

**I. INTRODUCTION**

This policy applies to all departments and offices of the University wishing to make use of change funds.

**II.**

not establish more than one change fund per department.

- B.** Change funds will be established as required, but for restricted periods coinciding with specific events or cashing requirements. Purchases are not to be made from change funds.
- C.** The head of a department or activity must: (i) determine the justification for the change fund and the amount of fund requested, and (ii) obtain the approval for such change fund from the University business officer to whom such department head reports. The head of a department, or their designee, is the custodian of the fund and is therefore responsible for the safekeeping and maintenance of the change funds in accordance with this policy and the [cash and cash equivalent handling procedures](#).
- D.** It is the sole responsibility of the department to ensure that the change funds are secured at all times in a secure area such as a locked drawer or small safe.
- E.** In the event of theft or unexplained disappearance of all or part of the change fund, Campus Safety should be notified immediately. University Financial Services and the Controller should be notified as soon as practical. Once new security measures have been taken, the appropriate Campus Security report and an explanatory memorandum from the custodian should be sent to the Controller, who will arrange for the re-establishment of the fund if appropriate. The Controller has the authority to decline to replace a fund in cases of custodial mishandling.
- F.** Under no circumstances may undeposited receipts be used as a change fund, nor may change funds be commingled with other funds. Change funds may not be used to cash checks of any kind. Change funds may not be used to make personal loans or salary advances.
- G.** A fund represents a loan to the department by means of a cash advance from the Controller. It is always subject to audit and must be "whole" at all times; i.e., the fund custodian must always have in hand a sum of cash and receipts equal to the original advance.
- H.** Cash payments to human subjects for research projects may only be made with approval through the [Human Subject Payments Procedure](#).
- I.** At least monthly, the custodian should balance the fund, determining that the equation of cash and receipts is correct. The custodian should maintain a log of these monthly reviews and turn in receipts.
- J.** Upon a change of custodian, the fund should be reconciled. Each of the exiting custodian and the new custodian must independently audit the fund and certify the audited amount(s) to University Financial Services. A covering

memorandum from the departmental manager should give the reason for the change and provide the name, office, and phone number of the new custodian.

- K.** Not less frequently than once a month (and more frequently if required by the fund. Twice during the year, custodians will be required to reconcile their accounts and submit all receipts and other documents to completely account for the cash advance:

**December 15** - to ensure that all transactions with tax implications are accounted for.

**April 20** -