

# Petty Cash Policy

Category: Finance & Administration

Number: 4.05

**Responsibility:** Vice-President Finance & Administration

Approval:Board of TrusteesApproval Date:February 26, 2004Issue Date:January 2004Next Review:January 31, 2007

#### INTRODUCTION

Employees may require reimbursement of minor expenses incurred on behalf of university business. In these cases, petty cash floats may be established to provide an effective and efficient method of reimbursement as per the Purchasing Policy.

#### **PURPOSE**

The purpose of this policy is

- To clarify the circumstances under which a petty cash float will be provided.
- To outline the responsibilities of the petty cash custodian.

Petty cash procedures are available which supplement this policy.

## SCOPE

This policy applies to all Brock University departments and faculties.

### **POLICY**

- 1. Petty cash floats will be established or increased based a written request from the Unit Head to the Executive Director, Finance/Controller. The request must provide the following information:
  - the amount requested for the float,
  - the purpose of the float (e.g. procurement cards not practical, various employees pick up office supplies and reimbursement amount sporadic and insignificant),
  - the name of the full time employee who will be the custodian of the fund, and
  - where and how the float will be secured.
- 2. Petty cash balances should not exceed \$500 in any department without specific approval by the Executive Director, Finance/Controller. Consideration should be given to a Procurement Card for those employees who make regular low dollar value purchases for university purposes.
- 3. Petty cash expenses and reimbursements must be completed on the <u>Petty Cash Report</u> form detailing the nature of the expense, expense code and GST as applicable. All original receipts/signed vouchers are to be attached. All Petty Cash Expense Reports must be approved in accordance with <u>Signing Authority</u>.
- 4. The Petty Cash float is issued to the custodian. The custodian is responsible for:
  - Responding to all custodial, reporting and monitoring requests from Finance.
  - Safeguarding and sole custody of the fund.
  - Balancing of the fund (i.e. total of cash and detailed original receipts on hand = total fund amount).
  - Preparing and submitting timely reports to Finance.
  - Obtaining appropriate signing approvals.

Petty Cash Policy 1

- Documenting the reimbursements made from original receipts/signed vouchers: when, to whom, expense account and GST.
- Replenishing the fund, as needed.
- Reporting immediately to Campus Security and Finance Department, any lost or stolen receipts or amount from the fund.
- Requesting training from the Finance Department if in doubt of any of these administrative responsibilities.
- 5. Where another staff member will replace the custodian, the Petty Cash fund is deemed to cease with that custodian.
  - The Petty Cash fund should be balanced and signed off by the present custodian.
  - The Unit Head will inform the Finance Department of the new custodian.
  - Finance will issue a replenishment cheque to the new custodian.
- 6. The following are **unacceptable** uses for Petty Cash funds:
  - Accepting I.O.U. as a reimburseable expense.
  - Accepting personal cheques as a reimburseable expense.
  - Payment for wages, salaries, honorariums, or other similar payments that must be paid through payroll or Accounts Payable to ensure that proper tax forms are issued to the payee.
  - Any reimbursement for an individual amount > \$75.
- 7. Petty Cash replenishment must only be sourced from the reimbursement of expenses paid. Funds from all ancillary fees must be deposited according to <u>Ancillary Fee & Cash Control Policy</u>, and may not be deposited to Petty Cash for interim fund replenishment.
- 8. If it is determined that a Petty Cash fund is no longer required, all outstanding receipts and unused cash should be submitted to the Accounting Manager's office or delegate, with instructions to close the Petty Cash "account".
- 9. Petty cash funds, like all other assets and expenditures may be subject to review by the Finance Department, Internal Audit, the External auditors or by funding agency auditors.
- 10. The Finance Department will confirm with the custodian and Unit Head: the existence; monitoring; safeguarding; balancing; and use of all Petty Cash funds periodically, and at a minimum, annually.

# **RELATED POLICIES**

Procurement Cards
Purchasing
Ancillary Fee & Cash Control Policy
Signing Authority

Petty Cash Policy 2