

UC Davis Policy and Procedure Manual

Chapter 330, Financial Management and Services

Section 46, Cashiering Change Funds

Date: 8/27/12

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Responsible Department: Accounting and Financial Services

Source Document: Business and Finance Bulletin BUS-49, Policy for Cash and Cash Equivalents Received

I. Purpose

This section provides the policy and procedures for establishment and use of departmental change funds.

II. Policy

- A. Departments that make cash sales may obtain a change fund to provide a base supply of change in both currency and coin.
 - 1. The change fund amount shall be withheld from the department's collections before they are deposited and used for the next period's cash sales activities.
 - 2. Expenditures may not be made from change funds.
 - 3. Cash in the change fund may not be loaned to individuals or organizations.
- B. The change fund custodian may distribute the fund to individual cashiers.
 - 1. The distribution shall be appropriately documented.
 - 2. The change fund custodian shall remain responsible for the entire amount of the fund.
- C. The change fund custodian can be relieved from responsibilities only by returning the fund or by officially transferring the fund to a new custodian (see III.B-C, below).
- D. Change funds in excess of \$10,000 shall be kept in dual custody.
 - 1. Access to the change fund shall be physically restricted in a safe or vault requiring two separate keys.
 - 2. The two keys shall be maintained by two separate people; both people will be required to access the change fund.
 - 3. The transaction shall be performed and completed while the change fund is in dual custody, and the safe or vault shall be locked under dual custody.

III. Procedures

- A. Requesting a change fund
 - 1. The department head completes the [Request for Cashiering Change Fund](#) form and sends the form to Accounting and Financial Services—Internal Control.
 - 2. Internal Control reviews the request and sends notification of the decision to the requesting department:
 - a. Notification of approved requests shall include instructions for securing the change fund, appropriate uses for the fund, and the requirement to be a trustee of the fund.
 - b. Notification of disapproved requests shall include the basis for the disapproval.
 - 3. Internal Control initiates a Direct Charge (DC) document for approved change funds, citing the appropriate cashiering change fund account and project number, and issues a check in the name of the custodian.

- B. Returning a change fund
 - 1. The custodian notifies Internal Control of the need to return the change fund.
 - 2. The custodian prepares the Cash Receipt (CR) document and deposits the fund at the Cashier's Office.
 - 3. The Cashier's Office issues a receipt for the return of the change fund.
 - 4. If the custodian leaves University employment and neglects to return or transfer the change fund, the department head must notify Internal Control.
- C. Transferring a change fund to a new custodian
 - 1. The current custodian completes the information in the first box of the [Change Fund Change of Custody Form](#).
 - 2. The new custodian verifies the amount of money in the change fund and completes the information in the second box of the [Change Fund Change of Custody Form](#).
 - 3. The supervisor and department head sign the form to verify the accuracy of the cash count and approve the change in custodian.
 - 4. The department submits the completed form to Internal Control.
- D. Loss to a change fund
 - 1. The custodian immediately documents and notifies Internal Control.
 - 2. The custodian documents the details of the loss, including date, amount of loss, and other known information.
 - 3. If the loss is suspected to be misuse, the custodian notifies the Locally Designated Official (see [Section 380-17](#)).
- E. Requesting a temporary change fund
 - 1. A change fund required for 7 working days or less and for \$1,200 or less may be requested as a temporary change fund.
 - 2. Complete the Cashier's Office Temporary Change Fund form including signature from the director or dean.
 - 3. The change fund custodian must be physically present to submit the form to the Main Cashier's Office and pick up the change fund.
 - 4. Funds must be secured and returned by the deadline per the instructions provided when the funds were picked up at the Cashier's Office.

IV. Roles and Responsibilities

- A. Change fund custodian
 - 1. Monitors appropriate use of the change fund, ensuring compliance with [Sections 330-55 and 330-59](#).
 - 2. Immediately reports losses to the change fund.
 - 3. Returns or transfers the change fund when leaving University employment or transferring to another position.
 - 4. Reports suspected misuse to the Locally Designated Official (see [Section 380-17](#)).
- B. Department head
 - 1. Ensures that the custodian has received copies of applicable policies and is aware of

his/her responsibilities.

2. Reports suspected misuse to the Locally Designated Official (see [Section 380-17](#)) and to the Police Department if necessary.
3. Ensures change fund is counted yearly in dual custody, by the Change Fund Custodian and another appointed department staff member followed by an email to internal control (InternalControls@ucdavis.edu) reporting the audit of the fund.

C. Internal Control

1. Sends annual reminder to department head or designee to conduct an internal audit of the change fund, in dual custody, and requests email verification when complete.
2. Reports suspected misuse to the Locally Designated Official (see [Section 380-17](#)).

V. Further Information

For additional information, contact Accounting and Financial Services—Internal Control; (530) 757-8511; or by [email](#).

VI. References and Related Policies

- A. UC Office of the President (<http://policy.ucop.edu/>):
 1. Accounting Manual Chapter C-173, Cash: Cash Controls.
 2. Business and Finance Bulletin, BUS-49, Policy for Cash and Cash Equivalents Received.
 3. Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities (Whistleblower Policy).
- B. UCD Policy & Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
 1. Section 330-55, Departmental Cashiering Operations.
 2. Section 330-59, Departmental Cashiering Operations Physical Security.
 3. Section 380-17, Improper Governmental Activities/Whistleblower Protection.