

UC SANTA BARBARA POLICY AND PROCEDURE

Change Funds 5250

Contact: Accounting Services & Controls, Business Services

Technical Revision: August 2005

Supersedes: Change Funds 5250, July 2003

Pages: 4

CHANGE FUNDS

I. SCOPE

This policy governs all UCSB change funds.

II. POLICY

- A. In departments that perform cash sales, a department head may, with the approval of the Business Services Director, establish a Change Fund to provide the department with the ability to provide its customers with change following sales transactions. Change may be in currency and coin.
- B. The custodian of the Change Fund must be either a University career employee, or a limited appointment employee, or a registered UCSB student employed by the University.
- C. The Change Fund must be:
 - 1. Used only to make change for sales performed by the authorized department;
 - 2. Kept separate from any other funds; and
 - 3. Maintained with adequate security and, when not in use, kept in a locked compartment/receptacle or safe consistent with UC Business and Finance Bulletin BUS-49.
- D. The Change Fund may not be used:
 - 1. For expenditures; or
 - 2. To clear overages and shortages in sales income; or
 - 3. To cash checks.
- E. Deposits of income collected from department sales must be made at the Cashiers Office at least once each week and a receipt obtained. Additional deposits must be made whenever accumulated collections total a minimum of \$500. The department withholds the Change Fund amount from the deposit of income so the Change Fund may be used for the next period's cash sales transactions.
- F. Accounting Services & Controls and Audit Services will conduct periodic audits of the Change Fund and its administration.

III. RESPONSIBILITIES

- A. The Business Services Director approves the establishment of Change Funds and increases and decreases to Change Funds.
- B. The department head determines the need for the fund; assigns Change Fund responsibilities to an employee; and authorizes transfers of custodianship within the department. The department head must notify Business Services if a Change Fund is transferred from one employee to another.
- C. The Custodian, the employee to whom the Change Fund is entrusted, is personally accountable for the fund.
- D. The department must notify the UCSB Police immediately in the event of a theft.

IV. PROCEDURES

- A. Obtaining a Change Fund
 - 1. To obtain a Change Fund the department completes a Change Fund Application (Appendix A). The Application must include: the need for the Change Fund, the amount required, the proposed custodian's name, and the facilities available for securing these funds. The department also completes a Miscellaneous Form-5 Payment Request (Appendix B), made payable to the custodian. Once signed by the department head, the department sends the Miscellaneous Form-5 Payment Request and the Change Fund Application to Business Services.
 - 2. If the Business Services Director approves the application, the Form 5 is signed and forwarded to Accounting Services & Controls.
 - 3. Accounting Services & Controls processes the Form-5 and writes the check. Business Services picks up the check.
 - 4. Business Services contacts the named custodian of the fund to pick up the check at the Business Services Office. At that time, the custodian signs a form acknowledging receipt and responsibility for the fund. The custodian also receives a copy of this policy. The custodian cashes the check at the Cashiers Office and secures the Change Fund in a locked receptacle or safe that is consistent with UC Business and Finance Bulletin BUS-49.
- B. Increasing/Decreasing the Fund
 - 1. If a department wishes to increase the amount of its Change Fund, the department sends to Business Services a request and justification along with a prepared Miscellaneous Form-5 Payment Request. If approved, Business Services will contact the custodian to pick up and sign for the check at the Business Services Office.
 - 2. If a department wishes to decrease the amount of its Change Fund, the department sends to Business Services a request and explanation for decreasing the fund. The department custodian then turns in the excess amount to the

Cashiers Office, following the procedures under Section IVD "Returning the Change Fund," steps 2 through 4.

C. Changing Custodians

1. To transfer the custody of a Change Fund from a designated custodian to another employee, the department completes a Change of Custodian Form (Appendix C) and sends it to Business Services. The form documents 1) the department head's approval of the change of custodian, 2) the new custodian is aware of his or her specific responsibilities related to the custody of the fund, and 3) the total cash equals the specified amount of the fund.
2. Prior to a custodian leaving a position, or leaving the University, a new custodian should be designated by processing the Change of Custodian Form.
3. If the custodian will be on leave for more than three days, a *temporary* change of custodianship occurs. The department head documents the temporary transfer of custody on a Change of Custodian Form and retains the form in the department.

D. Returning the Change Fund

1. If the department head decides that a Change Fund is no longer needed, the custodian is responsible for notifying Business Services and returning the fund to the Cashiers Office.
2. Prepare a Deposit and Recording Advice (DARA) form recording the following information:
 - a) Loc: 8
 - b) Account: 110205
 - c) Class code: 1373
3. Deposit funds at the Cashiers Office with the Deposit and Recording Advice (DARA) form and obtain the cash receipt from the cashier.
4. Send the original (top copy) of the DARA and the original cash receipt to Business Services. Send copies of the DARA and receipt to Accounting Services & Controls.

E. Reporting the Theft of a Change Fund

1. The department must notify the Campus Police immediately.
2. The department is to keep the area secure, being careful not to disturb any potential evidence.

F. Replenishing a Change Fund after a Theft

1. The department head sends to Business Services a request to replenish the fund. The request is to include the:
 - a) Date and hour of theft,
 - b) Date theft reported to Campus Police,
 - c) Amount of theft,
 - d) Circumstances involved,
 - e) Prevention taken against similar occurrences, and
 - f) Name of custodian.
2. The department attaches to the letter a Miscellaneous Form-5 Payment Request to replace the amount stolen from the fund. (The department's Supplies & Expense funds will be used to reimburse the stolen funds.) Business Services contacts the custodian to pick up and sign for the check at the Business Services Office.
3. If a department has requested fund replenishment using their own Supplies & Expense fund, and the stolen funds are subsequently recovered, the department's fund will be credited. Otherwise, the recovered funds will be deposited into the campus Change Fund account.

V. RELATED POLICY

[UC Business and Finance Bulletin BUS-49, Policy for Handling Cash and Cash Equivalents](#)

VI. APPENDICES

- A. [Change Fund Application](#)
- B. [Miscellaneous Form-5 Payment Request](#)
- C. [Change of Custodian Form](#)