

Business Services

**Change Fund**

<b>Revision: 01</b>	<b>Policy No:</b>	<b>Effective: September 1, 2014</b>
		<b>Last Reviewed: 08/14/14</b>

**PURPOSE**

The Change Fund policy has been created to provide guidelines for the appropriate establishment, use, and accountability of such funds. Procedures have been established to encourage effective administration and internal control of cash handling operations throughout the University.

**POLICY**

A change fund is utilized exclusively used for customer sales including merchandise, tickets, programs, event entry fees, parking fees, and fines. No expenses of any kind may be authorized from a change fund.

A continuous change fund should be established for on-going, frequent events. A temporary change fund should be established for single, non-recurring activities and events.

A Fund Custodian must be designated by the department hosting the activity to maintain the change fund. The Fund Custodian is personally responsible for the accounting of the fund and return of the fund. The Fund Custodian should maintain physical custody of the fund on campus in a secure, locked location which will be noted on the [Petty Cash or Change Fund Action Form](#). A Change Fund is kept separately from petty cash funds when both are in the same department or location.

If the change fund is designated to a temporary Fund Custodian, a [Change Fund Temporary Custodian Transfer Log](#) must be used to track the temporary ownership change.

The change fund should be counted and cash receipts reconciled between each shift change and at the end of each day it is used. After reconciliation of the shift's or day's cash receipts, the cash on hand must equal the authorized fund amount. All overages or shortages must be investigated and reported to the Accounts Payable Manager for resolution. University Police must be notified immediately of any theft or misappropriation of the fund.

**PROCEDURES**

Establishing a fund

The department must designate a Fund Custodian and complete a [Petty Cash or Change Fund Action Form](#). The completed form is then submitted to Business Services for approval. Upon approval, a check will be issued to the Fund Custodian. The check can then be immediately cashed at the Cashier's office.

*NOTE:* Revenues must never be used to establish or increase the size of a change fund.

### Safekeeping the Fund

- The fund should be kept in a safe, locked drawer, or cabinet with access limited to the Fund Custodian.
- The cash on hand must equal the total amount of the fund at all times, unless there is a pending deposit to be made.
- The fund is subject to audit at any time without prior notice.
- Change funds must be kept separate from any other University funds or personal funds.

### Restrictions on the Fund

Change funds are to be used in conjunction with cash receipting activities and for making change as the occasions arise.

The fund is not to be used for:

- Cashing personal checks.
- Paying individuals for work performed or services rendered.
- Any type of loan to any person.
- Any travel expenses.
- Reimbursement of any expense.
- Reasons outside the scope of the fund's purpose.

### Increasing or Decreasing the Fund

As departmental operations and activities change, change fund needs may change as well.

To request an increase or decrease of the fund:

1. Complete a [Petty Cash or Change Fund Action Form](#) and submit it to Business Services.
  - a. For a requested increase, indicate "Increase Request" on the form and a new check payable to the Fund Custodian will be issued.
  - b. For a requested decrease, indicate "Decrease/Returned Fund" on the form and return the surplus cash to Business Services.
2. Business Services is the final approval authority for any changes to change fund accounts.

### Transferring or Closing the Fund

It is the Fund Custodian's responsibility to relinquish ownership of a change fund. The Fund Custodian can either close the fund when it is no longer needed, or transfer ownership of the fund to a new Fund Custodian.

To close or transfer ownership of the fund:

1. Reconcile the fund to ensure it is at the approved fund amount. Any overages or shortages must be investigated and reported to the Accounts Payable Manager for resolution.
2. The Fund Custodian must complete a [Petty Cash or Change Fund Action Form](#) indicating the intent to decrease/return the fund.

- a. Close the Fund – turn in the completed Action Form indicating “Decrease/Returned Fund” and the fund’s cash to Business Services.
  - b. Transfer the Fund – turn in a completed Action Form indicating “Decrease/Returned Fund” and the fund’s cash to Business Services. Indicate in the Purpose for Action text box the request to transfer the fund to a new Fund Custodian and the reason for the change. The new Fund Custodian must complete a new Action Form indicating “Initial Fund Request” and a new check will be issued to the new Fund Custodian.
3. Business Services is the final approval authority for any changes to petty cash funds.

#### Annual Renewal of the Fund

Change funds must be renewed annually by reviewing the fund’s intended purpose (ensuring it is still valid) and completing a [Petty Cash or Change Fund Action Form](#).

1. Before the end of the fiscal year (by June 15), each Fund Custodian will receive an Action Form to complete.
2. The Fund Custodian must complete the Action Form and return it to Business Services by June 25.
  - a. If upon review, the funds purpose is still valid – complete the Action Form and indicate “Fund Carryover.” Obtain the appropriate signature approvals.
  - b. If upon review, the fund is no longer needed – complete the Action Form and indicate “Decrease/Returned Fund” and follow the Transferring or Closing the Fund procedures.

#### Overages and Shortages

At all times, the cash on hand must equal the authorized fund amount, unless there are pending deposits to be made. A log should be kept of any overages and shortages, which must be investigated and reported to the Accounts Payable Manager for resolution. University Police must be notified immediately of any theft or misappropriation of the fund.

#### **REFERENCES & RESOURCES**

UWSA Preaudit Manual: <http://www.uwsa.edu/fadmin/preaudit/partfive.htm>

#### **APPLICABLE FORMS**

[Petty Cash or Change Fund Action Form](#)

[Cash Count and Reconciliation](#)

[Change Fund Temporary Custodian Transfer Log](#)