

CHANGE FUND PROCEDURE GUIDE

Statement

This policy establishes the proper uses and administration of change funds. These funds are only issued for specific purposes for a limited period of time. In rare circumstances, a program may be issued a change fund for extended periods of time. Change funds are issued in order to efficiently process cash transactions, where there is a cost of admission and individuals may utilize cash for the transaction.

The Foundation requires each change fund to have an approved Custodian, who documents each transaction and safeguards the funds. The University designated supervisor of the Custodian and the Division or College Financial Manager (Director of Operations and Administration) review and approve the creation, maintenance, and reconciliations of the change funds.

Procedures

1. **Understand appropriate uses of change funds.** Change funds should not to be used as an operating fund, i.e., to pay invoices for goods or services, to pay salaries or wages, or to make advances or loans. These funds are specifically utilized for cash transactions as a component of a program or event's operation.
2. **Designate a Change Fund Custodian.**
 - A. Each fund must have a Custodian approved in writing by their supervisor and the Division or College's Financial Manager. The Change Fund Custodian is responsible for the fund and the requirements thereof. The Custodian is responsible for the appropriate safe-keeping of the change fund in adherence to the University's Cash Handling Procedures.
 - B. Custodians must be CSUN or auxiliary employees. Student Assistants may not be custodians.
3. **Establish the change fund.**
 - A. Units or Departments are responsible for submitting the check request for the change fund. The request should indicate the reason and duration for the change fund. The check request is signed by the custodian's supervisor and the Division or College's Financial Manager.
 - B. The Unit or Department should evaluate the size of the change fund based on the proposed cash transactions. The Foundation will also work with the Unit or Department to coordinate other transactions, i.e., checks and credit cards, with appropriate support. Generally, change funds used for events not exceed \$300. The maximum change fund allowable is \$500.
 - C. Change funds will be returned to the CSUN Foundation within three (3) working days after the program or event's conclusion. The change fund will be differentiated from the transactions of the program or events.

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4. **Safeguard the cash.**

- A. Keep the change funds in a secure area such as a locked drawer or small safe. A cash box can be obtained from the Foundation for use during the program and event.
- B. In the event of theft, the Custodian should notify his/her immediate superior as well as the University Police.

5. **Document transactions.**

- A. The Custodian is responsible for maintaining a list of transactions.
- B. Transaction documents can be obtained from the Foundation to assist. Similar documents are utilized for credit card transactions.
- C. The transaction list will be returned alongside the deposit and the change fund return. All transactions should reconcile.

6. **Long-term Change Funds.**

- A. The Foundation's Chief Financial Officer may approve the creation of a change fund with a time span unrelated to a specific event.
- B. These change funds will involve transactions of an ongoing nature, such as alumni membership dues or library book sales. In these situations, the custodian in coordination with their direct supervisor and the Division Vice President/College will indicate their approval on the Change Fund Acknowledgement Form.
- C. Unannounced cash counts and reconciliation of change funds will be performed by the CSUN Foundation on a semi-annual basis. These reconciliations will be conducted by members of the Foundation staff and reviewed by the Foundation Chief Financial Officer.

Responsibilities and Contacts

Change Fund Custodians are responsible for disbursing cash from the fund as part of a program or event, documenting related transactions, and safeguarding the change fund.

Custodian's Supervisor is responsible for reviewing the requests for change funds and the reconciliation of the change fund prior to its return to the Foundation.

Division and College Financial Managers are responsible for ensuring that departments and programs abide by this policy and the accompanying procedures. They also must approve any request for a change fund.

CSUN Foundation is responsible for tracking change funds, reviewing the transaction list, and ensuring compliance with this procedure.