



## **Petty Cash Guidelines and Standard Operating Procedures**

### **A. Petty Cash Purpose**

To provide guidelines and procedures for the issuance and use of HJF petty cash funds. The Foundation requires each petty cash fund to have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds. Petty cash funds provide a convenient way to pay for small expenses, but keeping cash in any office entails risk of misuse or theft. These guidelines and procedures are designed to mitigate these risks.

### **B. Petty Cash Guidelines**

1. Petty cash funds may be used for a specific purpose that requires cash prior to the receipt of goods or services (e.g., emergency supplies, participant payments) and/or for miscellaneous cash needs and should represent no more than a 60-day requirement for those needs. In general, miscellaneous cash disbursements should be limited to \$75.00 per receipt and for the purchase of items that cannot be acquired through the Foundation's Purchasing Department. The petty cash account should be reconciled and replenished on monthly basis by following the steps outlined in Section D.
2. The Custodian must be an HJF employee that will be responsible for disbursing and reconciling the funds received. Petty cash disbursements are subject to the same restrictions as other disbursements and must be used for allowable purposes, as defined by the source of funds (Awarding Agency), Uniformed Guidance, and HJF policy. The Custodian will acknowledge the receipt of the petty cash funds by signing and returning the Petty Cash Acceptance Form (Attachment B).
3. Petty Cash is usually the mechanism of last resort to access cash for payments, when other disbursement methods are impractical or cannot be used. Petty cash funds must not to be used as an operating fund, i.e., to pay invoices for goods or services, to pay salaries or wages, or to make advances or loans. Petty cash accounts may be used to make cash payments to study participants in accordance with the guidelines and procedure in Section D below.

4. Petty cash accounts will be set up on an imprest basis. This type of fund is replenished as needed by submitting detailed receipts and supporting documentation of the fund's transactions. The transactions are then expensed in the accounting system and a check for the total expended amount is sent to the Custodian.

**C. Requesting a General Use Petty Cash Account**

1. To establish a new general petty cash account the Principal Investigator (PI) or Program Manager must submit a Petty Cash Request Form (Attachment A) to the Accounts Payable Supervisor. To establish a new petty cash account for payments to research participants see section D below.
2. The request must include a justification for the petty cash account detailing how the funds will be expended, the requested petty cash amount, and the Custodian of the fund.
3. Once the completed Petty Cash Request Form is reviewed and approved by the Accounts Payable Supervisor an email will be sent to the Custodian with the required petty cash forms and reconciliation spreadsheet.

**D. Requesting a Petty Cash Account for Study Participants**

1. To establish a new petty cash account for payments to study participants the Principal Investigator (PI) or Program Manager must submit a Research Participant Petty Cash Request Form (Attachment D) to the HJF Regulatory Affairs Department. HJF Regulatory Affairs approval is required before establishing a petty cash account to disburse payments to research participants.
2. The request must include a justification for the petty cash account detailing how the funds will be expended, the requested petty cash amount, and the Custodian of the fund. In addition, protocol information and amount to be disbursed to each participant is required.
3. If approved, the HJF Regulatory Affairs Department will return the approved request to the Custodian. If not approved HJF Regulatory Affairs Department will contact the Custodian.

**E. Establishing a Petty Cash Account Purchase Order**

1. The petty cash Custodian must read these guidelines and procedures, complete and sign the Petty Cash Acceptance Form (Attachment B) and submit the signed Petty Cash Acceptance Form along with a copy of the Petty Cash Request Form or

Research Participant Petty Cash Request Form and Petty Cash Acceptance Form to the person who enters requisitions for the program.

2. The Requisitioner must enter a requisition (REQ) for the amount of the petty cash account in the name of the Custodian into the Oracle system to encumber the petty cash funds.
3. A copy of the approved Petty Cash Request Form or Research Participant Petty Cash Request Form and the Petty Cash Acceptance Form, must be submitted to the Purchasing Department for the REQ to be converted to a Purchase Order (PO).
4. Once the PO is established, Purchasing will forward the request and the appropriate documentation to the HJF Accounts Payable Department for processing of the petty cash payment to the Custodian.
5. The Custodian must safeguard the cash and related receipts by:
  - a. Keeping the petty cash funds and receipts in a secure area such as a locked drawer or small safe. Notify your supervisor and Principle Investigator of the location of the funds/receipts.
  - b. Ensuring segregation of duties. Custodians should not self-approve replenishments or other changes to the petty cash account.
  - c. Reconciling the petty cash expenses to the amount in the cash box monthly. Notify the Accounts Payable Supervisor immediately of any discrepancy.
  - d. In the event of theft, the Custodian must notify his/her immediate superior as well as the Accounts Payable Supervisor.

#### **F. Petty Cash Modifications**

1. To increase or decrease the amount of an existing petty cash fund submit the Petty Cash Modification Request Form (Attachment C).
2. If an increase is requested and approved, the Accounts Payable Supervisor will email the Custodian so a REQ can be entered for the increase amount. Follow the steps E.2 through E.4 above.
3. If a decrease is requested, the Accounts Payable Supervisor will contact the Custodian to coordinate either returning the excess cash or adjusting the next replenishment.
4. The Accounts Payable Supervisor will contact the Purchasing Department to reduce the amount of the PO.
5. To change the petty cash Custodian, the petty cash account must be closed-out and a new petty cash account established. To close-out a petty cash account, follow the steps outlined in Section H below.

## G. Reconciliation/Replenishment Procedure

1. The Custodian must perform a reconciliation to replenish the fund each month and by September 15<sup>th</sup> of each year to coincide with the end of the Foundation's fiscal year.
2. The Custodian of the petty cash is responsible for the security of the funds and will reimburse the Foundation for any shortages. If an original receipt is lost, the custodian must take steps to verify that the expenditure is legitimate before approving the petty cash receipt/reconciliation and attach a written explanation.
3. To reconcile and request a replenishment for a General Petty Cash Account the Custodian must complete and submit the General Petty Cash Reconciliation Spreadsheet along with original receipts to [ap-docs@hjf.org](mailto:ap-docs@hjf.org) or by fax 240-694-3137. **Reconciliations for research participants CANNOT be emailed, faxed or sent via mail, these are all HIPAA violations.**
4. To reconcile and request a replenishment for a Research Participant Petty Cash Account the Custodian must complete and submit the Research Participant Petty Cash Reconciliation spreadsheet along with copies of the completed IRS Form W-9 for each participant receiving either a single payment greater than \$75 or multiple payments expected to exceed \$150 in a calendar year. The IRS Form W-9s are securely maintained in a limited access locked file cabinet in a locked file room that also has limited access.
5. The Research Participant Petty Cash Reconciliation spreadsheet and copies of the completed IRS Form W-9s **MUST** be sent via HJF Secure File Transfer to [mspevak@hjf.org](mailto:mspevak@hjf.org) in the HJF Regulatory Affairs Department. **Reconciliations for research participants CANNOT be emailed, faxed or sent via mail, these are all HIPAA violations.**
6. The HJF Regulatory Affairs Department will forward the approved Research Participant Petty Cash Reconciliation to the Accounts Payable Department for processing.
7. The Accounts Payable Department will audit the reconciliation for completeness and accuracy. Complete and accurate reconciliations will be processed for payment. The reimbursement check will be sent to the custodian. Incomplete or inaccurate reconciliations will be returned to the custodian and must be corrected and returned within 7 days.

**NOTE:** Payments to research participants may constitute taxable income to both U.S. residents and non-residents. Participants should consult a tax professional for the taxability their payments. U.S. residents' taxable payments totaling \$600 or more in a calendar year are reportable to the IRS on Form 1099-MISC.

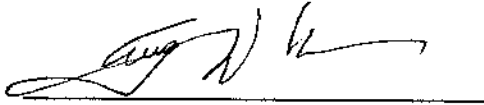
**H. Close-Out Procedure**

1. To close-out a petty cash account, the custodian will forward a final Petty Cash Reconciliation Spreadsheet along with a money order made payable to: The Henry M. Jackson Foundation for any remaining unused cash to the Accounts Payable Supervisor at:

Henry M. Jackson Foundation  
Attn: Accounts Payable  
6720-A Rockledge Drive, Suite 100  
Bethesda, MD 20817

2. The Accounts Payable Supervisor will perform a final audit, set up a cash receipt for the unused cash, and submit the money order to the HJF Accounts Receivable Department. The money order and final reconciliation amount should equal the open total of the petty cash account. The custodian will be responsible for any remaining balance that is left unreconciled and will be notified if there are any issues with the close out process.
3. The Accounts Payable Supervisor will notify the Purchasing Department to close out the petty cash encumbrance PO, and the close out will be complete.

This guideline is effective immediately.

  
\_\_\_\_\_  
Craig D. Anderson  
Senior Vice President & CFO

135-10-2016  
Date









## Petty Cash Modification Request Form

Request Date: \_\_\_\_\_

Custodian Name: \_\_\_\_\_

Custodian E-mail address: \_\_\_\_\_

Custodian Phone Number: \_\_\_\_\_

Purchase Order Number: \_\_\_\_\_

Current Petty Cash Amount: \_\_\_\_\_

Increase/Decrease of: \_\_\_\_\_  
(Circle one)

New Petty Cash Amount: \_\_\_\_\_

### Detailed Purpose/Justification for Increase to Petty Cash Account

Requestor: \_\_\_\_\_  
Print Name Signature Date

\*Concurrence: \_\_\_\_\_  
Print Name Signature Date  
\*(Principal Investigator/Project Coordinator)

Please Return Completed Form to [ap-docs@hjf.org](mailto:ap-docs@hjf.org) or fax to 240-694-3137





## Research Participant Petty Cash Request Form

Request Date: \_\_\_\_\_

Custodian Name: \_\_\_\_\_

Custodian E-mail address: \_\_\_\_\_

Custodian Phone Number: \_\_\_\_\_

Amount Requested: \_\_\_\_\_

Primary HJF Award:											-											-										
	<b>Project</b>											<b>Task</b>											<b>Award</b>									

This Award will be used to establish the Petty Cash Purchase Order.

### Detailed Purpose/Justification for Research Participant Petty Cash Account

Is this for a subaward or subcontract? Yes  No  If Yes, Subaward/Subcontract # \_\_\_\_\_

Site where petty cash will be used and stored: \_\_\_\_\_

Protocol Title: \_\_\_\_\_

Protocol #: \_\_\_\_\_ PI Name: \_\_\_\_\_

Amount to be distributed to each participant: \_\_\_\_\_

### Regulatory Affairs Approval

Protocol Approval Date: \_\_\_\_\_ Secondary Approval Date (if applicable): \_\_\_\_\_

Number of Subjects Approved: \_\_\_\_\_

Subject Reimbursement Amount/Payment Schedule: \_\_\_\_\_

\_\_\_\_\_  
Marianne Spevak, Director  
Office of Regulatory Affairs & Research Compliance

\_\_\_\_\_  
Date

To request the purchase of research participant prepaid cards, please send completed form to [mspevak@hjf.org](mailto:mspevak@hjf.org) or fax to Marianne Spevak @ 240-694-3131. Once approved the form will be returned to the requestor. The form must be submitted at the time of entering the requisition along with the prepaid card policy acceptance form.