

Petty Cash and Cash Equivalents

Steinhardt Administration and Finance
February 15, 2013

Agenda

- Petty Cash
- Non-cash forms of payment
 - Debit Cards
 - Gift Cards
 - Pcards
- Security
- Q&A



Governing rules and procedures

NYU policies

- NYU Business Expense Policy
- NYU Reimbursement Policy
- NYU Purchasing Policy

<http://steinhardt.nyu.edu/adminfinance/>

Petty Cash Funds

Pay for or reimburse **minor, incidental, non-recurring** expenditures that are incurred **outside** of the regular purchasing system



Petty Cash

Petty Cash Funds

- Imprest system – a cash fund of a **specific amount** is established for appropriate use and **periodically replenished** to restore and maintain the availability of cash
- Petty cash limit = cash on hand + receipts

Petty Cash Funds

- Considered an **advance** from the university
- Security **responsibilities**
- Formal process



Petty Cash Funds - Uses

- Refreshments or meals in connection with business meetings or events



Petty Cash Funds - Uses

- Research participant incentives
- Field based supplies



Establishing a Petty Cash Fund

- http://steinhardt.nyu.edu/adminfinance/howdoi-Petty_Cash
- Identify and designate
 - a Fund Custodian
 - Alternate Custodian
 - Approver

Custodian/Alternate

- Permanent full-time employee
- Has sole possession of cash

Custodian Responsibilities

Security

1. Keep cash in a security safe within a secure locked location and out of public view
2. Keep the fund separate from any other funds
3. Secure receipts for all expenditures
4. Ensure disbursements conform to University policies
5. Bursar's vault during winter break

Custodian Responsibilities

Petty Cash Maintenance

1. Maintain the NYU Steinhardt Petty Cash Fund Log to track disbursements/payments
2. Make the Log available for inspection by Internal Audit and General and Restricted Accounting

Custodian Responsibilities

Petty Cash Maintenance - continued

- 3. Limit cash to two weeks worth of anticipated expenditures**
4. Replenish the fund as needed

Custodian Responsibilities

Petty Cash Reconciliation

- 1.Reconcile with Approver (receipts & cash) at least 4x/year
- 2.Submit the NYU Petty Cash Fund Reconciliation Form to Jiangbin Liu and Phyllis Ginsberg
- 3.Notify the Office of the Controller of any changes in the Approver, Custodian, petty cash fund limit, or location of the cash
- 4.Close out the petty cash fund

Approver

- Authorizes the fund Custodian's request to establish, modify, replenish, or close a fund
- Must be a person other than the person disbursing or using the fund
- Must not be an employee supervised by the Custodian
- Independent set of eyes that does a periodic check of the cash

Approver Responsibilities

1. Set the fund limit
2. Serve as the liaison between the Custodian and University offices, as needed
3. Close out the fund when it is no longer needed

Approver Responsibilities

4. Assigns the Custodian and ensures the assignment is current
5. Ensures the security of cash and receipts
6. Ensures the Custodian maintains clear records of transactions and replenishments
7. Ensures that disbursements conform to University policies
8. Reconciles the fund at least 4x/year with Custodian

Petty Cash Disbursements

- One in, one out - cash goes out, receipt goes in
- Custodian enters all disbursements in the NYU Steinhardt Petty Cash Fund Log



Petty Cash Fund Log

Department/Unit: _____

Petty Cash Fund ID Number: _____

Custodian: _____

Fund Limit: _____

Date Disbursed for Replenished)	Disbursed To	Purpose	Amount	Recipient's Signature	Excess Cash Returned? (Y/N)	Receipt Returned? (Y/N)	Cash on Hand (Running Balance)

As we use an imprest system for petty cash funds, remember:
 petty cash fund fixed limit =
 cash on hand + receipts for disbursed cash to be replenished

Petty Cash Disbursements

- Refer to the guidelines on Payments to Confidential Research Participants on http://steinhardt.nyu.edu/adminfinance/howdoi-Pay_Confidential_Research_Participants
- Must comply with University business policies
- Payments of \$600 or more to one individual within a calendar year must be reported to IRS

Replenishing Petty Cash Funds

- Form for Petty Cash Funds (Imprest) (EXP2000P)
- Replenish within 30 days of expenditures
- Payee and Approver cannot be the same person
- Attach completed form plus receipts, mileage maps, etc.
- Must be countersigned by Steinhardt Admin and Finance

Reconciling Petty Cash Funds

- Count cash on hand and total receipts from transactions paid from the fund (cash + receipts must = petty cash fund limit)
- Custodian and Approver must reconcile at least 4x/year
 - 12/20, 3/31, 6/30, 8/25 of each fiscal year
 - and whenever there is a change in either Approver or Fund Custodian

Reconcile Petty Cash Funds

- Complete and Submit Forms
 - NYU Steinhardt Petty Cash Fund Reconciliation Form
 - NYU Steinhardt Petty Cash Fund Log
- Attach receipts and any other documentation and submit to Jiangbin Liu at General and Restricted Accounting and Phyllis Ginsberg

Petty Cash Funds – Close Out

- Closes out the University's advance
- Formal process
- Please refer to http://steinhardt.nyu.edu/adminfinance/howdoi-Petty_Cash

Loss or Theft of Funds

If you discover missing funds, **immediately** notify

1. The Petty Cash Fund Approver
2. Your Supervisor
3. Your Department Chair/Director
4. NYU Office of Public Safety, x82222
5. Phyllis Ginsberg, Steinhard A&F, x84966
6. David Wong, Steinhardt A&F, x85074



Loss or Theft of Funds

- Note the date and reference numbers assigned to all theft or loss reports
- Copies of all reports should be attached to the form to replenish funds
- External funds cannot be used to repay stolen amounts



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Chase Preloaded Debit Cards



- Preferred means for research participant incentives
- Stored value cards available in denominations from \$25 - \$500
- \$3.50 service fee per card
- Considered a cash advance
- http://steinhardt.nyu.edu/adminfinance/howdoi_debit_cards_for_human_subjects

Debit Card Requestor

- Full time NYU employee
- Responsibilities
 - Timely ordering of debit cards
 - Separate and discrete storage for each research project
 - Secure cards within a safe within a locked office out of public view

Debit Card Requestor

- Responsibilities continued
 - Maintain a Debit Card Log
 - Have the Debit Card Log available at all times for inspection by Internal Audit and Office of the Controller
 - Reconcile the debit cards with receipts

Debit Card Approver

- Department or Unit Administrator (Principal Investigator should NOT be the approver)
- Responsibilities of the Approver:
 - Authorize debit card orders
 - Ensure the security of debit cards until distributed
 - Review the Requestor's tracking and reconciliation of debit card orders

Debit Cards - Process

- Planning
 - Your department/unit administrator should contact Michael Wallace in Accounts Payable at least a week prior to submitting your first request
 - Reconcile and replenish weekly
 - Payments of \$600 or more to one individual within a calendar year should be reported to IRS

Debit Cards - Process

- Ordering
 - Allow 24 hours for orders to be filled
 - Complete the Steinhardt Request for Advance Form (ADV3000)
 - Bring the form directly to the desk of Mike Wallace at Accounts Payable, 105 East 17th Street, 4th Floor
 - The requestor will be notified when cards are ready for pick up

Debit Cards – Tracking and Reconciling

- Maintain a Debit Card Log
- Have receipts signed by recipients or the researcher distributing the cards
- Use the Steinhardt Expense Reimbursement Form to reconcile debit cards
- Attach a copy of the debit card log as documentation
- Maintain anonymity of human subjects

Debit Cards – Tracking and Reconciling

- If you still have cards on hand when you are ready to order the next group of cards, submit the reconciliation for the current batch noting the unused cards will be accounted for once they are distributed
- Returned unused cards to Accounts Payable

Loss or Theft of Debit Cards

If you discover missing cards, **immediately** notify

1. Your Department/Unit Administrator
2. Your Department Chair/Director
3. NYU Office of Public Safety, x82222
4. Phyllis Ginsberg, Steinhard A&F, x84966
5. David Wong, Steinhardt A&F, x85074



Loss or Theft of Debit Cards

- Note the date and reference numbers assigned to all theft or loss reports
- Copies of all reports should be attached to the form to replace cards
- External funds cannot be used to repay stolen amounts



Gift Cards



- Available online
- You can use P-card to purchase
- For repeat orders or to purchase in bulk, you may be able to set up a vendor account
- Possible vendors might include
 - iTunes
 - NYU Bookstore/Computer store
 - Amazon
 - Barnes and Noble



Gift Cards

- For distribution as research incentives, follow the same tracking and logging procedures as debit cards
- Protect anonymity of human subjects
- http://steinhardt.nyu.edu/adminfinance/howdoi-Pay_Confidential_Research_Participants
- Gift cards to employees (other than students) must be reviewed with Roger Ho for appropriateness and tax considerations

Purchasing Cards – P-Cards

- Physical card that has security risks
- Use for items not available through i-Buy
- Issued to full time employees upon recommendation by department/unit administrator to Leslie Brown
- Each recipient will be contacted by Purchasing and must complete a P-Card online tutorial
- Not for one time use

Purchasing Cards – P-Cards

- <http://www.nyu.edu/purchasing.services/restricted/pcard.html>
- Policies and procedures
- Links to training videos
- Information on PaymentNet

Purchasing Cards – P-Cards

- Reconcile on PaymentNet
- You retain sole back up records
- Use for goods, not services (ok for pizza, not for the bartender)
- \$2500 maximum per purchase per month

NYU Bookstore/Computer Store

- Establishing departmental accounts facilitates easy payment
- Use for gift cards, gift items, book, IT accessories, etc
- 15% discount* and no tax on departmental charges

*except Computer Store soft/hardware



Security



- Keep items safe
- If you discover missing items, **immediately** notify
 1. Your Department/Unit Administrator
 2. Your Department Chair/Director
 3. NYU Office of Public Safety, x82222
 4. Phyllis Ginsberg, Steinhard A&F, x84966
 5. David Wong, Steinhardt A&F, x85074

In Any Case of Loss or Theft

- Note the date and reference numbers assigned to all theft or loss reports
- Copies of all reports should be attached to the form to replenish funds/replace cards
- External funds cannot be used to repay stolen amounts



Questions?

