Frequently Asked Questions (FAQ)

Q: How long does it take for requests to be processed?
   ➢ Allow for 2 weeks of processing time. If all documentation is provided and questions are answered in a timely fashion the length of time may be less.

Q: Who should sign the ‘Organizational Unit Authorizing Signature’ line?
   ➢ A fiscal staff member listed on the speedtype of the requested program should sign this line.

Q: Who should sign the ‘Administrative Compliance Approver Signature’ line?
   ➢ The Finance Office will obtain that signature from the correct person in the Office of Grants and Contracts once all supporting documentation is provided and questions are addressed.

Q: Where should I send my request for a Gift Card, Petty Cash, or Change Fund Program?
   ➢ pcgc@ucdenver.edu

Q: Can I purchase gift cards before a gift card program is approved through the Finance Office?
   ➢ No. The purchase of gift cards must be reviewed and approved in advance by the respective campus controller’s (Finance) office.

Q: What does the term ‘Custodian’ mean?
   ➢ Custodian: Responsible for ensuring that all purchasing, security, dispensing, tracking, and replenishing procedures are followed. Gift cards must be secured at all times, e.g., in a locked box inside a locked cabinet or drawer accessible only by the custodian.

Q: Can a POI be Custodian for a Gift Card, Petty Cash, or Change Fund program?
   ➢ No, an employee of the University is the only allowable type of custodian.

Q: Can a Student Employee be Custodian for a Gift Card, Petty Cash or Change Fund Program?
   ➢ No, Student Employees are not allowed to be custodians for any of these programs.

Q: How often should the Internal Controls/Cash Handling Procedures documentation be updated?
   ➢ Any time there is a change to the program (i.e. change in custodian, process, etc.). The updated internal controls/cash handling procedures should be sent in to pcgc@ucdenver.edu so they may be reviewed and placed with the program’s file.

Q: How do I secure my Petty Cash/Change Fund/Gift Cards?
   ➢ Funds/Gift Cards must be kept in a locked location such as a locked cash box or bag, and secured at all times. As the custodian, you are the only who person who should have access to the cash box.

Q: I am the Custodian of multiple gift card or petty cash fund program, can I store them in the same locked box?
   ➢ Each program should be housed in its own secure location (lock box). Funds should not be combined.

Q: What type of receipts should I use for distributing the fund?
Pre-numbered receipt books with at least one carbon copy should be used. The top copy should go to the recipient of the payment (or gift card), and the carbon copy can stay in the receipt book with the fund/cards.

Q: What should be on the receipt when distributing gift cards or cash payments?
   ➢ All receipts should include: Date distributed, Name of Recipient (or Study Subject ID), and Dollar Amount of cash/gift card, Purpose for distribution, and Recipient Signature (or Initials for Study Subjects).

Q: I am the custodian of a Petty Cash or Gift Card program and someone other than me needs to distribute a payment, what should I do?
   ➢ The custodian may temporarily transfer funds/gift cards to other organizational unit personnel prior to the actual expenditure. The two parties must sign and date a memorandum identifying the amount and acknowledging the transfer of responsibility, the recipient must agree to be held accountable for the safeguarding of the funds and for dispensing payments in accordance with the approved business purpose. The purpose of the memorandum is to ensure that responsibility for the funds rests with a single individual at any point in time. The Custodian must retain a copy of the agreement in with the fund/cards until the funds/cards or receipts are returned.

Q: What is a Gift Card?
   ➢ Gift Card: Cash-like instrument used in lieu of cash or check

Q: Are there any brands of Gift Cards that are NOT allowed?
   ➢ Electronic Starbucks cards are currently not allowed per the PSC.

Q: Can gift cards be used for Payments to Study Subjects?
   ➢ Yes, however, Study Subject payments of more than $100 cannot be made through gift cards but must be issued via Study Subject Payment (SSP) forms. More information on this process can be found through the Procurement Service Center webpage.

Q: Can electronic gift cards be used?
   ➢ Yes, please indicate this at the time of the program set-up. If this is a change to an already approved gift card program please email pcgc@ucdenver.edu for instructions.

Q: How should associated activation fees for gift cards be accounted for?
   ➢ The dollar amount of the activation fees should be included in the authorized amount of the gift card program. If activation fees will bring the dollar amount of gift cards over the authorized amount please reach out to pcgc@ucdenver.edu to increase the authorized amount of the gift card program.

Q: Which gift cards have associated activation fees?
   ➢ Common cards that include activation fees are Visa & Mastercard gift cards. The dollar amount of the activation fee varies based on the store they are purchased from, and the dollar amount of the gift card.

Q: Can I use gift cards for student academic awards?
   ➢ No, all student awards must go through the Financial Aid Office.
Q: How will I know that my request for gift card purchase authorization is approved?
   ➢ You will be notified by pcgc@ucdenver.edu with information on the program approval.

Q: Which Account Code should I use when purchasing gift cards for my Approved Gift Card Program?
   ➢ Use the Account Code identified in the program approval email from pcgc@ucdenver.edu. If you are not sure please ask.

Q: What methods can I use to purchase Gift Cards once a program is approved?
   ➢ Gift Cards may be purchased using the University Procurement Card, or a purchase order in CU Marketplace.

Q: How many gift cards should I purchase at one time for my program/study?
   ➢ Gift cards should only be purchased as needed to avoid a surplus card inventory, best practice is to only purchase/have on hand the amount of cards necessary for a two week period of time.

Q: How can I update an approved gift card program?
   ➢ Updates must be requested by submitting a form indicating the change to pcgc@ucdenver.edu. Changes should be approved by the Finance Office before they are implemented.

Q: Do I need to spend the full authorized amount for the gift card program?
   ➢ No, you do not need to spend the full authorized amount. The authorized amount is the maximum dollar amount you may spend on gift cards for the approved business purpose – you are not to spend more than that amount without prior approval from the Finance Office. To increase the dollar amount of a gift card program please submit an update amount form to pcgc@ucdenver.edu.

Q: Can I extend the end date of my gift card program?
   ➢ Yes. Please write in ‘Extend End Date’ at the top of a new request form, complete the form, and submit the change to pcgc@ucdenver.edu. See the ‘How to Make a Change to an Approved Gift Card Program’ for an example.

Q: What information should be included in the tracking log for my gift card program?
   ➢ A spreadsheet/log of gift card purchases and disbursements should be kept for audit purposes. This log should tie the receipts (i.e. receipt number and card number) to the purchases of gift cards.

Q: How do I reconcile a Gift Card program?
   ➢ A reconciliation of gift cards should be conducted whenever gift cards are purchased, or at least quarterly. This reconciliation should consist of verifying that the number of cards purchased minus the number of cards distributed agrees with the number of cards on hand. The value of the cards purchased should agree with the amount recorded in the PeopleSoft Finance System. This should be performed by an individual who is not responsible for the issuance or custody of the cards (preferably the department approver) and in the presence of the custodian.

Q: What should I do if there are extra gift cards?
If a surplus card inventory exists please reach out to pcgc@ucdenver.edu for further instructions. If possible obtain a refund from the vendor for the unused gift cards (this is generally difficult). For unused cards that cannot be returned – the Finance Office may be able to find another program to purchase the cards, it may also be possible to change the gift cards’ use/purpose. Purchases of unused gift cards on sponsored project funds will need to be expensed off of the project to an unrestricted funding source.

Q: Help! I’m the custodian of a gift card program and a card is missing, what do I do?
- Any shortage of cards must be reported immediately to the campus controller’s (finance) office. Email us at pcgc@ucdenver.edu and let us know the specifics of the situation.

Q: When I am audited by Finance for my Gift Card Program, what will be the scope of the audit?
- The management of your gift cards is subject to a no-notice audit by the Finance Office. In general we will be looking at the following: 1) The Security measures in place to safeguard the card inventory, 2) That the department has written procedures for card handling/Internal controls, 3) That receipts, tracking/disbursement log contains all required information, and 4) that you can account for all purchases, disbursements, and the current balance of cards.

Q: Are gift cards considered taxable income?
- Yes, all gift cards, regardless of amount, are considered taxable income per Internal Revenue Code.

Q: As a gift card custodian, what are my responsibilities for tax reporting?
- You are required to gather tax reporting information for individuals receiving compensation of more than $100.00 in a calendar year. This will consist of obtaining a completed W-9, maintaining a record of payments for the calendar year, and submitting this information to the Procurement Service Center (PSC) at the end of the calendar year.

Q: What are the restrictions for gift card payments on Study Participation and tax reporting for nonresident aliens?
- Study subject payments in any dollar amount made to non-U.S. residents (non-resident aliens) may not be made through gift cards but must be issued via Study Subject Payment (SSP) forms.

Q: What is the maximum amount of Petty Cash I can request?
- Petty Cash amount requested should be no more than 4-6 weeks’ worth of payments. A single custodian cannot have more than $5,000 per the PSC Procedural Statement: Petty Cash & Change Funds.

Q: I have been approved for a Petty Cash Fund – how do I request the money?
- To obtain the funds you must complete a Payment Authorization and send it to the Procurement Service Center along with a copy of your approved Petty Cash/Change Fund form. For this form you must use the speedtype and amount from your approved request and account code 000200 for Petty Cash Fund.

Q: How do I make disbursements from a Petty Cash fund?
- All disbursements from Petty Cash must be documented with a receipt. These receipts will be needed to reimburse the fund. The type of receipt needed depends on the reason for the disbursement. If your fund is used to purchase items that can’t be purchased through normal procurement methods you will need the actual vendor receipt. Payments for Study Subject participation can be recorded in a Pre-
numbered receipt book with at least one carbon copy. The following information should be included regardless of the receipt used: Date, Amount, Reason for Payment, Recipients Printed name and signature, or in the case of study subject payments: the study subject ID and their initials.

Q: What may Petty Cash NOT be used for?

➢ Petty Cash should only be used for its approved business purpose at the time the program is set-up. If needs have changed please reach out to pcgc@ucdenver.edu to discuss the best course of action. See the PSC Procedural Statement: Petty Cash & Change Funds for a list of all restricted items.

Q: Can I purchase a gift card with Petty Cash to give to a Study Subject instead?

➢ No. Petty Cash cannot be used to purchase cash equivalents (gift cards, money orders, etc.) without prior approval of the appropriate campus controller or his/her delegate. Email pcgc@ucdenver.edu to discuss.

Q: Can I change the SpeedType on an approved Petty Cash Fund or Change Fund?

➢ Yes. Please write in ‘Change SpeedType’ at the top of a new request form, complete the form, and submit the change to pcgc@ucdenver.edu. See the ‘How to Make a Change to an Approved Petty Cash Fund’ for an example.

Q: How often should I replenish my Petty Cash Fund?

➢ Petty Cash Funds must be replenished as follows: at least once per quarter, as well as, at the end of the fiscal year (June), any time the designated custodian changes, and any time a shortage is detected. Do not wait until the full authorized amount has been distributed to replenish – the unit should always have cash on hand. If the fund is very active replenishments can occur more often.

Q: How do I replenish a Petty Cash Fund?

➢ By submitting a Payment Authorization (PA) to apinvoice@cu.edu. Be sure to use proper account code indicated at the time of your request (ie. Study Subjects Account Code is 495102). Do not use account code 000200 to replenish the fund – this code is only used for your initial request or increases/decreases to the fund.

Q: I am the custodian of multiple Petty Cash Funds, can they be replenished on the same Payment Authorization (PA) form?

➢ No, a separate PA must be submitted for each petty cash fund.

Q: How often should I reconcile my Petty Cash Fund?

➢ As custodian, you are responsible for reconciling and ensuring the accurate count of the funds at all times. It is recommended that reconciliation be performed at least once a month and prior to submitting Payment Authorizations.

Q: Help! I’m the custodian of a Petty Cash or Change Fund and cash is missing, what do I do?

➢ Any shortage of greater than 10% of the authorized fund amount must be immediately reported to the campus controller’s (finance) office at pcgc@ucdenver.edu. Shortages are reported using Account
ChartField 552630 (Cash Over/Short) on a Payment Authorization (PA) Form. Overages are reported using Account ChartField 552630 on a Cash Receipt instead of a PA form.

Q: What should I do if there is a theft of my Petty Cash Fund?
➤ Report any theft of Petty Cash Funds to your campus police department immediately. All thefts must be investigated regardless of the dollar amount. Once you have contacted the police, contact the Finance Office at PCGC@ucdenver.edu or (303) 315-2250 to obtain additional instructions. You must provide a copy of the police report when it is available to adjust the Petty Cash Fund.

Q: Do I have to track Study Subject payments made with Petty Cash for IRS reporting?
➤ Depending on the total amount paid – please refer to the email you received at the time your fund request is approved and see if you are required to track payments. If the dollar amount an individual can receive in a calendar year changes please notify pcgc@ucdenver.edu so we may update our records and let you know if this information changes.

Q: What is a Change Fund?
➤ Change funds are exclusively used to make change when receiving cash (e.g., fees or fines) from the public. No expenses of any kind may be authorized from a change fund. Change funds are established in dollar amounts appropriate to need, not to exceed $100,000 per individual change fund and must be secured at all times. The fund must always equal the total authorized amount.

Q: Where should additional questions about Gift Cards, Petty Cash, or Change Funds be sent?
➤ Email pcgc@ucdenver.edu or call the Finance Office at (303) 315-2250