

GUIDELINES TO RECONCILE FUNDS ON HAND TO PETTY CASH IMPREST BALANCE

University of Pittsburgh Policy and Procedure 05-06-06 requires custodians of Petty Cash Funds to reconcile the funds on hand to the imprest balance immediately following the completion of each Petty Cash Reimbursement Request (Form 0047) and upon receipt of replenishment funds.

Reconciliation of funds on hand to the imprest balance is simply done by taking cash on hand (and/or in the bank account) and adding the disbursements made from the fund (i.e. outstanding Petty Cash reimbursements). Be sure to include any charges and fees or interest earned on the account; these should be included on the Petty Cash Reimbursement Request form.

RECONCILIATION FOR PETTY CASH FUNDS MAINTAINED IN A BANK ACCOUNT

University of Pittsburgh Policy and Procedure 05-06-06 also requires custodians of Petty Cash Funds maintained in a bank account to reconcile the bank account balance to the imprest balance on a monthly basis. As the policy states, it is critical to reconcile the bank account balance to the imprest balance in a timely manner to ensure that all transactions, including bank recorded fees and interest, are accounted for appropriately.

The following reconciliation may also be used to reconcile the adjusted bank account balance to the Petty Cash Fund imprest balance. To determine the adjusted bank account balance you must reconcile the bank account balance to the Petty Cash Fund Register. Once a month, the bank furnishes each depositor with a statement of the checking account. Follow the instructions on the reverse side of the statement to determine the adjusted bank account balance.

PETTY CASH FUND REGISTER FOR RECONCILIATION TO IMPREST BALANCE

To assist custodians with the reconciliations, a sample Petty Cash Fund Register has been provided in Exhibit A. ([Link to PCRegister.xls](#)) Details for creating and maintaining the register follow below.

- A. Create a Petty Cash Fund Register to include receipts, disbursements and balances as detailed in Exhibit A. ([Link to PCRegister.xls](#)) Upon receipt of the check to establish the fund (imprest balance), cash the check and place the cash in a secure location.
- B. Complete the "Date" and "Explanation" columns for **all** entries. Complete the "PRISM Account" column for all entries made in the "Petty Cash Fund Disbursed" column. Complete the "Petty Cash Fund Balance" column as needed but always for the cash on hand to imprest balance reconciliations.

The following are the steps for completing the reconciliation.

1. Enter the initial amount received to establish the fund in the "Petty Cash Fund Received" and "Petty Cash Fund Balance" columns and indicate "To establish fund Check No. XXX" in the "Explanation" column.
2. Enter all unreimbursed amounts in the "Petty Cash Fund Disbursed" column. Indicate the "PRISM Account" number and "Explanation" in the respective columns.
3. Total the unreimbursed amounts and enter the total unreimbursed amounts in the "Petty Cash Fund Balance" column and enter "Reimbursement Request" in the "Explanation" column.
4. Prepare a Reimbursement Request (Form 0047) for this amount. Include the SITEID on the form.
5. Count the cash on hand and enter the total cash on hand in the "Petty Cash Fund Balance" column and indicate "Cash on Hand" in the "Explanation" column.

6. Add the cash on hand to the reimbursement request amount and verify that the total of the cash on hand and the reimbursement request equal the amount established for the fund (imprest balance).
7. Enter the total of the cash on hand and the reimbursement request in the "Petty Cash Fund Balance" column and indicate "Cash on Hand reconciled to imprest balance" in the "Explanation" column. **INVESTIGATE ANY DIFFERENCES.**
8. Enter the cash on hand amount in the "Petty Cash Fund Balance" column and "Cash on Hand" in the "Explanation" column.
9. As you continue to disburse amounts from the fund, log the payments in the Petty Cash Register (Step 2-3). You may need to prepare another reimbursement request before you have received replenishment for the most recent request.
10. Repeat Steps 4 through 6.
11. Count the cash on hand. The cash on hand should be the difference between the previous cash on hand amount (Step 5 above) and the most recent reimbursement request. Enter the total cash on hand in the "Petty Cash Fund Balance" column and indicate "Cash on Hand" in the "Explanation" column.
12. Enter the amount of any reimbursement requests for which you have not received payment in the "Petty Cash Fund Balance" column and indicate "Reimbursement in Transit" in the "Explanation" Column.
13. Add the cash on hand to the reimbursement request amount and the reimbursement in transit amount and verify that the total of the cash on hand, the reimbursement request amount and the reimbursement in transit amounts equal the imprest balance.
14. Enter the total of the cash on hand, the reimbursement request amount and the reimbursement in transit amount in the "Petty Cash Fund Balance" column and indicate "Cash on hand reconciled to imprest balance".
15. Enter the cash on hand amount in the "Petty Cash Fund Balance" column and "Cash on Hand" in the "Explanation" column.
16. Upon receipt of the replenishment check, cash the check and place in a secure location.
17. Enter the cash received amount in the "Petty Cash Fund Received" and "Petty Cash Fund Balance" columns and indicate "To replenish fund Check No. XXX " in the "Explanation" column.
18. Enter total amount of any reimbursement requests for which you have not received payment in the "Petty Cash Fund Balance" column and indicate "Reimbursement in Transit" in the "Explanation" Column. (See Step 12.)
19. Add the cash on hand to the replenishment amount and the reimbursement in transit amount and verify that the total of cash on hand, the replenishment amount and the reimbursement in transit equal the imprest balance.
20. Enter the total of cash on hand, the replenishment amount and the reimbursement in transit in the "Petty Cash Fund Balance" column and indicate "Cash on hand reconciled to imprest balance". **INVESTIGATE ANY DIFFERENCES.**
21. Enter the cash on hand amount in the "Petty Cash Fund Balance" column and "Cash on Hand" in the "Explanation" column.
22. Repeat from Step 9.

Be sure to record any charges and fees or interest on the Petty Cash Fund Register.

- ❑ Enter in the “Petty Cash Fund Disbursed” column any charges and fees that appear on the bank statement. Enter an appropriate description of the charges and fees in the “Explanation” column of the register.
- ❑ Enter any interest or other credits that appear on the bank statement in the “Petty Cash Fund Received” column of the register. Enter an appropriate description of the interest or other credits in the “Explanation” column of the register.

EXHIBIT A

GUIDELINES TO RECONCILE FUNDS ON HAND TO PETTY CASH FUND IMPREST AMOUNT

PETTY CASH REGISTER FOR FUND 00XXX*					
Petty Cash Fund			Date	PRISM Account	Explanation
Received	Disbursed	Balance			
750.00 ¹		750.00 ¹	06/03/03		To establish fund, Check No. XXX
	47.95 ²		06/06/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	15.75 ²		06/09/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	85.50 ²		06/09/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	25.45 ²		06/12/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	50.00 ²		06/12/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	95.65 ²		06/18/03	XX.XXXXX.XXXX.-	Provide a description of the payment
		320.30 ³	06/18/03		Reimbursement Request
		429.70 ⁵	06/18/03		Cash on Hand
		750.00 ⁷	06/18/03		Cash on Hand reconciled to imprest amount
		429.70 ⁸	06/18/03		Cash on Hand
	39.50 ²		06/19/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	65.75 ²		06/19/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	95.97 ²		06/20/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	15.56 ²		06/20/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	95.75 ²		06/24/03	XX.XXXXX.XXXX.-	Provide a description of the payment
	23.96 ²		06/25/03	XX.XXXXX.XXXX.-	Provide a description of the payment
		336.49 ³	06/25/03		Reimbursement Request
		93.21 ¹¹	06/25/03		Cash on Hand
		320.30 ¹²	06/18/03		Reimbursement in transit
		750.00 ¹⁴	06/25/03		Cash on Hand reconciled to imprest amount
		93.21 ¹⁵	06/25/03		Cash on Hand
320.30 ¹⁷		320.30 ¹⁷	06/26/03		To replenish fund, Check No. XXX
		336.49 ¹⁸	06/25/03		Reimbursement in transit
		750.00 ²⁰	06/26/03		Cash on Hand reconciled to imprest amount
		413.51 ²¹	06/26/03		Cash on Hand

*Petty Cash Reference Number Assigned by General Accounting