



COLLEGE OF THE NORTH ATLANTIC

OPERATIONAL PROCEDURE

TOPIC: PETTY CASH

Procedure No.	FA-317-PR	Division	Finance & Administration
Supersedes	n/a	Board Policy Ref.	n/a
Related Policy	FA-317	Effective Date:	June 8, 2011

PROCEDURE

1.0 Establishing a Petty Cash Fund

In order to establish a petty cash fund at a building or campus, the following procedures will be carried out:

- a) A request, with an appropriate rationale included, will be submitted in writing to the Accounting Manager.
- b) Upon approval, the requestor will designate a petty cash custodian to be responsible for the fund.
- c) The petty cash custodian will be required to complete an "Acknowledgement of Responsibility for Petty Cash" form and submit to the Accounting Manager.
- d) Petty cash funds will then be disbursed to the petty cash custodian.

2.0 Safekeeping of Petty Cash Funds

Safekeeping of petty cash funds needs to be maintained at all times. The following procedures will apply:

- Petty cash is required to be kept in a secure location in a locked cash box.
- College monies should never be left in cabinets or desk drawers overnight.
- Access to petty cash is to be limited to as few people as possible, namely the petty cash custodian and a backup for periods where the primary custodian is absent.
- Whenever petty cash changes hands, it should be counted in the presence of at least two individuals to ensure that it is in order, and a "Cash Float Count Sheet" should be completed and signed by the two individuals.
- Having a backup handle the petty cash should be a rare occurrence.

3.0 Reimbursements from Petty Cash

Petty cash is available for use for purchases up to \$75.00 including taxes. In extenuating circumstances purchases over this limit may be approved by the Comptroller. Employees utilizing petty cash may either make purchases directly out of their own funds, or obtain the petty cash prior to making their purchase.

3.1 Items Not Reimbursable

No reimbursements will be made from the petty cash fund for items that are specifically disallowed such as:

- travel expenses;
- entertainment expenses (meals incurred on behalf of others);
- advertising;
- vehicle expenses;
- alcoholic beverages;
- clothing entitlements;
- donations;
- leases and rentals;
- maintenance agreements;
- personal items;
- professional services;

- seminars;
- memberships;
- telephones or cell phones;
- cashing of personal cheques;
- making loans; or
- advances.

As well, reimbursements between campuses are not allowed without an authorizing signature of the Manager responsible for the budget at the other campus location.

3.2 Reimbursement Procedures

In order for employees to be reimbursed through petty cash funds, they must do the following:

- Complete an internal requisition form and attach the original receipt to it. Receipts should contain only the approved item(s) to be paid out of petty cash; no personal items should be included.
- Have the internal requisition approved and signed by their immediate supervisor.
- Bring the internal requisition to the petty cash custodian for reimbursement.
- The petty cash custodian will record the transaction on a petty cash voucher and both the custodian and employee will sign the voucher.
- The custodian will disperse the funds to the employee, and place the receipts in the petty cash box until petty cash funds are replenished.

4.0 **Advance Disbursement**

In some cases, it is not possible or practical for an employee to make a purchase from their own funds. In these situations, the petty cash custodian may make an advance disbursement to the employee for the estimated amount of the required purchase. The following procedures will apply:

- The employee will supply the petty cash custodian with an approved internal requisition form signed by their supervisor, with the estimated amount of the purchase.
- The petty cash custodian will complete the petty cash voucher based on the estimated cost. The employee will sign as having received the monies to complete the purchase.
- Subsequent to the purchase, the employee will retain the original purchase receipt and return it and the change (if any) to the petty cash custodian.
- The petty cash custodian will verify that the amount of the receipt and the amount of the change (if any) equals the amount initially disbursed.
- The petty cash custodian will update the petty cash voucher previously completed with the actual amount of the expense, and calculate any amount owing to either the College or the employee.
- The petty cash custodian will indicate on the receipt that the item was reimbursed through petty cash.

5.0 Replenishment of Petty Cash

- The petty cash custodian will replenish the petty cash funds on a timely basis, at least monthly regardless of the amount to be replenished.
- The total of receipts plus the cash remaining in the box should equal the total amount in the petty cash box at the beginning of the period.
- In cases where the petty cash and receipts do not reconcile, it is the responsibility of the petty cash custodian to find the error and correct it.
- If the petty cash custodian is unable to find the error, the custodian must report the overage/shortage to his/her supervisor.
- The petty cash custodian will complete the “Petty Cash Voucher Listing” and the “Petty Cash Reimbursement Summary”.
- The “Petty Cash Voucher Listing” needs to be completed for each voucher showing the account code, amount, and the tax code. If a

receipt contains both taxable and non-taxable items, that voucher will need to be broken down with amount for both taxable codes.

- The “Petty Cash Reimbursement Summary” must be completed with a summarized listing of account codes, as well as the appropriate tax codes.
- The “Petty Cash Voucher Listing”, “Petty Cash Reimbursement Summary”, and vouchers with receipts must be forwarded to Accounts Payable for cheque reimbursement with appropriate Supervisor and Organizational Budget Analyst approvals.

6.0 Changes to Petty Cash Custodians

- Supervisors are responsible for reporting any changes in petty cash custodians to the Accounting Manager.
- Supervisors will provide the new petty cash custodian’s name and a signed “Acknowledgement of Responsibility of Petty Cash” form to the Accounting Manager.
- When a new custodian takes charge of a petty cash fund, the former custodian will replenish the fund.
- The Accounting Manager will update his records accordingly.

Approval History	
Approved by President	June 8, 2011
Next Review	June 2013