

**This is a Basic Sample of an Internal Control Policy for Petty Cash– this should be adapted to fit the specifics of your requested program. These can be as detailed as necessary.**

***[Department Name]***  
***Internal Controls Policy for Petty Cash***

**Purpose:** To provide for the proper safeguarding of the petty cash fund within **[Department Name]**.

In addition to the controls outlined below, **(Department Name)** staff using petty cash will follow all guidelines associated with the PSC Procedural Statement: Petty Cash & Change Funds, available at <https://www.cu.edu/psc/psc-procedural-statement-petty-cash-change-funds>.

***Custody***

**[Insert Custodian Name Here]** will serve as the custodian of the petty cash fund. Any changes in custodian will be approved by the project manager for the study before custodian change paperwork is completed and sent to Finance.

***Securing***

The Petty Cash Fund will be kept in a locked box in a locked cabinet/drawer. The custodian will have access to the keys for the box and cabinet, and will be responsible for making keys accessible to others when appropriate.

***Tracking***

The custodian will use the audit log template provided by Finance to track distributions of the fund for its intended purpose. The custodian will contact [PCGC@ucdenver.edu](mailto:PCGC@ucdenver.edu) if there are questions about information that needs to be tracked.

Distribution: When someone other than the petty cash custodian must use funds, the distributor will check out the money from the custodian using the Memorandum of Transfer provided by Finance and the distributor will use a pre-numbered receipt book to track the distribution of funds.

***Inventory***

The custodian will conduct quarterly reconciliations to ensure that the funds that are distributed agree with those in the Audit Log. Quarterly, the custodian will have the Business Officer, review and sign off on the reconciliation.

***Lost Funds***

The custodian is responsible for lost or stolen funds. Any shortage or overage will be reported immediately to the campus controller's finance office.

***Changing or Closing Petty Cash Funds***

For any changes to the petty cash program (e.g., custodian, SpeedType, amount), the custodian will complete a Petty Cash/Change Fund Request form identifying only the changes, attach a copy of the initial Petty Cash/Change Fund form, and submit to the campus controller's finance office.

To close the Petty Cash program, the custodian will contact the campus controller's finance office for instructions.