1.0 **Purpose:**

The purpose of this procedure is to comply with the California State University (CSU) policy that funds established to support change-making activity be protected from loss. This procedure complies with the CSU Policy and the relevant Integrated CSU Administrative Manual (ICSUAM) policy number 6320.00, *Petty Cash Funds and Change Funds*.

2.0 **Definitions:**

- **Campus/University:** California State University, Los Angeles (Cal State L.A.) sites and locations.
- **Chief Financial Officer (CFO):** The Cal State L.A. Vice President of Administration and Chief Financial Officer.
- **Campus Cash Handling Coordinator/CFO Designee:** The Cal State L.A. Director for Student Financial Services.
- **Cash:** United States currency and coins.
- **Cash Equivalent:** Checks and electronic fund transfers.
- **Cash Control:** Segregation between accountability and custodianship that might be demonstrated through the use of a safe, receipting and disbursing systems, locked box, pre-numbered cash receipt, or cash handling procedures.
- **Cashier:** An employee who handles the receipt of cash and cash equivalents.
- **Change Fund:** Change funds are used for the operation of cash registers and drawers or change machine to provide change.

3.0 **Applicability:**

This procedure applies to Student Financial Services and all departments and University entities operating as a satellite cashier or sub-cashiering location.

4.0 **Procedure:**

4.1 All Departments and University entities are responsible for the security of their change funds once such funds are authorized by the CFO or the CFO designee.

4.2 Custodianship of a given change fund is assigned to a single individual and cannot be independently transferred to another individual. The custodian is responsible for ensuring the cash on hand equals the authorized amount of the funds at all times. The cash should be counted often.

4.3 Change funds must not be commingled with other funds. Change fund cash must be kept separate from petty cash funds, cash drawers, personal funds, and any other collected revenue.
4.4 All funds and other applicable documents of the fund should be secured and safeguarded in a metal locking box and placed in a locked desk, locked cabinet, or locked safe.

4.5 An unannounced cash count audit and reconciliation of change funds for which cashiers and cash handling employees are accountable will be performed by the Business Financial Services Department on a periodic basis. The reconciliation of cash balances must be performed in the presence of the change funds custodian and must be documented. The minimum frequency of such audits are as follows:

<table>
<thead>
<tr>
<th>Fund Size</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200.00 or less</td>
<td>Annually</td>
</tr>
<tr>
<td>$200.01 to $500.00</td>
<td>Quarterly</td>
</tr>
<tr>
<td>$500.01 and more</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

4.6 When change funds are no longer needed, change funds will be re-deposited at the cashier’s office, and the fund will be closed out.

4.7 Failure to comply with the procedures set forth herein, may result in the closing of the change fund.

5.0 Establishing a Change Fund:

5.1 Change funds can be established by written request to the CFO or CFO designee for authorization. The Request/Custodianship of Department Change Fund memorandum must be signed by the requestor, custodian, and the CFO or CFO designee for approval.

5.2 A Direct Pay form for the established amount of the change fund must accompany the Request/Custodianship of Department Change Fund memorandum request. A check will be issued to the custodian by the Business Financial Services Department upon approval.

5.3 The custodian assumes responsibility for safeguarding and proper utilization of the funds.

6.0 Transferring Custodianship:

6.1 To change the primary custodian of a change fund, prepare a new Request/Custodianship of Department Change Fund memorandum request. List the purpose as “transfer change fund custodian from “XXXX to XXXX”.

6.2 The fund status is verified on the Request/Custodianship of Department Change Fund memorandum by both the outgoing and incoming custodian and recorded by the supervisor. Submit the Request/Custodianship of Department Change Fund memorandum to Student Financial Services for approval by the CFO or CFO designee.

7.0 Increasing/Decreasing/Closing Change Fund:

7.1 Increasing: when additional funds are needed, a new request Request/Custodianship of Department Change Fund memorandum must be submitted to Student Financial Services along with a Direct Pay Form for the additional amount. You must include justification for the increased amount.

7.2 Decreasing: the change fund should be reduced if the amount of the fund exceeds the actual needs of the department. The amount which is no longer needed must be deposited at the Cashiers Office to the appropriate account. The receipt for the deposit along with a copy of the original request
change form Request/Custodianship of Department Change Fund memorandum must be submitted to Student Financial Services showing the reduction and new amount.

7.3 Closing: when a change fund is no longer needed the original amount must be returned to the Cashier’s Office to be deposited to the appropriate account. The receipt for the deposit along with a copy of the original request change form Request/Custodianship of Department Change Fund memorandum must be submitted to Student Financial Services showing the fund as “Closed”.

8.0 Lost or Stolen Change Fund Cash:

8.1 In the event the change fund or a portion thereof, is lost or stolen, the following procedures must be followed:

   A. Immediately inform the University Police Department.
   
   B. Obtain a copy of the Police report.
   
   C. A new request Request/Custodianship of Department Change Fund memorandum must be submitted requesting reimbursement of the fund which includes the following:

      a. Date and time of the lost or theft
      b. Amount of lost or theft
      c. Circumstances involved
      d. Copy of police report
      e. Prevention taken against future occurrences

9.0 Appendices:

9.1 Request/Custodianship of Department Change Fund memorandum

10.0 References:

   6200.00  Campus Administration of Systemwide Cash Management Policy
   6201.00  Sensitive Positions and Cash Handling
   6202.00  Segregation of Cash Handling Duties
   6303.00  Cash and Check Handling
   6320.00  Petty Cash and Change Funds