

Financial & Administrative Services

PETTY CASH PROCEDURES Supplemental to the Petty Cash Policy

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 these procedures is

- To clarify the documentation required for petty cash reimbursement,
- To outline the responsibilities of the Finance department as related to Petty Cash.

These procedures supplement the existing Petty Cash Policy.

Procedures

- 1. Petty cash floats will be established or increased based a written request from the Unit/Department Head to the Controller & Manager of Finance or delegate. 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. The original request will be kept on file in the Accounting Officer's Office or delegate. The amount, custodian, and safeguarding method of each Petty Cash Fund will be confirmed at a minimum annually, in writing by the Accounting Officer or delegate.
- 3. All initial Petty Cash funds established must be recorded in general ledger cash account. If it is determined that a Petty Cash fund is no longer required, all outstanding receipts and unused cash must be submitted to Finance and the balance related to the Petty Cash fund should be credited.
- 4. In the event that funds are misplaced, stolen or unaccounted for, funds/receipts not returned to Finance will be charged directly to the responsible department's expense account and the Petty Cash fund may not be replenished.
- 5. All petty cash funds should be replenished prior to year-end to ensure all expenses are properly recorded in the general ledger.

- 6. All disbursements from and reimbursements of Petty Cash must be approved in accordance with Signing Authority policy.
- 7. The custodian of each Petty Cash fund is the only individual who is authorized to request replenishment. The cheque to replenish the fund must be issued in the name of the custodian. Where a change in custodian is required, the fund is balanced and closed off by the present custodian, and a reimbursement cheque is issued to the new custodian.
- 8. Finance is responsible to:
 - Verify Petty Cash Report is signed by the custodian
 - Verify Petty Cash Report is approved by the appropriate individual in accordance Signing Authority policy
 - Ensure sufficient training is provided to any Petty Cash custodian
 - Verify that all amounts are properly supported by original receipts/signed vouchers
 - Ensure general ledger coding for expenses and taxes appear reasonable
 - Process a cheque to replenish the Petty Cash Fund in the amount detailed on the Petty Cash Report or return the Petty Cash Report to the custodian with an explanation of why a cheque cannot be processed
 - File a copy of the replenishment cheque with the Petty Cash Report and all original receipts/vouchers in Accounts Payable, Finance
 - Perform random audits to ensure compliance to the Petty Cash Policy
- 9. 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
 - Documenting the reimbursements made from original receipts/signed vouchers: when, to whom, expense account and taxes
 - Replenishing the fund, as needed
 - Reporting immediately to Campus Security and Finance, any lost or stolen receipts or amount from the fund
 - Requesting training from Finance if in doubt of any of these administrative responsibilities.