

## Petty Cash Fund Reconciliation – Purpose & Process Flow

Please review [Business Procedure Manual \(BPM\)](#) for policies and procedures affecting petty cash.

**Purpose** - To account, on at least a monthly basis, for the funds and outstanding vouchers to ensure the petty cash fund equals the amount the department has reported in their custody.

### Processing Flow -

- Petty Cash Custodian provides custodian's name, department name, and date.
- Custodian provides breakdown of currency and coins based on denominations in safe/box and sums the amount for Line 1.
- Custodian details outstanding Petty Cash Vouchers with a description and amount. The Total Value of Replenishment Vouchers on hand should be placed on Line 2.
- Custodian provides the total amount of cash and vouchers in the Department possession on Line 3 by adding Line 1 and Line 2.
- Amount of Petty Cash Funds issued to Department would be submitted on Line 4.
- Custodian would then subtract Line 4 from Line 3 and enter the difference on Line 5. Line 5 should equal zero. If a negative number is obtained, Custodian is short funds. If a positive number is obtained then Custodian is over funds. In either case, Custodian should recount cash and review vouchers for errors. If error is not found, Custodian should review the situation with supervisor.
- A monthly reconciliation, signed by both the Custodian and the Department head, should be kept on file within the department.

## New Mexico State University Petty Cash Fund Reconciliation

Department	Month/Day/Year	Responsible Custodian
------------	----------------	-----------------------

Cash money on hand in the fund:

Currency		Coins	
Twenties		Other	
Tens		Quarters	
Fives		Dimes	
Twos		Nickels	
Ones		Pennies	
<b>LINE 1 - Total Cash on hand:</b>			\$

Description of outstanding Petty Cash Vouchers	Dollar amount
<b>LINE 2 - Total Value of Replenishment Vouchers on hand:</b>	\$

<b>LINE 3 – Current Funds and Vouchers in Department:</b> (Add LINE 1 and LINE 2 together and enter amount here)	\$
---	----

<b>LINE 4 - Amount of Petty Cash Funds Issued to Department:</b> (Amount of Funds maintained by the department)	\$
--	----

<b>LINE 5 – Difference:</b> (Subtract LINE 4 from LINE 3 and enter amount here):	\$
---	----

**LINE 5 SHOULD EQUAL ZERO** – If a negative number is obtained, you are short funds; if a positive number is obtained, you are over fund. In either case, recount your cash and review your vouchers for possible errors. If the difference cannot be identified, the situation should be reviewed with your supervisor and, if necessary, your fiscal monitor. If a true overage/shortage exists, a documented Petty Cash Voucher to your departmental over/short object code (6940) should be presented to the University Accounts Receivable Office to bring your fund back to the established amount. This should be a rare occurrence. If a pattern of unidentified shortages develops and theft is suspected, the Office of Audit Services should be contacted by the department.

Responsible Custodian's Signature	Date
Department Head's Signature	Date