

SECTION 15: CASH

Overview

INTRODUCTION

Section 15: Cash provides procedures for establishing, replenishing, increasing, decreasing, closing a petty cash or change fund, and preparing required annual reports. Additionally, this section provides guidance on the proper use of petty cash and change funds, and safeguarding of cash. In brief, change funds are used strictly to make change for cash sales transactions, whereas petty cash funds are reimbursable funds used to make small purchases with cash.

Change Funds

Change funds are used to provide correct change to cash customers, and are generally approved for use in agencies that collect coin and currency. Change funds are not used for purchasing, and are strictly revolving funds that require no reimbursement.

Each change fund is generally in the sole custody of a single employee. The employee, referred to as the change fund custodian, is responsible for ensuring that the balance of the change fund remains intact at all times, and for determining the appropriate bill and coin denominations to be kept on hand.

The number of change funds needed by an agency depends on the number of locations where coin and currency collections are regularly received. Requests to establish a new change fund must be approved by the Division of Finance.

Petty Cash Funds

Petty cash funds are used to allow agencies to make small purchases for items such as postage and similar modest commodities with cash instead of issuing a warrant. Petty cash should only be used when payment cannot be made with a One Card Alaska credit card.

Each petty cash fund is generally in the sole custody of a single employee. The employee, referred to as the petty cash custodian, is responsible for maintaining the integrity of the fund by ensuring that the cash on hand plus invoices for cash purchases equal the balance of the fund at all times.

The custodian generally requests reimbursement of petty cash purchases at least once per month. The purchase expenditures are then charged against authorizations, and reimbursement is made to restore the balance of the petty cash fund. The total of the petty cash fund may not exceed 1 ½ times the average monthly activity.

Only one petty cash fund is allowed in each major office or location within a department. Requests to establish a new petty cash fund must be approved by the Division of Finance.

AUTHORITY

AS 37.05.165	Petty Cash Accounts
AAM 35.010 - 270	Expenditures
AAM 50.210	Petty Cash
AAM 50.220	Change Funds
2 AAC 12	Procurement
AS 36.30	State Procurement Code

TERMINOLOGY

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Change Fund – Cash kept on hand for giving correct change to cash customers.

Custodian – Employee responsible for a petty cash or change fund.

Petty Cash – Cash kept on hand for making minor purchases.

Petty Cash Envelope – Form used to report petty cash expenses and request replenishment of the fund.

PCF Vendor – Vendor established in AKSAS for a petty cash or change fund custodian.

PVN (Pay Vendor Number) - A reference type used in warrant request and open item transactions to identify the payee. The associated reference number must be a valid eight-character (three-alpha, five numeric) vendor number on the Vendor Master File or a temporary vendor number.

AKSAS TRANSACTIONS

210-11: Agency Receipt - Miscellaneous – Used to record a deposit of cash when decreasing or closing a petty cash or change fund.

310-54: Petty Cash Warrant Req - Used to create or increase a petty cash or change fund. Requires dual authorization by Division of Finance RD 195.

310-10: Add Warrant Request – Used to reimburse petty cash expenses.

430-54: Petty Cash Journal Entry - Used to apply petty cash expenses against the petty cash fund balance when decreasing or closing a petty cash fund. Requires dual authorization by Division of Finance RD 195.

505-10: Add Vendor – Used to add a new vendor number in AKSAS for a petty cash or change fund custodian.

505-20: Change Vendor – Used to change the name of a petty cash or change fund custodian, or to cross reference petty cash or change fund ledger code information.

610-10: Add Ledger Code – Used to add a ledger code to record the balance of a petty cash or change fund in AKSAS.

610-21: Change Ledger Code Indicative Data – Used to alter petty cash or change fund ledger code information, and to cross reference PCF vendor information.

FORMS

Petty Cash and Change Fund Report (Verification and Justification)

Petty Cash Envelope

REPORTS

Both online and hard copy reports are available. Online reports are available through Management Reporting (RM) and Entity and CC/LC Inquiry (IE). Hard copy reports are available through AKSAS Report Request Maintenance (RR) and GENEVA.

AKSAS Online Reports

RO - Online Audit Trail - Used to display a user-defined audit trail of transactions.

RM - Management Reporting - Used to display a user-defined report of financial activity summarized through reporting structures according to criteria defined in the report request. Financial information can be tailored

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according to agency-specific requirements to report actual account balances such as actual receipts and expenditures and calculated amounts such as the net available balance of an appropriation.

IE - Entity and CC/LC Inquiry - Used to display project structures, the ledger codes that report to them, and detail for a specific ledger code.

AKSAS Hard Copy Reports

Transaction Index Listing (B30001) - Provides a list of transactions processed in AKSAS. Specific RD codes and lower levels, transaction status, transaction codes, and/or source system ID may be specified in the report request.

Financial Transaction (FTP) Register (B30003) - Provides transaction detail for financial transactions processed in AKSAS. Report data is requested by specific RD codes and lower levels, transaction status, transaction codes, and/or source system ID. The report lists all financial line information for each transaction, including offsetting entries generated by AKSAS.

Hard Copy Management Report (B60001) - Provides a user-defined hard copy report of financial activity summarized through reporting structures according to criteria defined in the report request. Financial information can be tailored according to agency-specific requirements to report actual account balances such as actual receipts and expenditures and calculated amounts such as the net available balance of an appropriation.

GENEVA Reporting

GENEVA may be used to create user-defined views of financial data. For more information, refer to *Accounting Procedures Manual, GENEVA Reporting*.