



## Manage Change Fund

Learner Name: \_\_\_\_\_

Learning Event Date: \_\_\_\_\_



Fleet & Family Readiness Training  
5720 Integrity Drive  
Millington TN 38055  
<https://g2.cnic.navy.mil/TSCNICHQ/N9/N94/N947>

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## Table of Contents

When to Take Action .....	3
The Roles and Responsibilities of a Change Fund Custodian .....	4
The Roles and Responsibilities of a Cashier.....	6
Best Practices and Policies.....	8
The Change Fund Procedure .....	9
Final Checklist .....	10

## When to Take Action

- Change Funds are approved and established by the Regional Commander (REGCOM) or Installation Commanding Officer (ICO) and issued to the Fund Custodian for daily operations.
- Change Funds are issued to the Central Cashier or directly to each Supervisor by your department's Fund Custodian.
- Change Funds are issued to Cashiers.
- Amounts of Change Fund or other pertinent information has changed, necessitating a new *Letter of Designation*.
- Change Fund Custodian/Sub-Custodian letters are issued and Point of Sale (POS) system access is assigned.
- Your Program accepts cash for the payment of products and services, making access to a Change Fund necessary.

## The Roles and Responsibilities of a Change Fund Custodian

- Safeguarding funds is one of the key factors in determining the success of your Program.
- The Change Fund Custodian is responsible for maintaining and securing the Change Fund and all receipts collected.
- A copy of the *Letter of Designation* should be safeguarded with the funds, with a copy to be kept in the Custodian's safe. Additional copies can be maintained in the Regional or local Business Office, however, the original must be retained by the Central Cashier or issuing authority. An example *Letter of Designation* is shown on the next page.
- Funds must be kept in an approved safe whenever they are not in use and will be made available for audit and/or verification at any time when the Custodian of that fund is present.
- Supervisors with Employees serving as Cashiers have, by extension, a responsibility for both the performance of the Employees and the security of the Change Fund.
- Upon establishing the Department's Change Fund, pre-determined amounts of the Change Fund can be issued to Cashiers as needed. It is the Fund Custodian's responsibility to decide whether the Change Fund is to be permanent or temporary.

**Permanent:** *Employee has a safe and uses the fund regularly.*

**Temporary:** *Change Fund is issued daily with a receipt and returned to the Custodian at the end of end of the shift.*

- Conduct or ensure surprise/unannounced cash counts occur on a regular basis during normal operating or shift hours (at least quarterly) per Department of Defense (DOD) and Commander, Navy Installations Command (CNIC) regulation.
- Provide each Cashier an individual safe or secure compartment within a safe, where Change Funds will be stored when not in use.
- The Central Cashier maintains a usable Change Fund with currency and coins of varied denominations and quantities. The Change Fund will equal the amount of the approved Change Fund as stated in the *Change Fund Sub-Custodian Cashier Letter*. This fund may be used to replenish change when needed by an Activity Cashier.

MWR MID-ATLANTIC REGION



Fleet Readiness Department

7000  
Code 1066

February 19, 2014

From: Jane Doe, Regional Director  
To: John Smith, Installation MWR Director  
Subj: CHANGE FUND SUB-CUSTODIAN  
Ref: (a) CNICINST 7000.3, Accounting Procedures for Navy  
Nonappropriated Funds  
(b) AIMS User Handbook  
(c) CNICINST 1710.3, Operation of Morale, Welfare and  
Recreation Programs

1. In compliance with reference (a) through (c), you are hereby designated as Change Fund Sub-Custodian for the MWR Department, Site 1066, Mid-Atlantic Region in the amount of \$55,900.00.

*Jane Doe*

Regional Fleet Readiness Director

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My signature below verifies that I have counted and verified the assigned change fund in the amount of \$55,900.00 on this date: 23 February 2014. I have read and received a copy of FRSCSOP #08-001A which documents the responsibilities and the required procedures for handling government funds. Change Fund must be kept in an MWR authorized safe and/or cash register at all times. Employees may not borrow money from my petty cash fund, or substitute a personal check for money from the fund. Employee are responsible for the safety and security of their assigned funds at all times, and are subject to a surprise cash count at any time. Change funds may not be removed from the MWR facility at any time, for any reason. Employees who do not adhere to the procedures for proper handling of MWR government funds shall be subject to corrective and/or disciplinary actions, to include possible discharge, depending on the severity of the offense.

*John Smith*

Installation MWR Director

## The Roles and Responsibilities of a Cashier

- The Fund Custodian has overall responsibility and accountability of all nonappropriated funds within that Department. In turn, the Change Fund Custodian may authorize individuals with a portion of those funds through a process called sub-custody. Through a letter designating the amount of the fund, Cashiers assume responsibility and accountability of the Change Fund. An example letter is shown on the next page.
- Ensure the Change Fund is secure and intact. When it is necessary to walk away from a Change Fund during a shift, the Change Fund must be kept in a locked, secure register or returned to the safe.
- Verify the amount of the Change Fund at both the beginning and end of the work shift. All money must be counted. Each item of currency, both loose and wrapped, and rolled or loose coins must be verified.
- The original amount of the Change Fund issued must be maintained at all times and is to only be used for the purpose of making change.

**NOTE:** *Refunds may be issued by the Activity Cashier out of the register or drawer as long as there are sufficient sales (not including the Change Fund) to cover the amount of the refund. CNICINST 7000.3 and other policies currently allow refunds to be made from the Change Fund of an Activity Cashier; however, this practice is discouraged.*

*Any cash refund over \$150 must be paid by check through the Accounting Office. Credit card refunds can be issued to the card used by the Customer, when an original receipt is provided. Check with a Supervisor on local policy regarding refunds, as each Region may be different.*

Record your Region's policy on refunds: \_\_\_\_\_

\_\_\_\_\_

- Cashiers will ensure the security and accuracy of the Change Fund and all monies collected during a shift.
  - Cashiers will not share Change Funds during a shift or provide a safe key or safe combination to any other individual.
  - In an emergency, the safe key or combination may be shared with the Central Cashier. Safe combinations will be secured in an envelope sealed by and accessible only to the Employee.
  - Report lost safe, register, register drawer, or money bag keys to the Supervisor immediately.



MWR MID-ATLANTIC REGION  
Naval Air Station Oceana  
875 D Ave  
Virginia Beach, VA 23460

FROM: John Smith, MWR Director 28 February 2014

TO: Erica Murray, Bowling Center Cashier

SUBJ: **CHANGE FUND SUB-CUSTODIAN**

Ref: (a) DOD Financial Management Regulations Vol. 13  
(b) Accounting Procedures for Navy Non-Appropriated Funds (CNICINST 7000.3)

In compliance with references (a) and (b), you are hereby designated as Change Fund Sub-Custodian for Oceana Bowling of the MWR Department/NGIS, Mid-Atlantic Region in the amount of **\$400.00**. This memo supersedes any previous authorizations.

John Smith

MWR Director

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My signature below verifies that I have counted and verified the assigned change fund in the amount of **\$400.00** on this date: 3 March 2014. I have read FRSCSOP 08-001A and received a copy, which documents my responsibilities and the required procedures for handling government funds. Change Fund must be kept in an MWR/NGIS authorized safe and/or cash register at all times. Employees may not borrow money from my petty cash fund, or substitute a personal check for money from the fund. All employee are responsible for the safety and security of their assigned funds at all times and are subject to a surprise cash count at any time. Change funds may not be removed from the MWR/NGIS facility at any time, for any reason. Employees who do not adhere to the procedures for proper handling of MWR/NGIS government funds shall be subject to corrective and/or disciplinary actions, to include possible discharge, depending on the severity of the offense.

3/3/14

DATE

Erica Murray

SUB CUSTODIAN

## Best Practices and Policies

- Each Cashier authorized to receive cash must have a separate and secure cash drawer or cash register.
- Safe combinations will be changed upon relief of any individual having access to the safe combination or whenever directed by the REGCOM or ICO.
- Change Funds cannot be used to cash personal checks.
- Change Funds are not authorized for disbursements in lieu of traditional procurement methods including the use of a properly established and authorized Petty Cash Fund.
- Removing a Change Fund from its locked container is prohibited except for providing change or audit.
- Change Funds may not be removed from the premises without prior permission given from the Supervisor. Instances when a Change Fund might be taken off premises are special events, open base events, etc.

**NOTE:** *When the use of cash registers is not practical, the Cashier will be furnished a cash drawer or metal box. When in use, the cash drawer or box will be in the custody of the Cashier at all times. CNICINST 7000.3.*

- Temporary Change Funds will be drawn from a designated location by each Cashier at the beginning of the shift, and deposited in a secure location at the end of each shift.
- Employees are never authorized to have access to another Cashier's Change Fund and receipts.
- Ensure a sufficient amount of change in the appropriate denominations is readily available prior to the start of a shift. Change can be obtained from the Central Cashier as needed.
- Borrowing or any other personal use of an assigned Change Fund constitutes theft and is strictly PROHIBITED and can result in severe disciplinary action. Personal funds and/or effects are not to be stored with a Change Fund.
- Adhere to local Standard Operating Procedures (SOP) regarding the following:
  - Security controls
  - Cashing Employee payroll checks
  - Handling overages/shortages
  - How to receive/return Change Funds
  - Frequency of verification processes
  - Substantiating an increase or decrease in the amount of a Change Fund



## The Change Fund Procedure

### Arriving Shift

#### Permanent Change Fund

1. Take possession of the Permanent Change Fund from a locked safe/compartment.
2. Recount to confirm it is the correct amount and has the right quantities of currency and coins to conduct business.

#### Temporary Change Fund

1. If starting with a Temporary Change Fund from the cash drawer of the off-going Cashier or taking receipt of a Temporary Change Fund from the Central Cashier, count the Change Fund in the off-going or Central Cashier's presence.

#### IF THE CHANGE FUND IS:

**Correct:** *Sign the receipt of transfer.*

**Not Correct:** *Recount the fund. If accepting the fund from the Central Cashier, confirm the difference in the Central Cashier's presence. Make a note for the record. Both the Activity Cashier and Central Cashier maintain a copy of the note. Sign the receipt of transfer.*

*If receiving a Change Fund from the off-going Cashier, recount the fund in the off-going Cashier's presence. The Change Fund passed to the arriving Cashier will equal authorized amount. Notify the Supervisor on duty. Any resultant shortage from the drawer necessary to make the authorized Change Fund will be supported by an approved refund slip or other documentation from the Supervisor on duty. Sign the receipt of transfer.*

2. After verifying the Change Fund, open the shift in the register or POS system. Business and collection of funds cannot be transacted until the shift is open.

## Off-Going Shift

### Permanent Change Fund

1. At the end of the shift, count and separate the assigned Change Fund from all cash in the register.
2. Count currency and coins in quantities needed for the next shift. Return the Change Fund to your safe in accordance with local policy.
3. Prepare the Daily Activity Record (DAR) and end-of-shift reports as applicable. Refer to *Close-Out Procedures*.

### Temporary Change Fund

1. If procedures require that the Change Fund be turned in at the end of a shift, annotate the amount of the Change Fund on the DAR and drop with the cash and receipts generated during the shift.
2. If transferring the Change Fund to the arriving Cashier, count and verify in the arriving Cashier's presence. Both arriving and off-going Cashier sign memo noting the transfer of the Change Fund. Memo to be retained by the arriving Cashier.
3. Prepare the DAR and end-of-shift reports as applicable. Refer to *Close-Out Procedures*.

## Final Checklist

<b>Checklist of Change Fund Actions</b>	✓ Authorized in writing
	✓ Adequately secured
	✓ Received in the amount authorized
	✓ Transfer/receipt signed