***[Department Name]***

***Internal Controls Policy for Petty Cash***

**Purpose:** To provide for the proper safeguarding of the petty cash fund within **[Department Name]**.

In addition to the controls outlined below**, (Department Name)** staff using petty cash will follow all guidelines associated with the PSC Procedural Statement: Petty Cash & Change Funds, available at <https://www.cu.edu/psc/psc-procedural-statement-petty-cash-change-funds>.

***Custody***

**Custodian name** will serve as the custodian of the petty cash fund. Any changes in custodian will be approved by the project manager for the study before custodian change paperwork is completed and sent to Finance.

***Securing***

The Petty Cash Fund will be kept in a locked box in a locked cabinet/drawer. The custodian will have sole access to the keys to the cash box. Funds will only be used for their approved purpose and will not be used to purchase cash equivalents.

***Tracking***

The custodian will use the audit log template provided by Finance to track distributions of the fund for its intended purpose. Receipts will be kept showing participant name (or study subject ID number), amount paid, date paid, and purpose of payment. The participant will sign or initial receipt of receiving payment.

Distribution: When someone other than the petty cash custodian must use funds, the distributor will check out the money from the custodian using the Memorandum of Transfer provided by Finance and the distributor will use a pre-numbered receipt book to track the distribution of cards.

***Inventory***

The custodian will conduct quarterly reconciliations to ensure that the funds that are distributed agree with those in the Audit Log. Quarterly, the custodian will have the Business Officer, review and sign off on the reconciliation.

***Replenishment***

The custodian will replenish the fund on at least a quarterly basis as well as at the end of the fiscal year. Replenishment requests will be submitted in a timely manner using the Payment Authorization Form and submitting to apinvoice@cu.edu for processing.

***W-9 Collection***

W-9 collection and reporting is required from all participants receiving over $100 in a calendar year. The custodian will track participant payments to ensure that individuals passing the $100 reporting threshold complete a W-9. The custodian will maintain the W-9 in a secure location. At the end of the calendar year the custodian will follow instructions from the Finance Office to report this information to the Procurement Service Center (PSC).

***Lost Funds***

The custodian is responsible for lost or stolen funds. Any shortage or overage will be reported immediately to the campus controller’s finance office.

***Changing or Closing Petty Cash Funds***

For any changes to the petty cash program (e.g., custodian, SpeedType, amount), the custodian will complete a Petty Cash/Change Fund Request form identifying only the changes, attach a copy of the initial Petty Cash/Change Fund form, and submit to the campus controller's finance office.

To close the Petty Cash program, the custodian will contact the campus controller’s finance office for instructions.