



Team Name: Accounts Payable	Reference Number: ORG.1311.PL.001
Team Lead: Regional Manager - Corporate Financial Services	Program Area: Finance
Approved by: VP Finance & Planning	Policy Section: Accounts Payable
Issue Date: October 25, 2017	Subject: Petty Cash
Review Date:	
Revision Date:	

POLICY SUBJECT:

Petty Cash

PURPOSE:

To determine the criteria by which petty cash funds will be established and approved and to provide guidance on proper management of those funds.

BOARD POLICY REFERENCE:

Executive Limitations (EL-05) Financial Conditions & Activities

POLICY:

General Purpose of Petty Cash Funds

Petty cash funds are intended to be used for small, incidental purchases. The amount of the fund should not exceed the amount of expenditures ordinarily required in a 30 day period. The petty cash fund is to provide cash to employees sufficient to cover minor expenditures. The use of petty cash funds should be limited to reimbursement of staff members generally not to exceed \$25. Petty cash is to be used for minor expenses such as taxi fares, postage, office supplies, etc.

Expenditures and Reimbursements

- A receipt must be obtained for each petty cash expenditure. Such receipts normally include cash register or point-of-sale receipts. Individuals requesting reimbursement from petty cash must sign the receipts. For each disbursement, the following information must be documented.
 - Payee
 - Date of purchase
 - Amount
 - Business purpose and description of purchase
 - General Ledger Code
 - Signature of the reimbursed individual (indicating receipt of funds)
- To obtain replenishment of petty cash funds, a Petty Cash Reimbursement form must be used. The form, with all applicable receipts attached, shall be submitted to Accounts Payable.
- Petty Cash Reimbursement requests must be signed by the custodian and by an authorized individual.

- Petty Cash Reimbursement requests should be submitted on a timely basis (e.g., when the remaining cash balance equals average weekly purchases).
- All expenditures shall be rounded to the nearest nickel based on change received per the receipts.

Prohibited Uses

- Petty cash funds may not be deposited into personal bank accounts or commingled with other funds.
- Purchases of goods and services for more than \$25 should not be made with petty cash.
- Salaries, wages, or similar payments to individuals.
- Purchases of goods and services for the personal use of facility or staff members.
- Payroll advances and loans to employees.
- Reimbursement for employee travel expenses, such as mileage, gas, parking and meals (excluding meal vouchers). These should be submitted with an Employee Expense Claim form. Direct deposits to the employee bank accounts occur for expense claims.

Maintenance and Security of Funds

- Petty cash funds should be properly secured at all times. Access to the funds should be restricted to one person (e.g., the petty cash custodian or a specified cashier).
- Cash on hand and receipts for disbursements made should always equal the assigned amount of the petty cash fund.
- Petty cash funds are subject to unannounced verifications by management of the responsible department. At the time of the audit, the petty cash custodian must provide a full accounting of the fund.

Annual Review of Petty Cash Funds

- Annually, the petty cash custodian and department head, or designee (other than the custodian), are required to review each petty cash fund under their control and verify the following:
 - The fund is still needed for the amount authorized.
 - The sum of cash on hand and receipts for unreimbursed expenditures is equal to the amount which has been authorized.
 - The funds are secured and not deposited in a separate bank account.
 - This petty cash policy and supplemental guidelines has been reviewed and the fund is being used in accordance with this policy.

DEFINITIONS:

Custodian – The person responsible for the day to day operation, management and security of the petty cash fund within the site, program or department.

SUPPORTING DOCUMENTS:

[ORG.1311.PL.001.FORM.01 Petty Cash Reconciliation Form](#)

[ORG.1311.PL.001.FORM.02 Petty Cash Accountability Form](#)

[ORG.1311.PL.001.FORM.03 Petty Cash Reimbursement Form](#)