

Cash Imprest (Petty Cash)

Policy Statement

Based on the cost center's request, the university assigns to one full-time employee per cost center a petty cash fund commensurate to average departmental minor operating needs and obligations. The amount will be below or equal to the limit set by the guidelines to this policy.

Reason for Policy/Purpose

This policy aims at introducing the imprest fund facility to all cost centers and defining the boundaries for the utilization of such facility.

Who Approved This Policy

EVP. Brian MacDougall
EVP for Administration and Finance.

Who Needs to Know This Policy

AUC Community

Web Address for this Policy

<http://schools.aucegypt.edu/offices/controller/Documents/Petty%20cash%20policy1.pdf>

Contacts

Responsible University Official: Accounts Payable Director – Controller's Office

Responsible University Office: Office of The Controller

If you have any questions on the policy or procedure for Cash Imprest (Petty Cash) policy, you may:

1. Call [Account Payable Section – Controller's Office] at [Ext # 2336], or
2. Send an e-mail to Hesham_r@aucegypt.edu

Definitions

<ul style="list-style-type: none"> • Imprest 	<p>An amount of money entrusted to a specific person, for a given period of time, to be used for paying for minor operational needs.</p>
<ul style="list-style-type: none"> • Replenishment 	<p>The process through which the imprest holder is refunded for submission of documents that support payments incurred through the imprest fund.</p>
<ul style="list-style-type: none"> • Minor Operational needs 	<p>Irregular needs or an unexpected shortage in regular needs that can be satisfied by a minor purchase, or otherwise where the university purchasing Department permits cost centers to procure such goods directly.</p>

Policy/Procedures

Policy Guidelines

Spending Limit: Cash imprests are primarily intended for the acquisition of minor supplies and services of a non-personal nature. Individual items or services purchased should not exceed \$60 (or Egyptian Pound equivalent) in value, and individual purchase transactions incorporating a number of similar items should not exceed \$200 (or Egyptian Pound equivalent) in total. These purchases may include long-lived assets subject to the same value threshold. All qualifying items may be purchased directly, providing the vendor is able to provide a formal invoice of sale.

Purchase of non-qualifying items with petty cash funds is permitted only in the event of extreme urgency. Such expenditures will not be accepted without a written explanation from the Unit/Department head explaining the situation which resulted in the emergency.

No purchases may be split into smaller purchases for the purpose of by-passing monetary and tax withholding limits.

Permissible Purposes: Imprest funds may be expended for the following University-business related purposes:

- Hospitality
- Newspaper and magazines required for the office
- Minor stationary items if not available at the University supply stores
- Xeroxing, subject to the observance of applicable copyright law
- Minor repair costs
- Minor items of office and laboratory equipment if not available at the University supply store
- Buses, taxis and local transport
- Telephone calls and fax if made during weekends, public holiday, or off campus.
- Books related to the operation of the budget center that cannot be obtained from the University's Bookstore or Library, and the price of which is within the permissible spending limits of the fund

Unallowable Purposes: Imprest funds **MAY NOT BE** used for the following purposes:

- Flowers for the office
- Tips to University employees
- Payment for personal services
- Pastries and food for office use
- Purchases that have to be processed through the Supply Chain Management Department in accordance with the University's purchasing policies and procedures.

Alcoholic Beverages:

- Purchase of alcoholic beverages requires the approval of the Area head. However, it is completely prohibited to consume any sort of alcoholic beverages on AUC premises.

Sanctions:

Anyone who by-passes the SCM (other than as described above) and commits the University to make payments for assets, supplies or services will be required to pay personally for the items or services acquired should it prove impossible to rescind the offending transaction(s) without cost. The same considerations apply to the unauthorized hiring of personnel on task appointments. If you are in any doubt as to whether you have the authority to make a commitment, you are strongly encouraged to consult first with SCM or HR, as the case may be.

Request for Imprest Fund

A request for the creation of an imprest fund should be sent through a memorandum to the Controller stating the amount needed, description of the minor requirements, and identifying the name of the person who will be the imprest holder.

Request for Imprest Increase

A memo requesting the additional funds needs to be submitted to the Controller, stating the justification for the request. If the increase is a result of a new regular activity, such activity should be clearly described in the memo. The Controller's Office will perform an analysis of utilization of funds over the previous six months before deciding whether the increase is justified.

Documentation

To ensure that payments are for valid business-related purposes, employees making petty cash expenditures shall obtain receipts whenever possible to document their disbursements. A stamped-paid invoice may also serve as a receipt.

Items not covered by cash receipt will be accounted for via completion of a "Petty Cash Voucher", signed by the person receiving the money as reimbursement, and stating his or her ID number. A statement signed by the cash recipient describing the details of payment may also be used to support the settlement.

Tax withholding should be applied to all payments of EGP 300 or more.

Administering the Fund

The safe keeping of the fund is the responsibility of the fund holder. When the cash balance of the fund falls below the minimum operating cash needs, the imprest holder will turn in all receipts and vouchers to the Disbursement Office attached to a General Payment Request duly approved by the budget center manager. A summary of all expenses must accompany the General payment request. Please refer to the "Forms" section on the website to obtain the approved "Petty cash expenses summary" form.

Upon satisfactory checking of the General Payment Request and attachments, a reimbursement check will be issued so that the fund can be restored to its original authorized cash balance. The General Payment Request should be submitted within a maximum period of one month from the date of incurring the expense. Prompt submission of reimbursement requests ensures timely charge of budget line items.

For effective control over the fund and replenishment, the imprest holder should maintain an Imprest Fund Register, where transaction details are entered (date, amount, who received the cash, document obtained as a receipt, the account number charged, purpose, the balance available after the transaction, and when replenishment was received).

The value of receipts and vouchers, plus cash on hand in the fund should always equal the authorized fund amount. The imprest holder should always maintain copies of receipts and vouchers, as well as copies of reimbursement requests submitted to the Controller.

Change of Imprest Holder

Whenever there is a change in imprest holders, the Controller should be notified in writing with the name of the new imprest holder. The imprest holder should document the process of handing over the imprest fund cash and documents to the new holder, and a copy of the handing over report should be sent to the Controller.

The Controller's Office shall take the necessary steps to effect the name change on the University financial system.

Insurance Coverage

Holders of imprest fund equal to or greater than EGP 5,000 are covered by a group fidelity insurance policy.

Year-end Procedure

As part of the annual fiscal closing, the Controller circulates during the first week of June the deadlines for the close. One of these deadlines is reporting expenses made through the imprest fund. Two options are provided to all cost centers:

1. Close the imprest fund and refund its amount to the cashier, or
2. Rollover the fund for another fiscal year.

Each cost center must inform, in writing through email or memo, the Controller of its intention to close or rollover the fund before the deadline.

Expenses not reported prior to the deadline will be processed against the following year's budget.

Forms/Instructions

List applicable forms or other university and external documents that provide helpful, relevant information. Include where these documents can be located.

Related Information

List related university policy documents or cross-references and where they can be located.

Appendices (optional)

Appendices are used for informational material that is helpful in understanding the policy, but not directly related to the implementation of the policy, i.e., not procedures. Content may include graphics or text.

History/Revision Dates

Origination Date: July 1, 2010

Last Amended Date: Month, Day, Year

Next Review Date: Month, Day, Year