

UT Health Science Center:	
FI0525A-H Petty Cash-Standards for Security of Petty Cash Funds (Attach A)	
Version 1	Publication Date: 05/26/2022

No./Title: F525 – Standards for Security of Petty Cash Funds	Resp. Office: FINANCE	Effective Date: 07/01/2016
Category: Compliance	Last Review: 10/01/2019	Next Review: 10/01/2021
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Forms: F525B Petty Cash, Attachment B		
Related Policies: FI0525 - Petty Cash F525 Fiscal Procedure - Petty Cash		

PURPOSE

Minimum *Standards for Security of Petty Cash Funds* were developed at the Health Science Center in 1985. All requests for petty cash funds are governed by these standards as set forth below. At the UTHSC Internal Audit has oversight responsibility for the security of petty cash funds.

PROCEDURE

1. Petty cash funds should be kept in a locked smooth-finish metal moneybox with lock and keys or a locked moneybag. The moneybox or bag will be provided by the Bursar's Office who will monitor issuance and return of the money storage devices. The money storage device should be kept locked when the money is not in use. There should be a minimum of two keys but not more than three keys available to the money storage device.
2. Petty cash funds (excluding change funds) should not be mixed with other funds, i.e. mixed with cash receipts. Each should have separate locking money storage devices.
3. Where possible to discourage theft employees should avoid dispensing money directly from the money storage device in the presence of the person requesting money. Be discreet in dispensing petty cash; avoid having the person receiving funds see the amount of funds in the money storage device.
4. Daytime Storage: Keep locked money-box or bag in a locked metal file cabinet with the key to the cabinet and the key to the money-box or bag on the custodian's person. The file cabinet should not be in common usage and three or less persons should have access to the cabinet.

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5. Overnight Storage:

- a. One of two secure ways to store funds overnight is in a locked metal file cabinet which has been equipped with iron bars and padlock. The file cabinet should not be in common usage; three or less persons should have padlock or file keys. The keys to the money-box, file and padlock should be kept on the responsible person. Iron bars and padlocks are secured through Campus Police by initiating a work order. The recommended padlock is a "BEST."
- b. The other acceptable storage method overnight is in a safe. Three or less persons should know the combination.

6. Keys to fund storage sites should not be kept in desks but should be in the responsible person's possession at all times.

7. Keys should not be left in the office.

8. Funds should not be kept in envelopes.

9. Funds should not be kept in desks.

10. All funds are to be secured each time the responsible person leaves the office.

11. If the petty cash fund is not in use and not a necessity it should be returned to the Bursar's Office. The departmental custodian should take the money-box or bag, all monies, and appropriate forms to the Bursar's Office.

12. When a departmental petty cash fund is authorized for a grant the petty cash fund is to be returned to the Bursar at the end of the final grant period. The existing fund may not be transferred to another grant or account.

13. If a custodian leaves the department or University, all petty cash funds assigned to the custodian are to be returned to the Bursar's Office. A new petty cash fund will be established when the department identifies a new custodian.

14. A minimum of two keys and a maximum of three keys are required for each money- box or bag, file cabinet and/or padlock.

15. In the event of a theft, or after the loss of a key, all keys are to be returned to the Bursar and new keys assigned.

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16. Safe combinations should be changed when employees having the combination leave the University or transfer out of the department.

17. The petty cash custodian is responsible for verifying that the petty cash fund is intact each time the fund is accessed.

18. Any loss/theft is to be reported to Campus Police and Internal Audit by the petty cash custodian immediately upon discovery. Once reported the money-box or bag keys and/or safe combination must be changed by an approved certified locksmith.

19. Maintaining less than these minimum standards is considered negligence. In the event of a loss/theft due to negligence, the person responsible may be subject to disciplinary action in accordance with University HR Policy.

20. A *Security Review Form* will be provided by Internal Audit and used by departments as a security check list. See HSC Fiscal Procedure **F525B Petty Cash, Attachment B**.