 <p>Belmont High School <i>'Strive for the Highest'</i> www.bhs.vic.edu.au</p>	<h1>Petty Cash Policy &amp; Procedure</h1>	
<p>Policy Status: Final</p>	<p>Document Owner: Business Manager</p>	<p>Authorised by: BHS School Council</p>
<p>Date of issue: 07/12/2021</p>	<p>Review Date: Dec 2022</p>	<p>Version 7</p>

## PURPOSE

The purpose of the Petty Cash Policy and Procedure is to provide the parameters under which petty cash funds can be used for urgent and emergency miscellaneous and school related expenditure of low value, where payment through the accounts payable system is not justified or appropriate.

## PRINCIPLES

The Petty Cash Policy is intended to enable the School to balance the need for effective control over the acquisition of goods and services of low value, against the processing costs associated with low value acquisitions. Applicable to all employees, parents and the community members of the School

## SCOPE

The Petty Cash Policy and Procedure applies to all employees of Belmont High School. Petty cash funds may only be used for urgently needed appropriate School expenditure. In cases of non-compliance to the Expenditure Policy, employees who incurred the expenditure may be required to repay the School.

## PETTY CASH ADVANCES


The Principal, with the permission of the school council, may establish a petty cash advance under the following conditions:

- The initial advance is to be established by drawing a cheque made payable to the advance holder, that is the member of staff responsible for the custody and control of the cash advance, and opened to 'pay cash';
- In normal circumstances, a petty cash advance should be sufficient to pay the expected petty cash expenditure for a month;
- Each petty cash advance is to be maintained on the imprest system. This means that only the aggregate of the actual (monthly) payments are claimed by way of reimbursement. Therefore, the amount of the advance is accounted for at any time by the production of cash/ vouchers totaling the advance.

Advances are to be adjusted at the end of each school year by either:

- the repayment of cash equal to the advance;
- the production of vouchers equal to the advance;
- the production of cash and vouchers equal to the advance.

Authorised advances may be re-established at the beginning of the next year.

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## RESPONSIBILITIES

**Custodian:** A Belmont High School employee appointed by the Principal to take responsibility for the day to day management of the Petty Cash Advance. For the purpose of this Policy, the Custodian for the Administration Office will be the Business Manager or another delegated employee approved by the Principal.

It shall be the responsibility of the Principal to consider any application by a department area for a petty cash advance. If approved, it is the responsibility of the Business Manager to nominate a Petty Cash Custodian for that department. It shall be the responsibility of the Petty Cash Custodian to manage the amount of the float and to ensure that the procedures specified in this policy are implemented appropriately.

The Petty Cash Custodian is responsible for:

- Ensuring the Petty Cash Fund is secure at all times
- Retaining acceptable supporting documentation such as receipts and tax invoices
- Maintaining a Petty Cash Register
- Monitoring and reconciling the Petty Cash Float
- Reporting the loss of funds to the Business Manager as soon as any loss is discovered

A Petty Cash Advance Form Custodian (FIN F.1.01) will be completed by each Custodian (See Attachment A)

### Petty Cash Advance

The amount of the petty cash float shall be as determined by the Principal for each department unit.

The below nominated advances have been determined:

- Bio Lab - \$200
- Library - \$100
- Science - \$300
- Administration Office - \$200


A Register of Petty Cash Custodians will be maintained.

## PETTY CASH MANAGEMENT PROCEDURES

The objectives of the Procedures are to ensure adequate control is maintained over Petty Cash expenditure and that Petty Cash payments are supported by proper documentation.

### Expenditure/Monetary Limit

Petty Cash may be used for the urgent direct acquisition of goods and services up to the maximum value of \$40 per transaction. Reimbursement for items of a higher value should be made through Accounts Payable. Any exceptions to the limit can be authorised at the Custodian, Principal or Business Manager's discretion.

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## Petty Cash Use

Each Petty Cash Custodian shall ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods such as purchase orders, purchase cards or staff reimbursement or be dealt with through normal accounting procedures.

Each Petty Cash Custodian shall require all expenses incurred using petty cash funds to be substantiated by an itemised tax invoice to establish the nature of the expenditure.

An EFTPOS receipt will not be accepted as a valid tax invoice.

It is the duty of the Petty Cash Custodian to ensure that the disbursement is appropriate and is an allowable expense.

A Petty Cash Expense Claim Voucher is required to be completed by the Claimant and authorised by the Budget Leader and an authorised Financial Delegate.

The Petty Cash Custodian will date stamp the Petty Cash Expense Claim Voucher as **"PAID"** when petty cash is disbursed to the Claimant.

## Petty Cash Expense Claim Vouchers (See Attachment B)

A Petty Cash Expense Claim Voucher must be completed for all petty cash claims. The petty cash voucher must include:

- The date of the claim
- The name of the person who incurred the expense
- Subprogram code and Expense GL Code
- Expenditure Details/Purpose
- The expenditure amount
- Signature of a Budget Leader and Business Manager
- Signature of the person collecting the cash, and
- Tax invoice or receipt to support the expenditure.
- Signature of an authorised financial delegate (Principal or Business Manager)

Petty cash claims without the appropriate tax invoice/receipt will be declined


## Reconciliation and Reimbursement of Petty Cash Advance (float)

The Petty Cash Custodian must monitor the petty cash float balance and when reimbursement is required, the Petty Cash Custodian should reconcile the petty cash vouchers with the float. The Petty Cash reconciliation spreadsheet FIN F.1.03 (see Attachment C) should be kept up to date at all times.

The reconciliation confirms that the cash funds on hand, plus petty cash vouchers equal the float total.

The reconciliation spreadsheet should be authorized by LAL/Department Manager and then submitted along with payment vouchers and tax invoices on a monthly basis or when replenishment is required to the Business Manager for approval.

The Petty Cash Float will be subsequently replenished to the appropriate float level.

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## Security

In accordance with internal control procedures, the delegated Custodian is to manage and be accountable for Petty Cash advances. Therefore, no other person is entitled to access the advance. The Petty Cash Custodian cannot delegate control of the float to other employees. If the Petty Cash Custodian is unavailable, payment cannot be made by that means.

Petty cash should be kept in a secure (locked) location and the key held securely.

## Audit

The principal, or an officer appointed by the principal, must carry out checks (at least two per year) where they monitor the petty cash balances without having given advance advice of the check.

## Breaches of this Policy and Procedure

Breaches of this Policy and Procedure will be investigated as potential breaches of School's Procurement Policy, relevant Code of Conduct, this Policy and Procedure and actions taken according to outcomes from an investigation.

## Related Documents

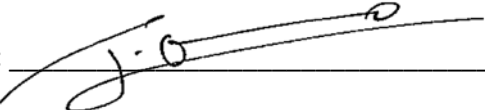
Petty Cash Advance Form – Custodian (Attachment A)

Petty Cash Expense Claim Voucher (Attachment B)

Petty Cash Reconciliation (Attachment C)

## REVIEW CYCLE AND AUTHORISATION

This policy was ratified by School Council and was last updated on 07/12/2021 and is scheduled for review in December 2022.

Signed:  (School Council President)

Signed:  (School Council Executive Officer)