

BRANCH FUNDS

Branch Fund is the UCHC terminology for a petty cash fund held in a department. Branch Funds are typically used to provide change fund for clinical areas dealing with patient co-pays. Branch Funds may also, when approved, be used to facilitate departmental purchases of small but necessary items not to exceed \$50.00. Branch Funds to be used for any other purpose must be approved by the Director of Finance based upon the documented request of the department.

Use of Branch Petty Cash

- Branch funds are intended to facilitate departmental purchases of small but necessary items not to exceed \$50.00.
 1. Branch Funds should not be used to purchase items normally purchased under existing UCHC policies and procedures or to purchase items prohibited by UCHC. For example, Branch funds should not be used to purchase taxi services to the airport, to reimburse research subjects, or to send flowers after the death of a co-worker's family member
 2. Other examples of inappropriate uses of Branch funds include
 - Payments of regular invoices
 - Regular postage needs (except for small postage purchases, postage due, or special delivery mailings)
 - Check cashing
 - Sundry payments of an allowance/advance nature
- Departments should not split existing Branch Fund allocations over multiple locations. Each location is required to obtain and report on its own Branch Fund.

Security of Branch Funds

- Branch Funds should be secured in a locked drawer when unattended. When transacting business, 2 employees should be involved to witness the transaction. At the conclusion of the transaction, both employees should agree that the proper documentation has been stored with the Branch Fund. The Branch Fund should then be locked in the secure location when it is no longer needed.

- Branch Funds should **NEVER** be co-mingled with personal or other departmental funds.

Departmental Recordkeeping **/Internal Controls**

Detailed Branch Fund disbursement receipts must be kept in order to provide complete accountability. Departments should adhere to the record keeping guidelines below. A copy of these guidelines should be kept with the Branch Fund for reference. Failure to follow these guidelines could result in the Branch Fund being revoked from the department.

For all Branch Funds

- If a loss (shortage) is discovered during either a daily, monthly, or quarterly reconciliation, the department should follow the Branch Fund Loss procedures.
- When there is a change in custodians or promissory note holders, a **Branch Fund Change** form should be filled out and sent to the Bursar's Office before that employee leaves department/UCHC.
- Branch Fund reconciliations must be submitted within 15 days of each quarter end to the Bursar's office. Failure to submit reconciliations timely may result in the revocation of the Branch Fund.

For Departments Using the Branch Fund as a Change Fund

- The custodian should have no other cash handling responsibilities.
- The custodian should count the Branch Fund at the conclusion of each business day to note any shortages/overages
- A journal or register should be kept which indicates the date, amount, and the signatures of personnel responsible for the final count at the end of the business day. The journal should be kept with the Branch Fund.

For Departments Using the Branch Fund as a Petty Cash fund

- The custodian should have no other cash handling responsibilities.

- A journal or register should be kept which tracks all Branch Fund receipts and disbursements are recorded.
- Departments should obtain and keep **original** receipts to document all disbursements of funds. Reimbursement should only be made with itemized receipts and a valid, detailed business purpose provided.
- A copy of any in-process replenishment paperwork should be kept with the journal.
- Custodians should reconcile Branch Funds at a minimum of once a month. The reconciliations should include:
 1. Detailed count of cash on hand categorized by currency and coin.
 2. Receipts for disbursements not yet submitted for reimbursement.
 3. Outstanding vouchers submitted for replenishment of funds, but not yet received should equal the authorized Branch Fund.

The total of the three items above should always equal the total amount advanced under the Branch Fund.

Branch Fund Loss

In the event a shortage is discovered in the Branch Fund. The department must follow the procedures below.

1. Contact by phone, the UCHC Police Department and report the missing money. Simultaneously, the department must notify in writing the Bursars Office that a report was made to the UCHC Police Department reporting the missing money.
2. A case / incident report is compiled by the Police Officer and remains within that office for investigation. UCHC will determine the course of action based on the outcome of its investigation. This may include arrest and or dismissal.
3. Bursar's Office and Department must request a copy of the Case/Incident Report for documentation.

Application to Replenish Lost Branch Fund

Before a department can apply for a replenishment of funds, a meeting must be scheduled with the Bursars Office, the department custodian and promissory note holder of the lost fund.

A review of the Branch fund policies and procedures, the UCHC Police Case/Incident report and the business purpose will be looked at in determining re-establishment of the fund. It is at the discretion of the Director of Finance as to the approval of reissuance.

If Branch Fund replenishment is approved, a new application must be filed with the Bursars Office and the original lost Branch Fund be closed out and all expenses will be charged to the department's account.

Branch Fund Overage

Any Branch Fund overage identified at the time the quarterly report is completed should be returned to the Bursar's Office. Cash is not to be sent through the interoffice mail. Please hand carry to 2nd floor Munson Rd. –Bursars Office.

Quarterly Report:

How and When to submit a Branch Fund Quarterly Report

A Branch Fund Report is required for each Branch Fund authorized. The Report should be submitted to the Manager of the Bursars Office within 15 days of each quarter end: March 31, June 30, September 30 and December 31 of each year the fund is operable.

It must be fully completed. Including the Branch Fund #, Department Name, Mail Code, FOAPAL, Location of the Fund, Telephone #.

The separation of cash on hand is divided up into currency and coin. Receipts for expenditures must be accounted for separately than replenishment receipts in process.

Reminder notifications will be sent out by the Bursars Office the 1st week of each month the quarterly reports are due.

IF THE QUARTERLY REPORT IS NOT SUBMITTED FOR TWO (2) CONSECUTIVE QUARTERS, THE BURSAR'S OFFICE MAY REVOKE THE BRANCH FUND.

Periodic Audit:

- Authorized funds will be evaluated by Finance and the department promissory note holder quarterly to determine if the dollar amount is sufficient for the usages.
- Periodic checks may be made by Finance:
 1. To perform a cash audit in the presence of the custodian.
 2. To verify that established procedures are being followed.
 3. To verify that the cash on hand, and un-replenished vouchers are in balance with the total amount authorized.

4. To verify that all other items included in the balance such as vouchers, receipts, etc. are consistent with the purpose of the fund.

INSTRUCTIONS FOR COMPLETING THE BRANCH FUND REPORT:

Department Name/MC: Department in which Branch Fund was assigned.

Branch Fund #: Is the number that is assigned by the Bursar's Office to that specific fund, it is given out at the time the fund is established.

Location of Funds: Department in which Branch Fund resides.

Actual Cash On Hand: The amount of cash on hand at the end of the reporting period. Listed out by currency and coin.

Receipts for Expenditures on Hand: Receipts not yet submitted for reimbursement.

Replenishments in Process: Receipts that have been submitted for reimbursement, but monies have not been received at the end of the reporting period.

TOTAL: Total of the above three items. The total should equal the Authorized Branch Fund Balance issued. If total is less than authorized amount (\$10.00 or more) attach a police report.

Please check the appropriate box indicated if the Branch Fund total amount is still needed or the Branch Fund amount can be reduced.

SIGNATURES: Both the Promissory Note holder and the Custodian must sign the form. If a single person holds both titles they should sign in both locations.