PURPOSE
To state the policy and procedure of the Northshore Technical Community College (NTCC) regarding the establishment of petty cash accounts and the use of petty cash. It is the responsibility of the NTCC Finance Office and each Petty Cash Custodian to ensure that all petty cash transactions are reimbursed in accordance with LCTCS and NTCC policy and are processed with internal controls.

GENERAL PROCEDURE

1) A campus employee requests prior verbal approval from the campus dean/administrator to purchase an item which will be reimbursed by petty cash. The campus employee makes the purchase which does not exceed $50.
2) After the purchase has been made, the campus employee completes the NTCC Petty Cash Reimbursement form# FIN-001 and attaches the original signed receipt to the form which is submitted to the campus dean for signature approval. All petty cash reimbursement requests should be submitted within 30 days of the purchase.
3) When signature approval is given, the NTCC Petty Cash Reimbursement form# FIN-001 and original receipt is given to the campus petty cash custodian. The campus petty cash custodian reimburses the campus employee for the approved purchase.
4) When any campus petty cash fund needs to be reimbursed, the campus petty cash custodian will complete the NTCC Petty Cash Transaction Listing form # FIN-006 and will ensure that the total cash on hand plus the total reimbursements in transit and original receipts equals the total amount of petty cash authorized for that campus. The campus petty cash custodian will forward the NTCC Petty Cash Transaction Listing form # FIN-006, all approved reimbursement forms # FIN-001 with signed receipts to the NTCC Finance Office, Attn: Purchasing Manager.
5) After the Purchasing Manager reviews FIN-001, FIN-006, and original receipts, the form is forwarded to the Accountant Technician to process in the official NTCC accounting system. A check will be issued to the campus petty cash custodian and mailed to the appropriate campus.
All petty cash transactions must be made in accordance with the following guidelines:

- The campus dean/administrator and the campus petty cash custodian ensure that internal controls are adhered to in accordance with the NTCC Cash Handling/Bonds & Crime Procedure # FIN-005.
- Purchases made from or reimbursed through the petty cash fund cannot exceed $50.00.
- Petty cash purchases may not be made for personal expenses, nor for the reimbursement of any travel expenses.
- No reimbursement can be issued without the original signed receipt.
- The following transactions and purchases may not be processed with petty cash funds:
  - Items required to be purchased through the regular purchasing process
  - Items on state contract
  - Travel reimbursements
  - Registration fees
  - Membership fees
  - Cash advances for employees or students
  - Check cashing
  - Items charged to SGA or Technology fee funds.

Periodic audits of the petty cash fund can be conducted by the NTCC Finance Office. **Violations of this policy may result in the removal of the petty cash fund from a campus. Petty Cash will not be reimbursed to a Petty Cash Custodian for Petty Cash Reimbursement Requests issued for prior fiscal year uses of petty cash after the deadline established by the NTCC Finance Office.**

**INCREASE/DECREASE IN PETTY CASH**

Each campus Petty Cash Custodian shall request, in writing, the amount of petty cash that the campus wishes to keep on hand. NTCC Form #FIN-003 should be used to establish a petty cash account, increase, or decrease the allotted petty cash amount established for the campus and must be submitted to the NTCC Finance Office to the attention of the Accounts Receivable Accountant. This request must be signed by the Campus Dean and the Petty Cash Custodian before forwarding to the NTCC Finance Office for approval.

After an increase in petty cash has been authorized, the Director of Accounting or his designee will enter an accounts payable invoice to the appropriate petty cash custodian for the approved increase.

After an increase or decrease in petty cash has been authorized, the following entries with the appropriate additional required chart fields should be made via a journal voucher by the Director of Accounting and approved by the Vice Chancellor of Finance & Administration:
Increase

Enter an invoice:

Dr. Acct. 1101xx Petty Cash, Fund 110001 $xxxxx
Cr. Acct. 1099xx Claim on Cash, Fund 110001 $xxxxx

Accounting system will:

Dr. Acct 1099xx, Claim on Cash, Fund B00001 $xxxxx
Cr. Acct 1001xx, Operating Checking Account, Fund B00001 $xxxxx

Decrease

Deposit petty cash and enter a cash receipt:

Dr. Acct. 1099xx Claim on Cash, Fund 110001 $xxxxx
Cr. Acct. 1101xx Petty Cash, Fund 110001 $xxxxx

Accounting system will:

Dr. Acct 1001xx, Operating Checking Account, Fund B00001 $xxxxx
Cr. Acct 1099xx, Claim on Cash, Fund B00001 $xxxxx

ANNUAL REPORTING

Each Petty Cash Custodian is required to submit to the Purchasing Manager, at the end of each fiscal year, a petty cash approved authorization amount and the amount in the Petty Cash Custodian’s custody. Petty Cash will not be reimbursed to a Petty Cash Custodian for Petty Cash Reimbursement Requests issued for prior fiscal year uses of petty cash after the deadline established by the NTCC Finance Office.

Policy Reference: NTCC Cash Handling Policy and Procedure No. FIN-003

Review Process:

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