty cash fund custodian, and closing a petty cash fund that is no longer needed.

The amount of a petty cash fund should be no more than 1 ½ times its monthly activity. Activity in a petty cash fund should also be at a level that requires reimbursement of expenses at least once per month. Failure to request reimbursement of petty cash fund expenses at this rate is an indication that the fund may need to be reduced or closed. Departments monitor activity in their petty cash funds to ensure fund amounts are not too high, and request that petty cash funds are decreased where appropriate. The Division of Finance may also request that a department reduce the amount of a petty cash fund if the level of activity is too low.

If the balance of an existing petty cash fund is insufficient to cover necessary petty cash expenses, a request to increase the fund is submitted to the Division of Finance.

When a petty cash fund custodian changes, the petty cash custodian vendor (PCF Vendor) is changed in AKSAS to reflect the new custodian's name, and the new custodian name is cross-referenced on the petty cash fund ledger code.

When a petty cash fund is no longer needed, a request is submitted to the Division of Finance to close the fund. Only one petty cash fund may be established for each major office or location within a department.

AKSAS TRANSACTIONS

- 210-11: Agency Receipt – Miscellaneous
- 310-54: Petty Cash Warrant Request
- 430-54: Petty Cash Journal Entry
- 505-20: Change Vendor
- 610-21: Change Ledger Code – Indicative Data

FORM

Petty Cash Envelope

PROCEDURES

I. Determine a change needs to be made to an existing petty cash fund.

A change may be initiated by the agency, or by the Division of Finance. If the required change is a(n):

- Increase, go to Step II.
- Decrease, go to Step III.
- Custodian change, go to Step IV.
- Closure, go to step V.

II. Increase an Existing Petty Cash Fund.

- A. Request an increase to an existing petty cash fund.
1. Submit an email requesting an increase to the Division of Finance, Accounting Services, Petty Cash Accountant. The email is sent by the department's Finance Officer and must include the following:
 - reason for increasing the fund,
 - work location where the fund is established,
 - custodian's name,
 - dollar amount of increase required, and
 - amended petty cash fund amount.
 2. The Division of Finance reviews the request for appropriateness and necessity. The Accounting Services, Petty Cash Accountant contacts the agency Finance Officer if the request is denied.
- B. Process a 310-54: Petty Cash Warrant transaction.
1. Using a financial transaction batch, access the 310-xx: Add Warrant Request transaction screen. For more information on entering this transaction, refer to *310-54: Petty Cash Warrant Request Screen and Field Entry Table* in this Section. Complete the fields as follows:
 - a. **TRANS CODE MINOR** – Enter **54**.
 - b. **WRT CLASS** – Enter **GN**.
 - c. **ADD'L AUTH RD** – Enter **195**.
 - d. **WARRANT AMOUNT** – Enter the amount of the increase to the petty cash fund.
 - e. **ROUTING CODE** – Enter **M** (to have the warrant mailed directly to the custodian), or **A** (deliver warrant to the agency person identified in the **ROUTING RD CODE** field).
 - f. **ROUTING RD CODE** – If **ROUTING CODE** = **A**, enter the **AKSAS RD** code of the person in the agency who should receive the warrant. If **ROUTING CODE** = **M**, leave this field blank.
 - g. **REF TYPE 1** – Enter **PVN**.
 - h. **REF NUMBER 1** – Enter the **PVN** of the **PCF Vendor** established in Step IV.
 - i. **REF TYPE 2** – Optional. Enter **UDR** if additional references are needed according to departmental procedures. **ONLY** reference type **UDR** may be used for additional references. Use additional reference lines as necessary.
 - j. **REF NUMBER 2** – Optional. Enter reference numbers and or text according to departmental procedures. Use additional reference lines as necessary.
 - k. **CC** – Enter **50010080** (Imprest Cash).

SECTION 15: CASH, CHANGE OR CLOSE PETTY CASH FUND

- l. **LC** – Enter the petty cash fund ledger code.
 - m. **ACCT** – Enter **10080** (Imprest Cash).
- NOTE:** Reference types INV, IND, BIL, and STM should not be used in 310-54: Petty Cash Warrant transactions. Use only reference type UDR for any desired reference numbers and or text.*
2. Submit the transaction and associated backup to the Division of Finance for dual authorization, and to appropriate departmental staff for certification. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.
 - a. 310-54: Add Petty Cash warrant request transactions require dual authorization by Division of Finance RD code 195, and certification by departmental staff.
 - b. Associated backup should include a copy of the Finance Officer’s email request to increase the fund, screen prints of the transaction, and screen prints of the ledger code and PVN.
 3. Verify that all transactions have processed correctly.
 - a. Correct any erred transactions and resubmit until processed correctly.
 - b. Once transactions have processed correctly, review a management report of the petty cash fund ledger code by asset account according to departmental procedures. Verify that the recorded asset balance in account code 10080 has been increased to the amended petty cash fund amount.

III. Decrease an Existing Petty Cash Fund.

- A. Request a decrease to an existing petty cash fund.
 1. Submit an email requesting a decrease to the Division of Finance, Accounting Services, Petty Cash Accountant. The email should be sent by the department’s Finance Officer and must include the following:
 - reason for decreasing the fund,
 - work location where the fund is established,
 - custodian’s name,
 - dollar amount of decrease required, and
 - amended petty cash fund amount.
 2. The Division of Finance reviews the request for appropriateness and necessity. The Accounting Services, Petty Cash Accountant contacts the agency Finance Officer if the request is denied.
- B. If cash on hand is **greater** than the amended petty cash fund amount:
 1. Deposit the excess cash and process a 210-11: Add Agency Receipt Miscellaneous for the deposit.
 - a. Using a financial transaction batch, access the 210-11: Add Agency Receipt Miscellaneous transaction screen. Complete the fields as described in *Section 6: Revenue, Add Agency Receipts* and the following criteria:

SECTION 15: CASH, CHANGE OR CLOSE PETTY CASH FUND

- **AMOUNT** – Enter the amount of the deposit.
 - **CC** – Enter **50010080** (Imprest Cash).
 - **LC** – Enter the petty cash fund ledger code.
 - **ACCT** – Enter **10080** (Imprest Cash).
2. If current petty cash expenses also exist, complete a Petty Cash Envelope and process a Petty Cash Journal Entry (430-54) to apply the expenses against the balance of the fund. Refer to *Replenish Petty Cash Fund* in this Section for instructions on how to complete a Petty Cash Envelope.
- a. Using a financial transaction batch, access the 430-XX: Agency Journal Entry transaction screen. Complete the fields as described in *Section 9: Journal Entries, Apply Petty Cash Expenses* and the following criteria:
- **TOTAL DEBIT AMOUNT** – Enter the amount of the petty cash fund expenditures.
 - **FIN LINE 1** – Enter a credit for the amount to be applied against the petty cash fund, equal to the total petty cash fund expenditures.
 - **FIN LINE 2** - Enter the debit amount and appropriate financial coding for each petty cash fund expenditure. Use additional financial lines as necessary.
3. Submit the transactions with associated backup to appropriate departmental staff for certification. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.
- a. 210-11: Add Agency Receipts – Miscellaneous: Associated backup should include a copy of the Finance Officer’s email request to decrease the fund, a copy of the deposit slip, a screen print of the treasury receipt document (TR), and a screen print of the petty cash fund ledger code.
- b. 430-54: Petty Cash Journal Entry: Associated backup should include a copy of the Finance Officer’s email request to decrease the fund, the completed Petty Cash Envelope, a screen print of the 210-11 transaction, and a screen print of the petty cash fund ledger code.
4. Submit a copy of the 430-54: Petty Cash Journal Entry transaction with associated backup to the Division of Finance for dual authorization. 430-54: Petty Cash Journal Entry transactions require dual authorization by Division of Finance RD code 195.
5. Verify that all transactions have processed correctly.
- a. Correct any erred transactions and resubmit until processed correctly.
- b. Once transactions have processed correctly, review a management report of the petty cash fund ledger code by asset account. Verify that the recorded asset balance in account code 10080 has been reduced to the amended petty cash fund amount.
- C. If cash on hand is **less** than the amended petty cash fund amount:
1. Reimburse petty cash expenses **only** for the difference between cash on hand and the amended fund amount. Refer to *Replenish Petty Cash Fund* of this Section.

SECTION 15: CASH, CHANGE OR CLOSE PETTY CASH FUND

2. Process an Agency Journal Entry (430-54) to apply any remaining expenses against the balance of the fund as described in Step B2.
3. Complete processing as described in Steps B3-B5.

IV. Change the Petty Cash Fund Custodian.

- A. Process a 610-21: Change Ledger Code – Indicative Data transaction.
 1. Using a structural transaction batch, access the 610-21: Change Ledger Code – Indicative Data transaction screen. Enter data as follows:
 - a. **LEDGER CODE** – Enter the petty cash fund ledger code number.
 - b. **DESCRIPTION LONG** – On Line 1, enter **PCF**, the new custodian's name, and **Petty Cash Custodian**.
 2. Submit the transaction and associated backup to appropriate departmental staff for authorization and/or certification if required by departmental procedures.

Associated backup should include a screen print of the existing change fund ledger code, any documentation of the custodian change, and a screen print of the transaction.

NOTE: 610-21: Change Ledger Code – Indicative Data transactions may not require authorization or certification, depending on departmental procedures.

- B. Process a 505-20: Change Vendor transaction.
 1. Using a financial transaction batch, access the 505-20: Change Vendor transaction screen. Enter data as follows:
 - a. **VENDOR NUMBER** - Enter the PCF Vendor number.
 - b. **VENDOR DESC SHORT** - Enter **PCF** and the new custodian's name.
 - c. **VENDOR DESC LONG** – On Line 1, enter **PCF**, the new custodian's name, and **Petty Cash Custodian**.
 - d. **VENDOR NAME** – Re-enter **PCF** and the new custodian's name.
 2. Submit the transaction to the appropriate staff for certification according to departmental procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information. The transaction will also be dual authorized by the Division of Finance. Refer to *Section 10: Vendors, Change Vendor* for more information.

V. Close a Petty Cash Fund.

- A. Submit written notice of the petty cash fund closure to the Division of Finance.
 1. Submit an email requesting closure of the petty cash fund to the Division of Finance, Accounting Services, Petty Cash Accountant. The email is sent by the department's Finance Officer and must include the following:

SECTION 15: CASH, CHANGE OR CLOSE PETTY CASH FUND

- reason for closing the fund,
 - fund ledger code,
 - custodian name and PVN, and
 - dollar amount of petty cash fund.
2. The Division of Finance reviews the request and monitors the petty cash fund closure process.
- B. Process a 210-11: Add Agency Receipt – Miscellaneous transaction for any cash remaining in the fund. Refer to Step III.
- C. If current petty cash expenses also exist, process a Petty Cash Journal Entry (430-54) to apply all expenses against the balance of the fund. Refer to Step III.
- D. Process a 610-21: Change Ledger Code – Indicative Data transaction to inactivate the petty cash fund ledger code.
1. Using a structural transaction batch, access the 610-21: Change Ledger Code – Indicative Data transaction screen. Enter data as follows:
- a. **LEDGER CODE** – Enter the petty cash fund ledger code.
 - b. **ACTIVE (Y/N)** – Enter **N** to inactivate the ledger code.
 - c. **DESCRIPTION LONG** – On Line 1, enter **Inactive**.
2. Submit the transaction to appropriate departmental staff for authorization and/or certification if required by departmental procedures.

Associated backup should include a screen print of the existing change fund ledger code, any documentation of the fund closure, and a screen print of the transaction.

***NOTE:** 610-21: Change Ledger Code – Indicative Data transactions may not require authorization or certification, depending on departmental procedures.*

- E. Process a 505-20: Change Vendor transaction to inactivate the PCF vendor.
1. Using a financial transaction batch, access the 505-20: Change Vendor transaction screen. Enter data as follows:
- a. **VENDOR NUMBER** - Enter the PCF Vendor number.
 - b. **STATUS (A/I)** – Enter **I** to inactivate the PCF Vendor.
 - c. **VENDOR DESC SHORT** - Enter **Inactive**.
2. Submit the transaction for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information. The transaction will also be dual authorized by the Division of Finance. Refer to *Section 10: Vendors, Change Vendor* for more information.

SECTION 15: CASH, CHANGE OR CLOSE PETTY CASH FUND

- F. Verify that all transactions have processed correctly.
 - 1. Correct any erred transactions and resubmit until processed correctly.
 - 2. Once transactions have processed correctly, review a management report of the petty cash fund ledger code by asset account. Verify the following:
 - a. Ledger code description is “INACTIVE.”
 - b. The asset balance recorded in account code 10080 is zero.