Biomedical Engineering Department Petty Cash & Reimbursement Policies
Effective 4/1/10

The cash advance and petty cash reimbursement policies for the Biomedical Engineering Department is based on section 9.2.2 Other Reimbursements of the University’s Handbook of Business Procedures as of June 8, 2009.

The Biomedical Engineering Department has a petty cash fund that permits the immediate purchase of emergency items necessary to the department's operation. This fund has a balance of $200 and is generally made up of cash, reimbursement vouchers in process, and evidence of disbursements (paid receipts) equal to the amount of the fund. **NEW: The maximum an individual may be reimbursed is $25.00 per purchase (as recommended by the Dean’s Office).**

Petty cash funds are only available when purchases cannot be charged to a procurement card (Procard) or purchased using any other method of payment. Purchases must be allowable under The University of Texas at Austin purchasing rules.

Per Associate Dean Dolling’s memo dated September 21, 2007, all equipment, material, and supply purchases for research, teaching or any other work related activities must be made using a University Procard, via Office Depot, or through a standard purchase order. **Staff cannot use personal funds or credit card to purchase these items and seek reimbursement afterward.**

The Financial Analyst is responsible for maintaining the official records of the imprest fund. These records include copies of reimbursement vouchers with corresponding backup, copies of reconciliation papers, and internal records showing transaction flow (i.e., money in, money out). Original records must be kept on file in accordance with University guidelines. No records should be destroyed without consulting the Executive Assistant first.

The department head must ensure that proper cash handling and accounting procedures are followed. Cash handling requires special control measures, which must be monitored continually by supervisory personnel to detect weaknesses.

It is the specific responsibility of supervisory level personnel to review cash handling documents, which are prepared by personnel reporting to them. Anything that appears questionable should be investigated carefully. One seemingly insignificant weakness can result in a substantial loss. The following cash controls should be adhered to. Contact the Office of Internal Audits for additional information about internal controls.

**Purchases**
With cash funds, cash should be requested from the custodian of the account prior to the purchase. Individuals should refrain from paying for purchases with a personal check and then submitting receipts for reimbursement from the petty cash fund. Petty cash should not be used in this fashion. Purchases made for official University business are tax exempt. A tax exempt certificate should be submitted to the vendor at the time of purchase. Taxes paid on purchases will not be reimbursed.
Reimbursement for out-of-pocket expenses for purchases of goods, materials, and/or services does not exempt the university, its officers, or its employees from the purchasing laws, rules, and guidelines of the university, the state of Texas, or Texas Procurement and Support Services.

Routine purchases of goods or materials and services must be processed on a purchase order or by using the Procard.

**Prohibited Reimbursements**

- Office Supplies
  
  All office supplies must be purchased through Office Depot due to a contractual agreement with the university; therefore, faculty or staff will not be reimbursed for such items.

- Hardware and Software
  
  Due to ownership, warranty, and licensing issues, all hardware and software purchases must be purchased using the Procard or a purchase order through POINT Plus; therefore, faculty or staff will not be reimbursed for such items. A one-time exception may be requested from the controller under extenuating or emergency circumstances, and may be rejected. If Texas sales tax was charged, it will not be reimbursed.

**Allowable Reimbursements (Non-travel and Non-entertainment)**

Allowable reimbursements to faculty or staff include reference books and materials, memberships, subscriptions, and registration. Faculty or staff must use a Texas Sales and Use Tax Exemption Certificate when making purchases on behalf of the university. If Texas sales tax is charged, it will not be reimbursed. To obtain this exemption certificate, please follow instructions set forth on the Office of Accounting’s Administration Services Web page.

- Reference Books and Materials
  
  Reimbursements for reference books and materials under $5,000 are allowable reimbursements. Reference books and materials should be coded as object code 1409, and library books should be coded as object code 1850. Object code 1850 is reflected as a capital expense in the university’s Annual Financial Report and should only be used if the purchase is to support a professional, academic, or research library that has the characteristics as defined below. If reference books and materials cost more than $5,000, the reference books and materials must be purchased on a Procard or a purchase order through POINT Plus.

- Memberships
  
  Professional, institutional, or social club memberships are allowable reimbursements for faculty or staff only if they pertain to the person’s job duties and benefit the university. The account number used must allow these types of purchases and should be coded as object code 1301 for professional and institutional membership or object code 1302 for social club dues. Otherwise, the vendor must be paid directly using a Procard or a VP2 or VPE payment document. Purchase orders are not required for memberships. For social memberships, approval from the provost or the president is also required.
  
  [Club Membership Approval Letter Sample for Academic Departments]*
  
  [Club Membership Approval Letter Sample for Administrative Departments]*
• **Subscriptions**
Subscriptions to magazines or newspapers are allowable reimbursements for faculty or staff only if the subscriptions pertain to the person’s job duties and benefit the university. However, the subscription cannot be delivered to the person's home address. The account used must allow these types of purchases and should be coded as object code 1407. Otherwise, the vendor must be paid directly using a Procard or a VP2 payment document. Purchase orders are not required for subscriptions.

• **Registration**
Registrations for conferences or workshops are allowable reimbursements for faculty or staff and should be coded as object code 1275, but these expenses will only be reimbursed after the event has occurred. Otherwise, the vendor may be paid directly for registration using a Procard or a VP2 payment document with a copy of the completed registration form as supporting documentation.

**Obtaining Cash for a Purchase**
When cash exchanges hands it should be counted by both parties. A log recording cash transactions should be updated at the time of the exchange. The log should show the date and the amount of the transaction, the purpose of the purchase, and should be signed by the person receiving the cash and the person issuing the cash. The log documents cash currently outstanding as well as the parties involved with the transaction. See Form AC217-1 in Appendix II for an example.

**After the Purchase**
After the purchase has been completed, the original purchase receipt along with any change should be returned to the custodian and the cash log should be updated. Receipts must include items purchased and reflect the cost of the product or service. The custodian must confirm that the totals of purchase receipts and change equal the total cash initially issued. Any discrepancies should be resolved immediately.

**Replenishing the Fund**
A reimbursement voucher must be prepared to replenish the cash fund. A voucher must be prepared at least once a month, preferably twice a month (i.e., the 1st and the 15th of each month). Each reimbursement voucher must have original supporting receipts and must be signed by persons with signature authority on the account(s) being charged. Each reimbursement voucher must show the imprest fund ID for the account being reimbursed. Vouchers are made out to a fund custodian. After the check is issued the custodian must cash it to replenish the fund. The check may be cashed either at a bank or at the Bursar's Office.

**Reconciling the Fund**
At any given time, the total amount of the fund should be reconcilable using Form AC217-3. Good internal controls include a monthly internal accounting of the fund. This verification should be conducted by the responsible person or someone besides the petty cash custodian(s). Maintaining documentation of the count is recommended (Form AC217-3 can be used for this purpose). Any shortage or overage of $25 or more should be reported to the Office of Internal Audits immediately.