**10.1.1 Obtain Approval as a Cash Handling Unit**

**Policy Statement**

Units with a business need to receive and deposit cash, cash equivalent and/or checks must first obtain approval from University Accounting and Financial Reporting (UAFR) and University Bursar to become a Cash Handling Unit (CHU).

Cash handling units are subject to audit by the Office of University Audits and/or review by University Bursar at any time.

**Procedure**

To obtain approval as a cash handling unit:

1. Contact your University Bursar office and provide a business case document that explains why you need to be a cash handling unit. They will help you determine the best way to meet your needs, which may or may not be to become a cash handling unit. If University Bursar recommends that your unit become a cash handling unit contact UAFR to obtain a C-FOAPAL.
2. Submit written cash handling procedures to University Bursar Cashier Operations office. For guidance see [Unit Cash Handling Procedures - Sample Template](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=394611) in Additional Resources.
3. When UAFR has confirmed your FOAPAL request and University Bursar has approved your cash handling procedures, you may begin operations as a cash handling unit.
4. Contact the University Bursar Cashier Operations Office to arrange for training as needed.

**Related Policies and Procedures**

[10.1.2 Implement Internal Controls for Handling Cash and/or Checks](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/implement-internal-controls-handling-cash-checks)

**Additional Resources**

[Unit Cash Handling Procedures - Sample Template](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=394611" \t "_blank" \o "MS Word file, opens new window)
[Cash Handling 101](https://www.obfs.uillinois.edu/UserFiles/Servers/Server_77092/Media/Training-Center/Lectora/cashhandling101/index.html%22%20%5Ct%20%22_blank%22%20%5Co%20%22Opens%20new%20window)
Campus University Bursar Office locations and hours:
   [Urbana](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.1.2 Implement Internal Controls for Handling Cash and/or Checks**

**Policy Statement**

Each unit authorized to collect cash and/or checks is responsible for exercising internal controls to ensure appropriate stewardship of public funds and provide employee protection.

Cash handling units are subject to an audit by the Office of University Audits and/or a review by University Bursar at any time.

**Procedure**

To implement internal controls for handling cash and/or checks:

* Do not cash personal checks for any reason or amount or return cash to a customer if the check exceeds the amount due the University of Illinois System.
* Deposit all cash and/or checks received. Do not use cash and/or checks received to pay bills or expenses of any kind.
* Immediately report significant, recurring, or problematic cash shortages to your manager, University Bursar Cashier Operations Office, university police, or University Audits.
* Keep each cashier's cash drawer accessible by assigned cashier.
* Make sure that someone other than the person receiving cash and/or checks is responsible for a daily reconciliation of receipts and/or authorizing refunds.
* If your unit has multiple cash receiving areas, periodically rotate the cashiers' responsibilities and locations to reduce the risk of fraud.
* Obtain approval from Merchant Card Services before accepting credit or debit cards. Work with Merchant Card Services to ensure your unit complies with all Merchant Card Services policies and procedures.
* Record all cash and/or checks when received on approved pre-numbered cash receipt forms or electronic or mechanical means such as cash registers.
* Lock cash and/or checks in a fireproof safe or cabinet when it is not possible to deposit them on the day received. Your unit is responsible for any loss due to theft, fraud, or negligence.

**Related Policies and Procedures**

[10.1.1 Obtain Approval as a Cash Handling Unit](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/obtain-approval-as-cash-handling-unit)
[9 Audits and Internal Control](https://www.obfs.uillinois.edu/bfpp/section-9-audits-internal-control)
[21 Merchant Cards](https://www.obfs.uillinois.edu/bfpp/section-21-merchant-cards)
[19.2.3 Verify Identity for In-Person Services](https://www.obfs.uillinois.edu/bfpp/section-19-business-systems-access-security/verify-identity-in-person-services)

**10.1.3 Comply with Cash Handling Unit Head Responsibilities**

**Policy Statement**

All money received on behalf of the University of Illinois System from any source must be deposited with University Bursar. Cash handling units are subject to an audit by the Office of University Audits and/or a review by University Bursar at any time.

Unit heads are responsible for all cash handling activities engaged in by their units.

**Procedure**

To comply with cash handling responsibilities of unit heads, unit heads must:

* Ensure their unit complies with system policies and procedures regarding cash handling.
* Establish and maintain written procedures that provide a clear accountability process for receiving, depositing, and protecting cash and checks.
* Provide supervision and training for all their staff assigned responsibility for cash handling.
* Provide University Bursar with the names, titles, and contact information of the supervisor(s) responsible for overall cash collection operations.
* Ensure compliance with IRS requirements for cash receipts. If your unit receives more than $10,000 in cash from the same individual in any consecutive 12-month period, you must report the transaction by submitting [Form 8300](http://www.irs.gov/pub/irs-pdf/f8300.pdf%22%20%5Ct%20%22_blank%22%20%5Co%20%22PDF%20file%2C%20opens%20new%20window) to Tax Compliance and Analysis within 10 calendar days. Tax Compliance and Analysis is required to file [Form 8300](http://www.irs.gov/pub/irs-pdf/f8300.pdf%22%20%5Ct%20%22_blank%22%20%5Co%20%22PDF%20file%2C%20opens%20new%20window) electronically with the IRS within 15 calendar days of the transaction(s). For more information, contact Tax Compliance and Analysis at 217-244-8359.

**Forms Used in this Procedure**

[Form 8300](http://www.irs.gov/pub/irs-pdf/f8300.pdf)

**Related Policies and Procedures**

[10.1.1 Obtain Approval as a Cash Handling Unit](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/obtain-approval-as-cash-handling-unit)

**Additional Resources**

[Reporting Cash Payments of Over $10,000](http://www.irs.gov/pub/irs-pdf/p1544.pdf)

**10.2.1 Accept Checks as Payment**

**Policy Statement**

Before units can engage in cash handling activities, they must develop and implement detailed, written internal operating procedures that must be approved by University Bursar Cashier Operations office. Unit communications regarding payment options to their customers/payors should state that the University of Illinois System assesses a $25 returned check charge for any check payment returned by the bank.

**Procedure**

To accept checks as payment:

1. Verify that each check meets all these conditions:
	* Payable to "University of Illinois"
	* Includes name, local address, and telephone number
	* Signed by checking account owner
	* Written text and numeric amounts match
	* Current date. Do not accept post-dated checks, or checks dated more than 30 days before today's date.
2. If the check is presented in person, verify the check writer's identity:
	* If the check is for a student account, put the student's UIN on the front of the check.
	* Examine an unexpired system or state-issued photo ID of the checking account owner.
	* Initial the check to confirm a photo ID was presented and that you have verified the accuracy of the information on the check.
3. Stamp the back of the check with your unit's approved "for deposit only" endorsement stamp, which includes the unit name and C-FOAPAL
4. Complete a control log entry for the check that includes the date, check number, payor name, and amount. Retain a control log in your unit files for all checks received.
5. Prepare and submit appropriate Report of Cash Sales, Money Received, or online [Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553) form. Deposit with University Bursar Cashier Operations whenever you have collected $200, or at least once a week.
6. Units with sponsored projects may need to retain photocopies of checks for accountability purposes unique to their project.

**Forms Used in this Procedure**

[Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553)
[Instructions for using the Online Department Deposit Form](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94647)

Paper form:
    *Report of Cash Sales (item #11485880)* (available for purchase from the Urbana university [iStores](https://my.fs.illinois.edu/iStores))

**Additional Resources**

University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.2.5 Reconcile Cash Receipts Daily**

**Policy Statement**

To ensure all funds are properly accounted for, units must reconcile received funds daily. Proper segregation of duties ensures that no one person has sole control over the entire cash handling process from receiving to reconciling. Someone other than the person receiving and depositing the money must perform the reconciliation.

**Procedure**

1. Report any significant shortage (or theft) to University Bursar Cashier Operations as soon as possible. If the loss appears to be due to theft or fraud, notify your university police and the Office of University Audits immediately.
2. Complete appropriate Report of Cash Sales, Money Received, or online [Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553) form and arrange for deposit to be picked-up or delivered to the University Bursar Cashier Operations office.
3. Reconciler should compare the receipt from University Bursar Cashier Operations office to 1) the Report of Cash Sales, Money Received, or [Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553) form, and 2) to the receipts or transaction records. Report discrepancies to University Bursar Cashier Operations office immediately by phone, email, or in person.

**Forms Used in this Procedure**

[Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553)
[Instructions for using the Online Department Deposit Form](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94647)

Paper form:
    Report of Cash Sales (item #11485880) (available for purchase from the Urbana university [iStores](https://my.fs.illinois.edu/iStores))

**Related Policies and Procedures**

[10.2.6 Reconcile Cash Receipts Monthly](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-cash-receipts-monthly)

**Additional Resources**

University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.2.6 Reconcile Cash Receipts Monthly**

**Policy Statement**

To ensure all funds are properly accounted for, units must reconcile all deposited and recorded funds monthly.

**Procedure**

Reconcile and report any discrepancies immediately. Document your reconciliation in a worksheet and retain it in your unit files.

**Related Policies and Procedures**

[10.2.5 Reconcile Cash Receipts Daily](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-cash-receipts-daily)

**10.3.1 Deposit Cash and Checks with University Bursar**

**Policy Statement**

Checks are a form of cash and should be handled with the same level of security and deposited with the same frequency as cash. You must deposit cash and checks whenever you have collected $200, or at least once a week. Do not send cash through campus mail.

Units should take steps to ensure the safety of their employees and the deposit. This may include having two people transport the deposit or making arrangements for armored car services or university police escort. Contact your University Bursar Cashier Operations office to obtain more information about recommended security options.

**Procedure**

To deposit cash and checks:

1. Endorse each check with the endorsement stamp indicating the unit name and its appropriate C-FOAP number.
2. Create an adding machine tape listing the amount for each check and the deposit total for the batch. Write your unit's name on the tape.
3. Complete either the Department Deposit form, Report of Cash Sales/Money Received form, or one of the paper forms available on each university. Keep a copy for your unit records.
4. Prepare and submit to University Bursar Cashier Operations office:
	* One of the deposit forms listed in step #3. University Bursar will retain original, if you want a copy returned to you, include a second copy with your deposit.
	* Checks and/or cash
	* Adding machine tape (for checks)

University Bursar processes deposits within 72 hours. However, deposits with discrepancies will delay the process and are the unit's responsibility to resolve. University Bursar will contact the deposit preparer if there are questions.

At month-end or fiscal year-end by 2:00 pm to ensure processing in the appropriate fiscal period.

1. Reconcile the receipt from University Bursar Cashier Operations with your copy of the deposit form. Report discrepancies to University Bursar Cashier Operations immediately by phone, email, or in-person.

**Forms Used in this Procedure**

[Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553)[Instructions for using the Online Department Deposit Form](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94647)

Paper form:
    *Report of Cash Sales (item #11485880)* (available for purchase from the Urbana university [iStores](https://my.fs.illinois.edu/iStores))

**Additional Resources**

University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.3.2 Deposit Foreign Checks with University Bursar**

**Policy Statement**

All debts and obligations to the University of Illinois System are due and payable in United States currency. Any check not drawn on a U.S. or Canadian bank or that does not have a U.S. clearing bank listed on it, is considered a foreign check - even if the check is payable in U.S. funds. The payor must make up any shortfall in the amount of a transaction due to foreign exchange and/or expenses of collection.

Do not accept foreign checks for $200 or less. It is not cost effective for the system to process checks below that amount.

**Procedure**

To deposit foreign checks to University Bursar:

1. Use a separate deposit form for each foreign check.
2. Deposit to University Bursar.
3. University Bursar submits the check to the system bank for collection and adjusts the unit's account when the system receives the money. This may take up to 120 days because of special collection activity required by the system’s banks.

The actual deposit is the amount left after bank collection charges (if any) and the exchange rate are applied.

**Additional Resources**

University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.3.3 Deposit Unit Funds Directly to the Bank**

**Policy Statement**

If your unit has been authorized to deposit funds directly to the bank, you must deposit whenever you have collected $200, or at least once a week. Deposit all foreign checks with University Bursar.

**Procedure**

To deposit unit funds directly to the bank:

1. Contact University Bursar Cashier Operations for secure transportation options available on your university.
2. Endorse each check with the endorsement stamp indicating the unit name and its appropriate C-FOAP fund number.
3. Create an adding machine tape listing the amount for each check and the deposit total for the batch. Write your unit's name on the tape.
4. Complete either an Online Department Deposit form or one of the paper forms available at each university and submit it to University Bursar. Keep a copy for your unit records.
5. Complete a preprinted bank deposit slip. Keep a copy for your unit records.
6. Compile the information for the scheduled bank pickup::
	* Checks and/or cash
	* Adding machine tape
	* Bank deposit slip
7. Submit the original and a copy of the deposit form to University Bursar Cashier Operations.
8. University Bursar receives a receipt and a copy of the deposit slip from the bank and reconciles the transaction.

**Forms Used in this Procedure**

[Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553)[Instructions for using the Online Department Deposit Form](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94647)

Paper form:
    *Report of Cash Sales (item #11485880)* (available for purchase from the Urbana university [iStores](https://my.fs.illinois.edu/iStores%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window))

**Related Policies and Procedures**

[10.3.1 Deposit Cash and Checks to University](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/deposit-cash-and-checks-with-usfsco) Bursar

**10.4.1 Obtain Approval to Handle Returned Checks**

**Policy Statement**

University Bursar recovers and collects all returned checks received and deposited by cash handling units. If University Bursar exhausts all reasonable collection efforts (e.g., in-house, outside agency, state offset), and a returned check is uncollectible, it is included in system-level write-off approvals and protocol. Any unpaid portion of the original returned check amount will be charged back to the original unit at the time of write-off.

University Bursar may grant permission for some authorized cash handling units to assume responsibility for any/all returned check handling and related recovery activities. The decision to do this would apply to all cash handling units within a college, unit, or administrative level. The units will also assess and retain the $25 administrative service fee.

Regardless of what a unit decides, if a check is returned from the bank and University Bursar determines the unit did not process it according to the policies and procedures in [10.2.1 Accept Checks as Payment](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/accept-checks-as-payment), it may be returned to the unit to recover funds.

**Procedure**

To obtain approval to handle returned checks:

1. Develop written procedures and internal controls that are in compliance with the requirements in [10.2.1 Accept Checks as Payment](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/accept-checks-as-payment) and [10.1.2 Implement Internal Controls for Handling Cash and/or Checks](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/implement-internal-controls-handling-cash-checks), including your procedures for handling returned checks.
2. Submit a copy of your procedures to University Bursar Cashier Operations requesting approval to handle returned checks. Submit a Returned Check Handling form to University Bursar.
3. University Bursar reviews your procedures and submitted Returned Check Handling form. If approved, you will receive an email confirming approval for your unit to handle returned checks.

**Forms Used in this Procedure**

[Returned Check Handling](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94721)

**Related Policies and Procedures**

[10.2.1 Accept Checks as Payment](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/accept-checks-as-payment)
[10.1.2 Implement Internal Controls for Handling Cash and/or Checks](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/implement-internal-controls-handling-cash-checks)
[10.4.2 Handle Returned Checks (Approved Units Only)](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/handle-returned-checks-approved-units-only)

**Additional Resources**

University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

Sample of Departmental Returned Check Handling Procedures

**10.4.2 Handle Returned Checks (Approved Units Only)**

**Policy Statement**

A unit must first be a cash handling unit to be authorized to assume responsibility for returned check handling. This procedure does not apply if University Bursar handles the unit's returned checks.

**Procedure**

To handle checks returned to your unit:

**University Bursar:**

Charges the originally credited C-FOAPAL for the amount of the check to the unit, and sends a notification memo (including the JV number and copy of the check) via Protected Email Attachment Application (PEAR) to the unit contact.

**Your Unit:**

1. Transfer the amount of the unredeemed check from the original C-FOAPAL to your unit's General Ledger NSF Clearing Fund C-FOAPAL.
2. Comply with University of Illinois System policy and established internal procedures for charging debtor with $25 administrative fee or assuming $25 administrative fee to your department.
3. Follow your unit's approved written internal procedures to recover the amount of the returned check and the $25 administrative service fee.
4. Submit the replacement funds, when recovered, to University Bursar on the appropriate Report of Cash Sales, Money Received, or online [Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553) form. Keep a copy for your unit records. Use the NSF Clearing Fund C-FOAPAL, and the C-FOAPAL you charged in Step #1 and #2.

If you are unsuccessful in recovering the replacement funds within six months of occurrence, you may submit a special collection request to University Bursar Student Loans and Collections (312) 413-0303 or pastdue@uillinois.edu. University Bursar may send it to an external collection agency for action and will not accept requests that are older than six months.

**Forms Used in this Procedure**

[Department Deposit](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94553)
[Instructions for using the Online Department Deposit Form](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94647)

Paper form:
    *Report of Cash Sales (item #11485880)* (available for purchase from the Urbana university [iStores](https://my.fs.illinois.edu/iStores))

**Related Policies and Procedures**

[10.4.1 Obtain Approval to Handle Returned Checks](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/obtain-approval-to-handle-returned-checks)
[10.2.1 Accept Checks as Payment](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/accept-checks-as-payment)

**Additional Resources**
For a detailed outline of returned check procedures consult, [Departmental Returned Check Handling Procedures Sample](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94978)

**10.5.1 Establish a Petty Cash Fund**

**Policy Statement**

Petty Cash Funds may not be established for amounts exceeding $1000 and can only be used for the purchase of miscellaneous and incidental items of small value. University Bursar advances this money at each university. Petty Cash Funds are subject to an audit by the Office of University Audits and/or by University Bursar at any time.

**Procedure**

To establish a Petty Cash Fund:

1. The unit head designates one employee as custodian of the fund.
2. The custodian completes online training. Training is completed when the fund is established and then annually thereafter.
3. Complete the [Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=p) form.
	1. State the reason the fund is required and the desired denomination breakdown.
	2. Limit the amount to the cash needed for 2 to 4 weeks. TEM replenishment requests can be processed after that time.
4. Follow the instructions on the [Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=p) form to approve and submit the new fund request.

Inactivity may cause the fund to be reduced or returned to the University Bursar Cashier Office.

**Forms Used in this Procedure**

[Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=p)

**Related Policies and Procedures**

[10.5.2 Serve as a Petty Cash Fund Custodian](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/serve-as-petty-cash-fund-custodian)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.2 Serve as a Petty Cash Fund Custodian**

**Policy Statement**

The custodian of the Petty Cash Fund is responsible for proper use and safe keeping of the fund. The custodian is personally liable for cash losses and discrepancies in the Petty Cash Fund. Funds lost due to circumstances beyond the control of the custodian must be repaid from the unit's budget or other available operating funds.

If the custodian will be absent for a short period of time, the custodian may delegate authority to disburse funds to another staff member. However, the custodian remains responsible for the fund.

If the custodian will be absent for an extended period of time, a new custodian must be appointed using the [Change Custodian](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_chgcust.cfm?typefund=p) and [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p) forms.

Petty Cash Funds are to be kept separate from any other funds.

The custodian must notify University Bursar Cashier Operations Office immediately when rescinding custodian responsibilities or when the custodian's office address changes.

**Procedure**

To serve as a Petty Cash Fund custodian:

1. Comply with the following petty cash list of prohibited items and rules:
	* Professional membership dues
	* Professional development fees
	* Work uniforms (includes boots, shoes, etc.)
	* Food (includes food supplies and any meals, along with refreshments for meetings, alcohol, water, etc.)
	* Fuel
	* Coffee club
	* Labor costs
	* Gift cards
	* Personal services
	* Travel advance/expenses
	* Purchase items that will be on your biennial inventory
	* To cash personal checks
	* Cannot be used as change funds
	* Vendor payments or late fees

The above prohibited items are not a complete list - only a guideline. Contact University Bursar Cashier Operations Office to seek further guidance.

The University of Illinois System has a governmental exemption from sales and use taxes on purchases for system use. When making purchases on behalf of the system, present suppliers with the system’s sales [State of IL Sales Tax Exempt Letter](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=93238" \t "_blank" \o "Logon required, PDF file, opens new window) to avoid paying sales tax on purchases.

1. Local transportation charges may be authorized for reimbursement from petty cash.
2. Limit single purchases to $100 or less per purchase and per vendor. Simultaneous purchases (stringing) may not be made to circumvent these limitations.
3. Secure a receipt for each expenditure and have the person being reimbursed for the purchase sign the receipt:
	* If a vendor does not normally furnish receipts, or if a receipt is incomplete or lost, submit a documented note or letter explaining each missing receipt with purchase date, amount, and description, with buyer and custodian signatures.
4. Someone other than the custodian must verify petty cash monthly in the presence of the custodian and maintain a file of all verifications.
5. Reconcile petty cash quarterly online at the University Bursar Petty Cash & Change Funds website.
6. Renew each fund annually by July 1.
7. Complete Petty Cash Training each fiscal year.

**Forms Used in this Procedure**

[Change Custodian](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_chgcust.cfm?typefund=p)
[Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p)
[Quarterly Reconciliation](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=q)
[Close Fund](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_closefund.cfm?typefund=p)
[Annual Renewal](https://apps.obfs.uillinois.edu/PettyCash/dsp_Voucher_Certification.cfm?typefund=p)

**Related Policies and Procedures**

[10.5.1 Establish a Petty Cash Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/establish-petty-cash-fund)
[10.5.6 Change the Amount of a Petty Cash Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/change-amount-of-petty-cash-fund)
[10.5.7 Change the Custodian of a Petty Cash Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/change-custodian-of-petty-cash-fund)
[10.5.8 Close a Petty Cash Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/close-petty-cash-fund)

**Additional Resources**

[State of IL Sales Tax Exempt Letter](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=93238)
[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
[What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.3 Replenish Petty Cash Funds**

**Policy Statement**

Petty Cash Funds may not be replenished for amounts greater than the original amount of the fund. Replenish the fund regularly, but at least quarterly. In addition, **always** include replenishing the Petty Cash Fund in your fiscal year-end procedures.

**Procedure**

To replenish Petty Cash Funds, the fund custodian must gather the following information before making the request:

* A receipt for each expenditure. Vendor receipts should show the date, amount and description of purchases.
* If a person other than the custodian makes a purchase, that person should sign and date the receipt or invoice when he/she is reimbursed by the custodian of the fund.
* If the vendor does not normally furnish receipts, the custodian of the fund must verify the expenditure with a written receipt.

To replenish the Petty Cash Fund, the custodian initiates an employee reimbursement request in TEM:

* Use "PCR" (for Petty Cash Replenish) at the beginning of the "Report Title" (Example: PCR Monthly Petty Cash).
* Select the "Purpose - Employee Misc Expense Reimbursement"
* Enter the "Business Purpose/Justification"
* Select the "Payee Affiliation - Employee"
* Click the Notes tab; click "Add Document Note", specify the following:
	1. Check pick-up date
	2. Denomination breakdown
	3. Location: UIC, UIUC, or UIS
	4. Name and phone number of the Petty Cash custodian.
* Custodian must indicate the name and UIN of the person who incurred each expense either on the receipt, a scanned attached note, or Document Note.

University Payables (UPAY) will email University Bursar the Custodian Name, UIN and Amount for confirmation that the custodian is valid and up to date with required reconciliations and renewals. In addition, if there is a question about the receipt and if Petty Cash is allowable, UPAY will also seek approval.

* If University Bursar **denies** the Petty Cash Replenishment request, UPAY will reject the expense report. The custodian will then need to complete any outstanding compliance activities to resubmit the reimbursement request.
* If University Bursar **approves** the Petty Cash Replenishment request, UPAY will process the replenishment.

After Approval of the Petty Cash Replenishment:

* A unit representative picks up the check and University Bursar will cash it for them. The custodian may authorize in writing a 'runner' to pick up, sign for (with proper photo ID), and cash the check. It is not mandatory that the check be cashed at University Bursar. The custodian has the option to deposit or cash the check elsewhere.
* The custodian will be requested to provide the total amount of the expenses submitted on a quarterly basis when they complete the online quarterly reconciliations. This information may be reviewed by CFO to verify and ensure the amount and need of the open Petty Cash Fund is appropriate.
* Expenses **should** be submitted for replenishment within the quarter that they were made and **must** be submitted within the fiscal year that they were made.

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
[TEM Resource Page](https://www.obfs.uillinois.edu/tem-resources/)
University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.4 Verify Petty Cash Funds Monthly**

**Policy Statement**

All Petty Cash Funds must be verified monthly by the unit head, supervisor or delegate, with the custodian present.

The fund custodian cannot, under any circumstances, perform the monthly counting of the cash. The custodian may fill out the [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p) form.

**Procedure**

To verify Petty Cash Funds monthly:

1. The unit head/supervisor or delegate verifies the fund by counting the cash each month in the presence of the custodian.
2. Complete the [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p) form.
3. Ensure that the amount of cash on hand and the total amount of receipts equals the total amount of the Petty Cash Fund.
4. Reconcile all discrepancies. Deposit overages with the University Bursar Cashier Operations Office. The custodian repays shortages, or replacement funds are taken from the unit's operating fund(s). For more information, consult [What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
5. Print a copy of the [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p" \t "_blank" \o "Logon required, opens new window) form for your records or save a copy to your desktop by using the explore tool option in the upper right corner of the screen. You can 'File', 'Save As', or 'Print' using this tool.

**Forms Used in this Procedure**

[Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=p)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
[What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.5 Reconcile Petty Cash Funds Quarterly**

**Policy Statement**

All Petty Cash Funds must be reconciled quarterly by the unit head, supervisor or delegate, with the custodian present.

The fund custodian cannot, under any circumstances, perform the counting/reconciling of the cash. The custodian may fill out the online reconciliation form. University Bursar monitors the completion of quarterly reconciliations and will notify the fund custodian if the quarterly reconciliation has not been received.

Replenishment of the Petty Cash Fund will not be approved if reconciliations are not current. Quarterly reconciliations are due October 15, January 15, April 15, and July 15 of each fiscal year.

**Procedure**

To reconcile Petty Cash Funds quarterly:

1. The unit head/supervisor or delegate confirms the fund by counting the cash and reconciling it each quarter in the presence of the custodian.
2. Complete the online [Petty Cash Quarterly Reconciliation](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=q) form, which is located on the University Bursar Petty Cash & Change Funds Website.
3. Print a copy for your records or save to your document/desktop by using the explore tool option located in the upper right corner of the screen. You can 'File', 'Save As', or 'Print' using this tool.
4. Submit the form. Submitting the form automatically generates an email to the unit head/supervisor or delegate who must reply indicating whether they approve the quarterly petty cash reconciliation.

Identified discrepancies must be rectified. Deposit overages with the University Bursar Cashier Office. The custodian repays shortages, or replacement funds are taken from the unit's operating fund(s). For more information, consult [What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)

**Forms Used in this Procedure**

[Petty Cash Quarterly Reconciliation](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=q)

**Related Policies and Procedures**

[10.5.2 Serve as a Petty Cash Fund Custodian](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/serve-as-petty-cash-fund-custodian)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
[What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
Reconciliation in [Definitions](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/definitions/#reconciliation)
[Petty Cash Reconciliation Due Dates](https://apps.obfs.uillinois.edu/pettycash/)
Campus University Bursar Office locations and hours:
    [Urbana](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.6 Change the Amount of a Petty Cash Fund**

**Policy Statement**

The amount of a Petty Cash Fund can be increased or decreased; however, there is still a $1000 limit.

**Procedure**

To change the amount of a Petty Cash Fund:

1. The custodian completes the [Increase Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=p&Increase) or [Decrease Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=p&Decrease) form. Submitting the form automatically generates an email to the unit head, supervisor or delegate who must reply indicating whether they approve the increase or decrease of the Petty Cash Fund.
2. If the fund is being **decreased**, return the excess funds to the University Bursar Cashier Office.
3. If the fund is being **increased**, University Bursar reviews the online request and notifies the custodian when the request is approved and the funds can be picked up.

**Forms Used in this Procedure**

[Increase Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=p&Increase)
[Decrease Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=p&Decrease)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=p)
University Bursar Office locations and hours:
    [Urbana](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.7 Change the Custodian of a Petty Cash Fund**

**Policy Statement**

Before changing the custodian of a Petty Cash Fund, verify the fund by counting the cash and confirming the balance with both the current and new custodians present. The current custodian remains responsible for the fund until verification is performed, and the new custodian assumes his or her duties.

**Procedure**

To change the custodian of a Petty Cash Fund:

1. The new custodian submits the [Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=p) form. Submitting the form generates an automatic email to the unit head, supervisor, or delegate who must reply indicating whether they approve the change of custodian.
2. After submitting the [Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=p) form, the current and new custodians complete the [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=p) form together. This form is used to verify the amount of the Petty Cash Fund at the time a change of custodian occurs. A change of custodian will not be authorized until a [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=p) form is completed. Keep a copy of the [Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=p) form in your unit's files.

If the current custodian is unavailable due to an emergency, the new custodian must still count the money and verify the Petty Cash Fund, but must do so in the presence of the unit head, supervisor, or delegate.

1. The new custodian must complete Petty Cash Fund training.

**Forms Used in this Procedure**

[Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=p)
[Petty Cash Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=p)

**Related Policies and Procedures**

[10.5.4 Verify Petty Cash Funds Monthly](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/verify-petty-cash-funds-monthly)
[10.5.5 Reconcile Petty Cash Funds Quarterly](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-petty-cash-funds-quarterly)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.5.8 Close a Petty Cash Fund**

**Policy Statement**

If your unit's Petty Cash Fund is inactive and/or your unit no longer needs/uses a Petty Cash Fund, University Bursar may close the fund.

The custodian must return the full amount of the Petty Cash Fund to the University Bursar Cashier Office when closing the fund.

**Procedure**

To close a Petty Cash Fund:

1. Count, reconcile, and replenish the Petty Cash Fund.
2. The custodian submits a [Close Fund](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_closefund.cfm?typefund=p) form for petty cash. Submitting the form automatically generates an email to the unit head, supervisor, or delegate who must reply indicating whether they approve the Petty Cash Fund closure.
3. Give the University Bursar cashier the total amount of the Petty Cash Fund. Tell them that you are the Petty Cash Fund custodian and you are closing the fund.
4. Retain the closure form and cashier receipt for your unit’s records.

**Forms Used in this Procedure**

[Close Fund](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_closefund.cfm?typefund=p)

**Related Policies and Procedures**

[10.5.4 Verify Petty Cash Funds Monthly](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/verify-petty-cash-funds-monthly)
[10.5.5 Replenish Petty Cash Funds](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/replenish-petty-cash-funds)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Petty Cash Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=p)
University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.1 Establish a Change Fund**

**Policy Statement**

Change Funds are issued only to authorized cash handling units and can only be used for making change for cash sales. Change Funds should not be used for purchases, travel advances, or check cashing.

All Change Funds are authorized and issued University Bursar. Units that need extensive Change Funds (for example, large operations such as Housing or student centers/unions), may use its own cash, with the approval of the Senior Director of University Bursar.

Change Funds are subject to an audit by University Audits and/or University Bursar at any time.

**Procedure**

To establish a Change Fund:

1. The unit head designates one employee as custodian of the Change Fund.
2. The custodian completes online training. Training is completed when the fund is established and then annually thereafter.
3. The custodian completes a [Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=c) form.
	1. State the reasons your unit needs a Change Fund,
	2. Identify the amount needed for daily activities.
4. Follow the instructions on the [Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=c) form to approve and submit the new fund request. Submitting the form automatically generates an email to the unit head, supervisor, or delegate who must respond to the email, either rejecting or approving establishment of the fund.

**Forms Used in this Procedure**

[Request New Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_newfund.cfm?typefund=c)

**Related Policies and Procedures**

[10.6.2 Serve as a Change Fund Custodian](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/serve-as-change-fund-custodian)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
Campus University Bursar Office locations and hours:
   [Urbana](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.2 Serve as a Change Fund Custodian**

**Policy Statement**

The Change Fund custodian is responsible for the safekeeping and proper use of the fund. The custodian is personally liable for cash losses and discrepancies in the Change Fund. Funds lost due to circumstances beyond the control of the custodian must be repaid from the unit's budget or other available operating funds.

If the custodian will be absent for a short period of time, the custodian may delegate authority to disburse funds to another staff member. However, the custodian remains responsible for the fund.

If the custodian will be absent for an extended period of time, a new custodian must be appointed using the [Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=c) and [Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c) forms.

Change Funds are to be kept separate from other funds.

The custodian must notify University Bursar Cashier Office immediately when rescinding custodian responsibilities or when the custodian's office address changes.

**Procedure**

To serve as a Change Fund custodian:

1. Complete the online Change Fund training each fiscal year.
2. Exercise caution in the administration and protection of the fund in your possession. Do not permit anyone, other than your designated backup, to access cash in the Change Fund. Always keep the Change Fund locked, with the key kept separate from the fund and its location known only to the custodian and backup.
3. Do not mix personal funds with the Change Fund or place personal funds in the same safe or locked container in which the Change Fund is stored
4. Deposit overages with the University Bursar Cashier Office. The custodian should personally repay any shortages if they were negligent in safeguarding the fund or allowed it to be improperly used.
5. Do not use the Change Fund to resolve overages and/or shortages in cash sales or money received. Balance the fund every day.
6. Renew the fund every fiscal year by July 1. You will receive a reminder email in June. Follow the instructions in the email.
7. Delegate authority to disburse funds to another staff member if you are going to be absent for a short period of time.
8. Use the [Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=c" \t "_blank" \o "Logon required, opens new window) and [Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c" \t "_blank" \o "Logon required, opens new window) forms to appoint a new custodian if you are going to be absent for a long period of time.
9. Notify the University Bursar Cashier Office immediately when you are no longer the custodian or change your office address.

**Forms Used in this Procedure**

[Annual Renewal](https://apps.obfs.uillinois.edu/pettycash/dsp_Voucher_Certification.cfm?typefund=c)
[Change Custodian](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgcust.cfm?typefund=c)
[Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c)
[Close Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_closefund.cfm?typefund=c)

**Related Policies and Procedures**

[10.6.1 Establish a Change Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/establish-change-fund)
[10.6.4 Change the Amount of a Change Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/change-amount-of-change-fund)
[10.6.6 Close a Change Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/close-change-fund)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
University Bursar office locations and hours:
   [Urban-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.3 Reconcile Change Funds Daily**

**Policy Statement**

The Change Fund custodian must reconcile the fund daily. Change Funds must also be verified monthly by the unit head, supervisor, or delegate. The fund custodian cannot, under any circumstances, perform the monthly counting of the cash. The custodian may fill out the [Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c) form.

**Procedure**

To reconcile a Change Fund daily:

1. Complete the [Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c) form.
2. Subtract the amount of the original Change Fund from the cash sales received that day.
3. Do not use the Change Fund to resolve overages and/or shortages in the cash sales or money received.
4. Deposit overages with the University Bursar Cashier Office. The custodian repays shortages, or replacement funds are taken from the unit's operating fund(s). For more information, consult [What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
5. Print a copy for your records or save to your desktop by using the explore tool option in the upper right corner of the screen. You can 'File', 'Save As', or 'Print' using this tool.

**Forms Used in this Procedure**

[Change Fund Verification](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_ver.cfm?typefund=c)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
[What to do if...](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/what-to-do-if)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.4 Change the Amount of a Change Fund**

**Policy Statement**

The fund custodian can increase or decrease the amount of a Change Fund.

**Procedure**

To change the amount of a Change Fund:

1. Submit the [Increase Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=c&Increase) or [Decrease Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=c&Decrease) form. Submitting the form automatically generates an email to the unit head, supervisor, or delegate who must reply indicating whether they approve the increase or decrease of the Change Fund.
2. If the fund is being **increased**, University Bursar reviews the online request and notifies the custodian when the request is approved and the funds can be picked up.
3. If the fund is being **decreased**, return excess funds to your University Bursar Cashier Office and retain the receipt for your unit’s records.

**Forms Used in this Procedure**

[Increase Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=c&Increase)
[Decrease Fund Amount](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_chgamt.cfm?typefund=c&Decrease)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
University Bursar office locations and hours:
    [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
    [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
    [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.5 Change the Custodian of a Change Fund**

**Policy Statement**

Before changing the custodian of a Change Fund, confirm the fund by counting the cash and verifying it with both the current and new custodians present. The current custodian remains responsible for the fund until verification is performed, and the new custodian assumes his or her duties.

**Procedure**

To change the custodian of a Change Fund:

1. The new custodian submits the [Change Custodian](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_chgcust.cfm?typefund=c) form. The submission of the form generates an automatic email to the unit head, supervisor, or delegate who must reply indicating whether they approve the custodian change.
2. After submitting the [Change Custodian](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_chgcust.cfm?typefund=c) form, the current and new custodians complete the [Change Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=c) form together. This form is used to verify the amount of the Change Fund at the time a change of custodian occurs. A change of custodian will not be authorized until a [Change Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=c) form is completed. Keep a copy of the [Change Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=c) form in your unit's files.

If the current custodian is unavailable due to an emergency, the new custodian must still count the money and verify the Change Fund, but must do so in the presence of the unit head, supervisor, or delegate.

1. The new custodian must complete Change Fund training.

**Forms Used in this Procedure**

[Change Custodian](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_chgcust.cfm?typefund=c)
[Change Fund Verification](https://apps.obfs.uillinois.edu/PettyCash/dsp_cash_ver.cfm?typefund=c)

**Related Policies and Procedures**

[10.6.3 Reconcile Change Funds Daily](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-change-funds-daily)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
University Bursar office locations and hours:
   [Urbana-Champaign](https://www.obfs.uillinois.edu/cash-handling/urbana-champaign-campus/)
   [Chicago](https://www.obfs.uillinois.edu/cash-handling/chicago-campus/)
   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**10.6.6 Close a Change Fund**

**Policy Statement**

If your unit's Change Fund is inactive and/or your unit no longer needs/uses a Change Fund University Bursar may close the fund.

The custodian must return the full amount of the Change Fund to the University Bursar Cashier Office when closing the fund.

**Procedure**

To close a Change Fund:

1. Count and verify the Change Fund.
2. Submit a [Close Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_closefund.cfm?typefund=c) form. Submitting the form automatically generates an email to the unit head/supervisor or delegate who must reply indicating whether they approve the Change Fund closure.
3. Give the University Bursar cashier the total amount of the Change Fund. Tell them that you are the Change Fund custodian and you are closing the fund.
4. Retain the [Close Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_closefund.cfm?typefund=c) form and cashier receipt for your records.

**Forms Used in this Procedure**

[Close Fund](https://apps.obfs.uillinois.edu/pettycash/dsp_cash_closefund.cfm?typefund=c)

**Additional Resources**

[University Bursar Petty Cash & Change Funds](https://apps.obfs.uillinois.edu/pettycash/index.cfm%22%20%5Ct%20%22_blank%22%20%5Co%20%22Logon%20required%2C%20opens%20new%20window)
[Change Fund Training](https://apps.obfs.uillinois.edu/PettyCashTraining/index.cfm?typefund=c)
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   [Springfield](https://www.obfs.uillinois.edu/cash-handling/springfield-campus/)

**Responsibilities**

The Vice President, Chief Financial Officer & Comptroller is responsible for cash handling. He or she has delegated this responsibility to the Senior Director of University Bursar. The Senior Director is further delegated the ability to approve exceptions to established cash handling policies and procedures.

The University Bursar is custodian of the Imprest/Bursar fund. They keep the supply of blank checks, maintain and safeguard currency as needed, and keep adequate records to account for each university fund. They have been delegated responsibility and authority for the following operations:

* Developing and disseminating standards for the custody and accountability of cash
* Developing and maintaining systems to deposit cash to the depositories and to record cash in the Banner Financial System
* Supervising university cash handling operations
* Helping units develop procedures for the collection, custody, and reporting of cash
* Overseeing the day-to-day cash handling function
* Ensuring adequate internal controls are in place for appropriate stewardship of public funds
* Approving the use and release of checks against the Imprest/Bursar Fund.

Unit heads must establish and maintain a clear accountability process for receiving, handling, depositing, and keeping records for cash or cash equivalents. Unit heads may assign or delegate a fund custodian who is responsible for the safekeeping, control, and proper use of any fund according to its approved purpose.

**Definitions**

**Cash Collections**
The collection, control, and deposit of money due (payable) to the University of Illinois from cash sales, collection of accounts receivable, etc.

**Cash Handling Unit (CHU)**
Any approved unit which receives and deposits cash, cash equivalents, and/or checks on behalf of the University of Illinois System.

**Cash Disbursements**
The dispensing of cash (both currency and check) to pay for expenditures for miscellaneous reasons and the control of funds set up for this purpose.

**Imprest/Bursar Fund**
Each university maintains an Imprest or Bursar Fund to make small emergency payments and reimbursements for:

* Change funds
* Unit petty cash funds
* Cash in the form of currency or check as may be needed for day-to-day operations
* Other purposes that may require readily available cash

**Reconciliation**
Reconciliation is the process of comparing two sets of financial records to ensure the balances match. It is similar to balancing a checking account. For a petty cash fund, the cash on hand and receipts must equal the total amount of the fund.

**Postdated Check**
Refers to any check that has a future date written upon it by the payer.

**Stale Dated Check**
Refers to a check that has not been processed through the payer’s account within 180 days. After 180 days most banks consider checks to be stale dated and will return the check unpaid.

**Unredeemed Check**
An unredeemed check is one returned to the system because the payor's bank has refused to pay it. The system pursues a vigorous program of follow-up and collection of unredeemed checks and may impose penalties to check writers. Habitual offenders may have their check writing privileges revoked, be required to pay through guaranteed remittance such as money order or bank check and may be reported to the State's Attorney for appropriate action.

**Keeping Cash Handling Records**

**Definitions**

**Records** - Records are official and trustworthy documents used for accountability and transparency. Requirements for retaining records are mandated by federal and state laws and regulations. Cash handling records consist of documentation of sales, deposits, reconciliations, and summary reports.

**Working Documents** - Working documents are unofficial yet trustworthy documents used to support business activities. Examples include copies of official records retained for your convenience or preliminary planning documents.

**Temporary Documents** - Temporary documents are transitory and not records or working documents. Examples include drafts, reference materials, and routine correspondence.

**CFO Responsibilities**

CFO retains cash handling records for the current fiscal year and 5 previous fiscal years, including records such as sales tax reports, including sales to customers in other states.

**Unit Responsibilities**

Your unit should retain cash handling records for 3 years from last date of use for audit purposes. Temporary documents should be disposed of as soon as they are no longer needed.

For assistance, consult your unit Records Liaison or records contact, if you have one, or the Records and Information Management Services team.

**Additional Resources**

[Records and Information Management Services](http://uillinois.edu/cio/services/rims)
[Urbana - University Archives](http://www.library.illinois.edu/archives/)
[Chicago - University Archives](http://library.uic.edu/home/collections/university-archives)
[Springfield - Archives/Special Collections](http://library.uis.edu/archives/)

**What to do if...**

**What to do if a Petty Cash or Change Fund. . .**

**Is lost**
If the fund custodian failed to safeguard the fund or allowed it to be improperly used, the custodian must repay the money. If the loss was beyond the custodian's control, it is repaid from the unit's budget or other available operating funds. If you believe the funds were stolen, contact the university police and University Bursar Cashier Office immediately. Consult [Insurance FAQs #9](https://www.obfs.uillinois.edu/bfpp/section-6-insurance/faqs/#crime-insurance) for information about crime insurance.

**Is inactive because you have not been using it**
There are security risks with retaining a fund that is not being used. Close inactive funds. Consult [10.5.8 Close a Petty Cash Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/close-petty-cash-fund) and [10.6.6 Close a Change Fund](https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/close-change-fund).

**Is no longer needed for its original purpose**
Close this fund and request a new one specifically for your new purpose.

**Is for a larger amount than you need**
Reduce the amount of the fund by returning the excess to University Bursar Cashier Office.

**Has an overage**
Deposit overages with University Bursar Cashier Office. Credit overages to the appropriate unit fund on a Report of Cash Receipts form.

**Has a shortage**
Report any significant shortage or theft to University Bursar as soon as you discover the shortage. If the loss appears to be due to theft or fraud, notify university police and the Office of University Audits. Any shortage should come out of the unit’s deposit or the appropriate unit fund.

**You receive funds that are a gift**

Consult [11.3 Campus Processing of Gifts](https://www.obfs.uillinois.edu/bfpp/section-11-gifts-endowments/section-11-3).

**You receive funds for another unit, for a reason you are not authorized to receive funds, or you receive funds in error**

Securely deliver the money and any envelopes or materials received with the funds, to University Bursar Cashier Office within one business day of receiving it, or as soon as possible. Do not send cash or checks through campus mail. University Bursar will research, and either, deliver the funds to the correct unit or deposit into a clearing fund.

**You think currency might be counterfeit**

Exercise reasonable care in screening cash transactions. Counterfeit currency should not be accepted and processed as a valid payment. If counterfeit currency is accepted and submitted for deposit, the department will be liable for the loss. Do not put yourself in danger. Do not return the suspicious bill to the payer. Report the incident to your department supervisor and university police.