

Prepared by Treasury Office
This replaces Administrative Procedure No. A8.750
dated August 1989.

A8.750
May 2006

A8.700 Treasury

P 1 of 11

A8.750 Establishment and Maintenance of Change Funds

1. Purpose

To provide procedures for the establishment and administration of change funds as authorized by Section 40-84, Hawai'i Revised Statute.

2. Definitions

a. Change Fund

An authorized sum of money advanced to a responsible individual for business transactions made within a department for the specific purpose of making change. Any other use such as the cashing of checks or making temporary loans from this fund is strictly prohibited. The change fund is not be used for purchases of any kind.

b. Authorized Fund Amount

An established dollar amount that has been approved by the Treasury Office. The authorized fund amount should be sufficient to conduct a normal day's business. The authorized fund amount may also be based on the justification given for the fund and the physical security that will be provided.

c. Campus/Department Head

The top administrator of a college, institute, school, or other major unit of the University. Included in this listing would be Deans, Directors, Chancellors, and Vice-Presidents.

d. Change Fund Custodian

An individual designated in writing by the Campus/Department Head and approved by the Treasury Office to handle, safeguard and account for cash in a change fund. The custodian must be a regular, full-time University employee.

e. Alternate Change Fund Custodian

An individual designated in writing by the Campus/Department Head and approved by the Treasury Office to act for a change fund custodian during his/her absence. The alternate must be a regular, full-time University employee.

3. Responsibilities

a. Treasury Office Responsibilities

1. The Treasury Office reviews and authorizes all action requests including the approval/disapproval of requests which includes the establishment, decrease/close, permanent increase, temporary increase, change in custodian and/or alternate custodian of change funds.

The Treasury Office also reviews all incidents of change fund overages and shortages.

b. Departmental Responsibilities

1. Each Campus/Department Office that maintains a change fund is responsible to ensure compliance with all detailed procedures specified herein and A8.751, Cash Count of Change Fund.
<http://www.hawaii.edu/svpa/apm/treas/a8751.pdf>

The Campus/Department Head is ultimately responsible for the proper administration of the change fund and will be held accountable.

2. The authorized fund amount should be reviewed periodically to ascertain whether it is adequate to conduct daily business.

c. Change Fund Custodian Responsibilities

1. The custodian/alternate is responsible for:
 - a) Safeguarding the fund by keeping it in a locked cash box in a location not readily susceptible to theft.
 - b) Conducting weekly cash counts. Cash in the change fund must equal the authorized fund amount at all times.
 - c) Requesting a temporary increase when additional funds are required to handle an increased volume of transactions during a

period of 21-working days. For registration periods the Treasury Office will send a memorandum to the custodian of the fund to inquire if a temporary increase is needed. (Refer to 5.b. of this procedure for information.)

- d) Notifying the Fiscal Officer if permanent increase or decrease in the fund or closing of the fund is warranted.
- e) Notifying the Fiscal Officer of overages and shortages in the fund.

d. Fiscal Officer Responsibilities

The Fiscal Officer is responsible for the administrative duties related to the change fund and is responsible for:

- a) Ensuring that the duties of the custodian/alternate are being properly executed.
- b) Conducting an unannounced cash count of the change fund at least once a year.
- c) Initiating requests for permanent increase or decrease in the fund or closing of the fund if there appears to be continued growth or decline in the amount of change fund usage.

e. Internal Auditor Office Authority

- 1. The Internal Auditor's Office is responsible for the auditing of change fund operations. The Internal Auditor's Office conducts field audits of change fund operations to monitor compliance with detailed procedures. Campus/department units that are in non-compliance with detailed procedures are required to report corrective actions to this office.

4. Policies

- a. The establishment of a change fund requires prior approval by the Treasury Office
- b. Approval of a change fund will be granted only if the requestor has the authorization to collect and deposit State or University cash receipts.
- c. Cash in the change fund must equal the authorized fund amount at all times.

- d. No other funds of any kind may be commingled with the change fund.
- e. A change fund must be kept in a locked cash box in a location not readily susceptible to theft. A safe is preferred but a locked file cabinet is minimally acceptable.
- f. An alternate custodian must be designated.
- g. Any deviation from the above policies requires the written approval of the Treasury Office.
- h. Campus/Department Documentation Requirements

The following documents are to be maintained in the campus/departmental office files and made available for review upon request. Copies are to be maintained when originals are required to be submitted to other offices.

- a) Approved Requests for Change Fund forms (to establish, increase, decrease, close, change in custodian/alternate).
 - b) Cash Count Sheets.
 - c) Change Fund Overage/Shortage Reports.
 - d) Other supporting documentation as deemed appropriate (University deposit slips, memoranda, etc.).
- i) Security/Internal Controls
- a) The change fund must be kept in a locked cash box in a location not readily susceptible to theft. A safe is preferred but a locked file cabinet is minimally acceptable.
 - b) The Fiscal Officer must conduct an unannounced cash count of the fund at least once per year, and more frequently as necessary. Refer to A8.751 - Cash Count of Change Fund.)
 - c) The change fund custodian or (in her/his absence) the alternate custodian must minimally conduct a weekly cash count, or more frequently as necessary. (Refer to A8.751 - Cash Count of Change Fund.)
 - d) The Fiscal Officer may not be the custodian or alternate custodian of the change fund. If staff

limitations make this separation of duties impossible, designating a Fiscal Officer as a custodian/alternate will be considered as a last resort measure.

5. Procedures

a. Establishment of a Change Fund

1. Campus/Department Office:

- a) Submit the original of the "Request for Change Fund" (Form CF-1) to the Treasury Office.
- b) If the change fund advance is to be charged to a non-general fund account, the account code must be indicated and an Authorization for Payment Form (UH Form 2) must be submitted with the request form to process the advance payment.

2. Treasury Office:

- a) Review and approve the request for establishment of the change fund.
- b) Prepare and submit a request to the State Comptroller for the change fund.
- c) Prepare and send a transmittal memo to the Campus/Department Head with the check and a copy of the approved "Request for Change Fund" form. The transmittal memo must be signed by the Campus/Department Head for receipt of funds and returned to the Treasury Office.
- d) Transmit copies of the approved "Request for Change Fund" form to the Disbursing Office, and the Internal Auditor's Office.

b. Increase of Change Fund - Permanent or Temporary

Seasonal requirements for additional cash in the change fund are to be accommodated through temporary increases to the fund. These needs are to be anticipated, and requests for temporary increases submitted prior to the peak periods. The temporary increases are to be returned upon resumption of normal activity.

Note: The Treasury Office coordinates all registration-related temporary increases for change

funds. "Request for Temporary Change Fund for Registration Purposes" form (Attachment 2) is used by the campus/departments. The deadline for submission of the Request form and return of the advances are established by the Treasury Office.

1. Campus/Department Office:

- a) Submit the original of the "Request for Change Fund" form to the Treasury Office for review and approval at least one month in advance of the expected funding requirement.
- b) If the change fund advance is to be charged to a non-general fund account, the account code must be indicated and an Authorization for Payment (AFP) document must be submitted with the request form to process the advance payment.

2. Treasury Office:

- a) Review and approve requests for the permanent or temporary increase of the change fund.
- b) Prepare and submit a request to the State Comptroller for the increase to the change fund.
- c) Prepare and send a transmittal memo to the Campus/Department Head with the check and a copy of the approved "Request for Change Fund" form. The transmittal memo must be certified by the Campus/Department Head for receipt of funds and returned to the Treasury Office.
- d) Transmit copies of the "Request for Change Fund" form to the Disbursing Office, and the Internal Auditor's Office.

c. Decrease/Close of Change Fund

1. Campus/Department Office:

- a) Submit an original of the "Request for Change Fund" form (Attachment 1) to the Treasury Office.
- b) Conduct and document a cash count performed by the custodian and verified by the alternate prior to the closing or decreasing the amount of the change fund. Attach a

completed copy of the Change Fund Cash Count Sheet to the request to close or decrease the fund. (Refer to A8.751 - Cash Count of Change Fund.)

- c) Transport the change fund cash to the Cashier's Office with the approved request form and completed cash count sheet as supporting documentation. The cash will be deposited into a suspense account before being returned to the State (General Fund advance) or into the operating account from which the advance originated (Non-General Fund advance). A copy of the UH Departmental Deposit slip must be submitted to the Treasury Office for verification of deposit.

2. Treasury Office:

- a) Review and approve the request to decrease/close the change fund.
- b) Transmit a copy of the approved "Request for Change Fund" form to the requesting campus/department office.
- c) Transmit copies of the "Request for Change Fund" form to the Disbursing Office, and the Internal Auditor's Office.

d. Change in Change Fund Custodian or Alternate

1. Campus/Department Office:

- a) Submit the original of the "Request for Change Fund" form to the Treasury Office.
- b) Conduct and document a cash count performed by the new custodian or alternate and prepare a Change Fund Cash Count Sheet (Refer to A8.751 - Cash Count of Change Fund) on the date the change of custodian or alternate becomes effective. The Cash Count Sheet must be signed by both the new and former custodian or alternate. The Cash Count Sheet is to be maintained in the office file and made available for review upon request.

2. Treasury Office:

- a) Review and approve the request to change the fund's custodian/alternate.

- b) Transmit a copy of the approved "Request for Change Fund" form to the requesting campus/department office.
- c) Transmit copies of the "Request for Change Fund" form to the Disbursing Office, and the Internal Auditor's Office.

6. Detailed Instructions for Completing the "Request for Change Fund" form (Form CF-1) (Attachment 1)

- a. Requesting UH Campus/Department: Enter the appropriate campus or department (e.g., Agr-Bio Chem; Honolulu CC).
- b. Date: Enter the month, day, and year on which the form is being submitted (e.g., 08/31/2006).
- c. Request for: Check the appropriate blocks.
- d. Account Code: Source of Funds for Advance General (G), Federal (F), Special (S), Revolving (R), Trust (P), or Agency (A). If Source of Funds is other than General (G), enter after the source code alpha.
- e. Vendor Code: Enter code if already assigned. (Vendor Code is assigned by the Disbursing Office.)
- f. Amount Currently Authorized: Self-explanatory.
Amount Requested Increase/Decrease: Enter the amount for establishment, increase or decrease.
- g. Explanation/Justification/Security: Explain why the change fund is needed, justify amount, and describe the physical security measures that will be instituted to safeguard the change fund.
- h. Return Date for Temporary Increase: Enter the month, day, and year of return of the temporary increase (e.g., 09/30/2006). Do not fill in this space for permanent increase.
- i. Location of Fund Bldg./Room #: Self-explanatory.
- j. Complete this Section for Establishment or Changes of Custodian/Alternate: Self-explanatory.
- k. Certification: Fiscal Officer and Program Head to certify approval of the request and to certify provision for separation of duties and custodian/alternate familiarity with change fund procedures. Indicate the Name/Title of the

Campus/Department Head, and the Fiscal Officer's
telephone number.

7. Availability of Forms

The "Request for Change Fund" form (CF-1) and "Request for
Temporary Change Fund for Registration Purposes" form (CF-
4) should be reproduced as required.

Form CF-1
APM A8.750
05/2006

University of Hawai'i
Request for Change Fund

Requesting Campus/Dept: _____

Date: _____

Request for: (Check appropriate boxes)

Establish

Permanent Increase

Custodian

Decrease

Temporary Increase

Alternate Custodian

Return Date: _____

Source of Funds for Advance:

General

Other: _____

Vendor Code: _____

Account Code: _____

Amount Authorized: _____

Amount Requested: _____

Explanation/Justification for Request/Basis for Amount/Physical Security:

Location of Fund (Bldg/Rm#): _____

Complete this Section to Designate or Change Custodians

New Custodian

New Alternate Custodian

Former Custodian

Former Alternate Custodian

I certify that provisions have been made for separation of duties and that the custodian and the alternate are completely familiar with the change fund procedures.

Custodian

Alternate Custodian

Approved: _____
Dean/Director/Chancellor Date

Fiscal Officer Signature/Date

Print Name: _____

F.O. phone no.: _____

Approved by: _____
Treasury Officer/Date

**Treasury - Original
Disbursing Office
Internal Auditor
Dept: _____**

Form CF-4
APM A8.750
05/2006

University of Hawai'i
Request for Temporary Change Fund for Registration

Requesting Campus/Dept: _____ Date: _____

Fall Term

Spring Term

Summer Term

Amount Requested: _____ Location of Fund (Bldg/Rm#): _____

How will the change fund be secured?

Requested by: _____
Custodian Signature Fiscal Officer Signature

Print Custodian's Name: _____ Vendor Code: _____

Approved by: _____ Date: _____

Date Check Mailed: _____ Check no.: _____

Check Received by: _____ Date: _____

Custodian must sign above to acknowledge receipt of check and return form to: Treasury Office, 2444
Dole St., Bachman Annex 13, Honolulu, HI 96822.