



Applies to: All individuals and units that handle or manage cash and cash alternatives.

### Responsible Office

**Office of Business and Finance**

### POLICY

Issued: 06/01/1991

Revised: 01/07/2021

As a public institution, The Ohio State University is held to a high level of accountability for fiscal stewardship. Numerous constituencies, including alumni, students, taxpayers, the State of Ohio, and the federal government, have an interest in how the university handles and safeguards its money. Accordingly, every reasonable effort must be made to ensure that funds are used in a responsible and appropriate manner. Establishment, closure, and requirements for the use of **cash and cash alternatives** are at the discretion of the Office of Financial Services (Financial Services) and Office of the Controller (Controller’s Office).

### Purpose of the Policy

To define the process for establishing, maintaining, and closing **bank change orders, change funds, ePayment programs, petty cash funds, and single-use and reloadable pre-paid cards.**

### Definitions

Term	Definition
Bank change order	Ongoing, formal program to order cash and coin through the university’s bank that is delivered to a unit or deposit center for university-approved sales reconciled daily; may also be used for special circumstance cash needs.
Cash and cash alternatives (fund/program)	Term used to describe a variety of cash and cash alternatives payment methods such as change funds, bank change orders, ePayment, petty cash funds, and single-use and reloadable pre-paid cards. Collectively referred to as fund/program in this policy.
Change fund	Cash or coin, typically under \$500, used by a unit to make change for customers paying by cash. Funds are dispersed to a unit via check through Accounts Payable.
Custodian	Unit leader or individual designated by the unit leader with the responsibility for a specific fund/program and the monies held in it.
ePayment program	Electronic payment program offered through the university’s bank to provide payments from the bank to an individual bank account; primarily used to pay student per diem.
Exception	Any violation of or noncompliance with a university policy issued by the Office of Business and Finance (Business and Finance).
Petty cash fund	Limited dollar fund used to purchase goods when the dollar amount is low and preferred standard university procurement system methods (e.g., PCard, purchase order, standing purchase order, transfer to internal supplier) are not available.
Senior fiscal officer	Individual who is responsible and accountable for all fiscal operations of a unit.
Single-use and reloadable pre-paid card	Card with funds loaded that are used primarily to pay human subjects and student per diem.
Unit	College or administrative unit.
Unit leader	Head of college or administrative unit (e.g., dean, senior vice president, president, provost).
Waiver	Permission granted to a unit to operate differently than specified or required by a university policy issued by Business and Finance.



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### Policy Details

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- I. All funds/programs must comply with university policies with special attention to [Expenditures](#) and [Fiscal Stewardship](#). Segregation of duties is required.
- II. The Controller's Office and Financial Services can close a fund/program at their discretion.
- III. **Units** must request approval to use bank change orders, ePayment programs, and single-use and reloadable pre-paid card programs, which must be approved in advance by Financial Services. Required program controls must be in place at the time the program is implemented.
- IV. Petty cash funds are strongly discouraged, can only be used for the originally approved purpose of the fund, and must be used only when other payment forms (e.g., PCard) are not available.
- V. Prohibited uses of a petty cash fund include and are not limited to: expenses not authorized by the [Expenditures policy](#), cash advances to employees, employee reimbursements, loans, payroll, personal or third-party check cashing, relocation expenses, and travel expenses.

### PROCEDURE

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- I. Establishing and Funding
  - A. A unit that needs to establish and fund a fund/program must complete a [Cash and Cash Alternatives Request Form](#), approved by the **unit leader** and the **senior fiscal officer**, and submit it for approval as specified on the form.
  - B. The Controller's Office in collaboration with Financial Services will determine if the fund/program is appropriate and notify the unit.
  - C. If a petty cash or change fund is approved, the unit must process a payment request in Workday, and Accounts Payable will issue a check to establish the fund.
  - D. The unit must cash the check to obtain cash/coin for the fund/program.
- II. Closing or Modifying
  - A. A unit that needs to close or modify an established fund/program must submit the [Cash and Cash Alternatives Request Form](#), approved by the unit leader and the senior fiscal officer.
  - B. The Controller's Office in collaboration with Financial Services will determine if the closure or modification is appropriate and notify the unit.
  - C. If the modification is to decrease the amount of the petty cash or change fund, the unit must deposit the amount of cash/coin necessary to establish the modified amount.
  - D. Prior to closing a petty cash or change fund, the unit must ensure it is properly reconciled.
  - E. Upon closing, the unit must deposit petty cash or change monies in accordance with the [Deposit of Funds policy](#), using the appropriate worktags.
  - F. The Controller's Office is responsible for final reconciliation of petty cash and change funds in the general ledger.
- III. Custody and Security
  - A. Security of a fund/program is the responsibility of the unit leader, senior fiscal officer, and the fund/program **custodians**.
  - B. Custodians must ensure that funds (cash/coins) and/or cards (single-use and reloadable pre-paid cards) are accessible only to the fund/program custodians and that the funds/cards are secured in a locked safe or drawer accessed only by the custodians.



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- C. Custodians and other individuals must immediately report evidence of theft of funds or attempted theft of funds to the unit leader, senior fiscal officer, Internal Audit, University Police, and custodians, as applicable.

#### IV. Custodians

- A. Each fund/program must have a custodian and backup custodian who are responsible for:
  - 1. Maintaining the fund/program;
  - 2. Safeguarding the fund/program;
  - 3. Reporting any unusual activity to the unit leader; and
  - 4. Maintaining the documentation required for reconciliation and in accordance with the [General Records Retention Schedule](#).
- B. If the custodian is not available, the backup custodian acts as the custodian and has the same responsibilities.
- C. Access to the fund/program must be limited to the custodian and backup custodian.
- D. If a change of custodian/backup custodian is required, the unit leader must submit a [Cash and Cash Alternatives Request Form](#).
- E. The custodian/backup custodian is responsible for following all university policies and procedures in connection with the fund/program.

#### V. Fund/Program Reconciliation and Oversight

- A. Reconciliation of bank change orders, ePayment programs, or single-use and reloadable prepaid card programs must occur daily or when the program is used, or on a monthly basis at a minimum if the fund/program is not used. An individual designated by the unit other than the custodian or backup custodian must perform the reconciliation.
- B. The Controller's Office oversees and regularly reviews petty cash and change fund general ledger balances.
- C. Financial Services oversees and regularly reviews bank change orders, ePayment programs, and single-use and reloadable pre-paid card programs.

#### VI. Maintaining and Reconciling Petty Cash and Change Funds

- A. Petty cash and change funds must be reconciled, and an entry must be made in the over/short log any day the fund experiences an overage or shortage, or on a monthly basis at a minimum, by an individual designated by the unit other than the custodian or backup custodian. Trends must be noted and addressed regularly by the designated individual.
- B. The designated individual/reconciler must report discovered inconsistencies or spending trends immediately to the Controller's Office.
- C. Funds may be reviewed on an annual basis by the Office of Business and Finance to determine if there is an ongoing business need for the fund.
- D. Replenishing petty cash funds
  - 1. The process for replenishment flows through the supplier invoice process in Workday. Expenses are recorded at the time of the petty cash replenishment request; receipts must equal the replenishment amount. Custodians must follow this process.
  - 2. Accounts Payable will issue a check to the unit in care of the fund custodian.
  - 3. The unit must cash the check to obtain cash/coin for the fund/program.
  - 4. If the fund does not require replenishment at least every 60 days, the unit should reduce or close it.

- VII. **Waivers** to this policy must be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance University Policy Waiver Request](#).

#### VIII. Policy Violations

- A. All policy violations must be tracked as an **exception** in accordance with the [Fiscal Stewardship policy](#).
- B. The university may require successful completion of training.
- C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
- D. The university may seek restitution, as appropriate.



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E. Criminal charges may be filed, as appropriate.

### Responsibilities

Position or Office	Responsibilities
Accounts Payable	<ol style="list-style-type: none"> <li>1. Issue a check to the unit to establish a petty cash or change fund.</li> <li>2. Issue a check to the unit in care of the custodian to replenish a petty cash fund.</li> </ol>
Controller's Office	<ol style="list-style-type: none"> <li>1. Close funds/programs as appropriate.</li> <li>2. Determine if the establishment, modification, or closure of funds/programs are appropriate in collaboration with Financial Services and notify units.</li> <li>3. Conduct the final reconciliation of petty cash and change funds in the general ledger.</li> <li>4. Oversee and review petty cash and change fund general ledger balances.</li> </ol>
Custodians	<ol style="list-style-type: none"> <li>1. Be responsible for the security of the fund/program in collaboration with the unit leader and senior fiscal officer.</li> <li>2. Ensure that funds and/or cards are accessible only to the custodians and are secured in a locked safe or drawer accessed only by the custodians.</li> <li>3. Report evidence of theft or attempted theft of funds to the unit leader, senior fiscal officer, Internal Audit, and University Police immediately.</li> <li>4. Be responsible for maintaining and safeguarding the fund/program, reporting unusual activity to the unit leader, and maintaining documentation required for reconciliation.</li> <li>5. Limit fund/program access to the custodian and backup custodian.</li> <li>6. Follow all university policies and procedures relative to the program.</li> <li>7. Follow the Workday process for replenishing petty cash funds.</li> </ol>
Designated individual other than custodian-fund/program	Perform reconciliation for funds/programs as directed in Procedure V.A.
Designated individual other than custodian-petty cash and change funds	<ol style="list-style-type: none"> <li>1. Perform reconciliation for petty cash and change funds as directed in Procedure VI.A.</li> <li>2. Note and address trends.</li> <li>3. Report discovered inconsistencies or spending trends immediately to the Controller's Office.</li> </ol>
Financial Services	<ol style="list-style-type: none"> <li>1. Close funds/programs as appropriate.</li> <li>2. Approve unit requests to use bank change orders, ePayment disbursements, and single-use and reloadable pre-paid card programs.</li> <li>3. Determine if establishment, modification, or closure of funds/programs are appropriate in collaboration with the Controller's Office.</li> <li>4. Oversee/review bank change orders, ePayments, and single-use and reloadable pre-paid card programs.</li> </ol>
Individuals	Report evidence of theft or attempted theft of funds to the unit leader, senior fiscal officer, Internal Audit, University Police, and custodians immediately.
Office of Business and Finance	<ol style="list-style-type: none"> <li>1. Review petty cash and change funds annually as desired to determine if there is an ongoing need for the fund.</li> <li>2. Approve and document policy waivers.</li> </ol>
Senior fiscal officer	<ol style="list-style-type: none"> <li>1. Approve Cash and Cash Alternatives Request Forms to establish, modify, or close programs/funds.</li> <li>2. Be responsible for the security of funds/programs in collaboration with the custodians and unit leader.</li> </ol>
Unit	<ol style="list-style-type: none"> <li>1. Request approval to use bank change orders, ePayment disbursements, and single-use and reloadable pre-paid card programs.</li> <li>2. Submit a Cash and Cash Alternatives Request Form, approved by unit leader and senior fiscal officer to establish, modify, or close a fund/program.</li> <li>3. Process payment request in Workday if a petty cash or change fund is approved.</li> <li>4. Cash the check to obtain cash/coin to establish or modify the fund/program.</li> <li>5. Deposit the cash/coin necessary to establish the modified amount for a petty cash or change fund.</li> <li>6. Ensure the petty cash or change fund is properly reconciled prior to closing.</li> <li>7. Deposit petty cash or change monies upon closing.</li> <li>8. Reduce or close the petty cash or change fund if it does not require replenishment at least every 60 days.</li> </ol>
Unit leader	<ol style="list-style-type: none"> <li>1. Approve Cash and Cash Alternatives Request Forms to open, modify, or close programs/funds.</li> <li>2. Be responsible for the security of funds/programs in collaboration with the custodians and senior fiscal officer.</li> </ol>



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Position or Office	Responsibilities
	3. Submit a Cash and Cash Alternatives Request Form to change a custodian/backup custodian.

### Resources

University Policies, [policies.osu.edu/](http://policies.osu.edu/)

Deposit of Funds, [go.osu.edu/deposit-funds-policy](http://go.osu.edu/deposit-funds-policy)

Expenditures, [go.osu.edu/expenditures-policy](http://go.osu.edu/expenditures-policy)

Fiscal Stewardship, [go.osu.edu/fiscal-stewardship-policy](http://go.osu.edu/fiscal-stewardship-policy)

General Records Retention Schedule, [library.osu.edu/osu-records-management/retention-schedules](http://library.osu.edu/osu-records-management/retention-schedules)

Business and Finance Forms, [busfin.osu.edu/policies-forms](http://busfin.osu.edu/policies-forms)

Business and Finance University Policy Waiver Request,

[docusign.net/Member/PowerFormSigning.aspx?PowerFormId=fd68959a-4afb-48bb-a0ac-67521b9ad821&env=na1&acct=387d1013-fb1c-4705-9bd9-7cf575f484ce&v=2](http://docusign.net/Member/PowerFormSigning.aspx?PowerFormId=fd68959a-4afb-48bb-a0ac-67521b9ad821&env=na1&acct=387d1013-fb1c-4705-9bd9-7cf575f484ce&v=2)

Cash and Cash Alternatives Request Form, [busfin.osu.edu/sites/default/files/cash-cash-alternatives-request-form.pdf](http://busfin.osu.edu/sites/default/files/cash-cash-alternatives-request-form.pdf)

Financial Code of Ethics, [busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf](http://busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf)

### Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions Bank change orders, ePayments, single-use and reloadable pre-paid cards	Financial Services, Office of Business and Finance	614-292-6261	<a href="http://busfin.osu.edu/treasurer">busfin.osu.edu/treasurer</a>
Reconciliation, change funds, petty cash	Controller's Office, Office of Business and Finance	614-292-6220	<a href="http://busfin.osu.edu/controller">busfin.osu.edu/controller</a>
Theft, attempted theft	University Police, Office of Public Safety, Office of Administration and Planning	614-292-2121	<a href="mailto:police@osu.edu">police@osu.edu</a> <a href="http://dps.osu.edu/police">dps.osu.edu/police</a>
Audit issues	Internal Audit, Office of Business and Finance	614-292-9680 Fax: 614-292-7938	<a href="http://busfin.osu.edu/internal-audit">busfin.osu.edu/internal-audit</a>

### History

Issued: 06/01/1991 Issued as Petty Cash and Change Funds

Revised: 09/01/2011

Edited: 11/01/2012

Edited: 07/17/2018

Revised: 01/07/2021 Renamed to Cash and Cash Alternatives Payment Methods