

Association of Government Accountants
Nashville Chapter
Policy #3 – Authorization and Operation of the Cash Change Fund
August 8, 2006

1. *Purpose* – The change fund shall be established solely for the purpose of making change at business meetings, educational functions, and other events for which attendants pay fees.
2. *Establishment and Authorization* – The Chapter Treasurer (i.e., custodian) must make a written request (e.g., via email) to the CEC with the following criteria for the change fund to be established:
 - a) state the purpose for which the cash change fund is to be used,
 - b) state the amount requested,
 - c) state that strict adherence to Chapter internal control procedures will be in place to safeguard the fund and prevent misuse, and
 - d) state by name who the backup custodian will be.

Upon passage of this policy, a General Ledger account will be set up. The Treasurer will cash a check at the Chapter's financial institution to establish the initial cash for the change fund. The established amount of the fund is limited to the cash requirements of a short period of time. The change fund should be established shortly before the first luncheon business meeting and deposited back into the checking account shortly after the last luncheon business meeting each year. If need for the fund ceases to exist or if the fund is handled improperly or not in accordance with the Chapter's written policies and procedures, the President is authorized via majority vote of the CEC to rescind the policy.

3. *Amount* – The cash change fund shall not exceed one hundred dollars (\$100.00).
4. *Custodian* – The Chapter Treasurer will be the custodian of the change fund and solely responsible for the amount of the fund. The custodian shall be authorized to withdraw funds from the account to make change. The custodian must keep the fund under lock and key at all times with the key in his/her possession. Responsibility for the fund may not be shared between two or more people. The custodian may have a backup with the approval of the CEC (e.g., in case he/she was unable to attend an educational event or business meeting). However, the custodian will still be solely responsible for the full amount of the fund. To change custodians, a letter must be sent to the President requesting a change and appointing a new custodian.
5. *Operation* – At all times, cash on hand must equal the original amount of the fund. The fund is subject to review at all times by either the President or individual selected to perform the Chapter's annual review. No expenditures for wages, cash advances, or loans may ever be paid from the fund. No personal checks may be cashed from the

fund. The fund may not be used to reimburse small purchases. The change fund can only be used for the purpose established in paragraph 1 above.

6. *Replenishment of the Cash Change Fund* – From time to time, the custodian may need to replenish the fund's supply of small bills and change. The custodian may take the fund to the bank to make change. The fund may not be replenished by anyone other than the custodian who is fully responsible for the fund. If the fund is stolen or if any of the funds are missing, the custodian must notify the President and CEC members immediately.

Prepared by: Gerry Boaz, President