



**POLICIES**

Effective Date: July 1, 2003

Interim Date: July 21, 2015

Revised: July 1, 2015

Approved by: James E. K. Hildreth, Ph.D., M.D.  
President and Chief Executive Officer

Subject: Division of Finance - Policy on Petty Cash

**PURPOSE:**

To set forth policy and procedure to be used in making direct purchases utilizing employee's personal funds and the reimbursement for those funds.

**POLICY STATEMENT:**

It is necessary to make small infrequent purchases on behalf of the institution when it would be inefficient to prepare a purchase order. The Petty Cash fund was established to expedite such infrequent or emergency expenditures, and should not exceed \$100.00. Petty cash amounts greater than \$50.00 must be approved by the Senior Vice President of Finance.

**Tax**

In making purchases with personal funds, the purchaser should advise the vendor that Meharry Medical College is sales tax exempt, a tax exempt form may be obtained from the Purchasing Department.

**Repetitive Purchases**

Repetitive purchases from the same vendor on the same day that exceed \$50.00 are not acceptable.

**Limitations**

The following type goods may not be purchased using the Petty Cash method

1. Personal use items such as coffee pots, radios, flowers, uniform
2. Holiday or special occasion gifts for other employees
3. Gratuities or handouts to be given away to individuals, groups Organizations.



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4. Firearms and ammunition
5. Radioactive material or research chemicals
6. Services for professionals
7. Temporary employee agencies
8. Registration & membership dues
9. Any item requiring special approval; telephones
10. Contract items

**PROCEDURE:**

**Departmental Procedures**

1. Requests for the establishment of a Petty Cash fund are to be made by the department head in writing to the Senior Vice President of Finance. The letter is to include the following: Justification for the need of the fund, responsible (contact) person, dollar amount requested and contact telephone number. Once the request is received and approved, the Treasurer's office will work with the responsible (contact) person to establish the fund.
2. Increases and/or decreases in the department's petty cash fund must have final approval of the Senior Vice President of Finance.
3. The fund is to be maintained in a locked area. For control purposes, the responsible person should have sole access to the actual money.
4. The fund should be balanced daily. Any overages or shortages should be brought to the attention of the Department Head immediately. The Department Head must ensure that the fund is maintained in accordance with written policies and procedures. Variances noted on a consistent basis will be subject to fund termination.
5. The misuse and/or misappropriation of petty cash policies, procedures or funds are subject to immediate termination.



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6. The Senior Vice President of Finance reserves the right to terminate the use of a petty cash fund at any time.

**Reimbursing the Petty Cash Fund**

A Request for Disbursement (RFD) is to be used to replenish the Fund. A detail listing of transactions indicating usage must be included. Original receipts must be attached to the RFD and forwarded to the Accounts Payable and/or Grants offices for approval. The Accounts Payable Department processes the check for reimbursement. The Cashier's Office will notify the Department when the petty cash is available.

**Cashing Personal Checks**

The college will provide check-cashing privileges for employees and students desiring to cash personal checks. The service will be provided at the Cashier's window located in the LRC Bldg, 5<sup>th</sup> floor. The amount of any individual check to be cashed should not exceed \$25.00 per day. Identification must be requested. All checks should be made payable to "cash".

NOTE: A penalty collection fee of \$20.00 will be obtained when making collection on NSF checks. Employees and students who habitually have checks returned for non-sufficient funds will have their check cashing privileges revoked.