



# Georgia Southern University

## Controller's Division

## Accounting Policy and Procedure Manual

<b>SUBJECT:</b> Petty Cash Purchases & Reimbursements Policy	<b>DATE:</b> July 26, 2006
	<b>POLICY NO:</b>

Within limits, employees may make direct purchases on behalf of the University, and make direct payments for such purchases by use of personal funds or departmental petty cash funds. However, the use of a University purchasing card is encouraged whenever possible.

### Purchases

Departments may make direct purchases from suppliers for immediate needs of not more than \$1,000.00 per purchase. It is the University's policy that such direct purchases may only be made when payment in full is made at the time and initial point of delivery.

#### Limitations

1. Petty Cash purchases are subject to Procurement and University system regulations. It is the responsibility of the department, fund custodian, and employees making such purchases to be familiar with the regulations regarding such purchases. The same purchasing restrictions apply to the use of petty cash as to the use of purchase orders and the University purchasing card with regards to prohibited commodities. Items that should not be purchased by petty cash include:
  - (a) Personal Services. **Petty Cash payments to individuals providing personal services of any kind are not permitted.** For example, paying someone for providing office assistance or for providing repair and maintenance type work will result in the reimbursement being disallowed.
  - (b) Personal-use items, such as coffee pots, refreshments, invitations, greeting cards, radios and first-aid kits, holiday decorations
  - (c) Cut or potted flowers
  - (d) Any transaction involving a property exchange or trade-in
  - (e) Firearms
  - (f) Gifts, trophies, awards, prizes
  - (g) Purchases from non-contract suppliers of items covered by State supply contracts
  - (h) Membership Dues
  - (i) Registration Fees
  - (j) Food Items – except from certain designated agency accounts and grants that allow food items
  - (k) Postage. All postage should be obtained through Campus Postal Services, with the exception of stamped return envelopes (for surveys, questionnaires, etc).
  - (l) Rent
  - (m) Travel



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2. Repetitive purchases in the same day from the same vendor totaling more than \$1,000 will be considered a violation of University policy.
3. The University recommends tagging easily pilferable items such as cameras, electronic equipment, etc. with a GSU property decal. These may be obtained from Property Control.

#### Payment to Suppliers

Payment to the supplier may be made in cash from personal funds or in cash from funds temporarily withdrawn from a departmental petty cash fund. If required by the vendor, institutional personnel must provide a tax exemption certificate at the time of the purchase to eliminate sales tax from being charged. The procedure for establishing a departmental petty cash fund (and the policy for maintaining the fund) can be obtained from the Office of Financial Accounting.

#### Reimbursements

Cash purchases may be reimbursed to an authorized employee or departmental agent with the submission of a [Petty Cash Sales Slip Transmittal Form](#) with the receipts attached. With one exception (cash register receipts), all receipts submitted for reimbursement to the employee (and by departmental petty cash fund custodians for reimbursement to the fund) should have the following characteristics:

1. The receipt should be an original; it should not be a carbon copy or a photocopy.
2. The receipt should be marked "Paid" and carry the signature of the vendor's representative and the name of the vendor. It should be a formal receipt – not merely a slip of blank paper on which the information has been written.
3. The receipt should show the date of the purchase, and the quantity, description, unit price and extension of each item purchased.



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Exception: In those instances where only a cash register receipt is obtainable from the supplier, the cash register receipt may be submitted for reimbursement provided the vendor's name is machine printed thereon. In such cases, it is not necessary to obtain the signature of the supplier's representative.

Reimbursement for cash purchases (and replenishment of departmental petty cash funds) is made in the form of a University check. The check, made payable to the individual requesting reimbursement, should be received by campus mail within two weeks. This reimbursement procedure is somewhat costly because it involves more document processing, and therefore, Petty Cash Sales Slip Transmittals will only be processed if they total \$50.00 or more. Accounts Payable will make an exception to this policy if a receipt would have to be held by University personnel over thirty days before additional purchases would be made to total \$50.00 (please include a written statement with the Petty Cash Sales Slip Transmittal explaining the circumstances).