



<i>FINANCIAL POLICY AND PROCEDURES</i>		<i>Instruction Number:</i>
<i>Subject:</i> Petty Cash Policy and Procedures		<i>Date Issued:</i> December 12, 2005
<i>Title:</i> Petty Cash Policy and Procedures		<i>Date Revised:</i>
<i>Issued by:</i> Controller	<i>Approved by:</i> Assistant Vice-President, Financial Services	

Purpose:

To communicate our responsibility for the effective use and security of Dalhousie University’s petty cash funds. This policy informs units and individuals on the use of petty cash, their responsibilities in preventing loss and/or discrepancies in the balance of petty cash fund, and satisfying financial audit requirements through compliance with established procedures.

Definition:

- Custodian - The individual to whom the petty cash fund is issued.
- Account Holder - Individual authorized to approve expenditures charged to an account(s) in accordance with University policy and procedures. The account holder is determined by the fund type of the account as follows:
 - Operating, Capital, and Endowment funds - generally the Dean, Director or Chair of the budget unit.
 - Research and Special Purpose - the principal investigator or authorized individual.

Policy:

General

A petty cash fund is intended for eligible cash expenditures of less than \$100 per transaction for which it would not be cost effective or expedient to issue a cheque.

The amount of the petty cash fund shall normally not exceed \$250. Where there is need for a fund that is greater than \$250, a written request giving the reason must be submitted to the Controller in Financial Services for approval. Maintaining a minimal fund reduces security risk.

Receipts and cash on hand must always total the amount of the initial petty cash advance. Revenues, expense recoveries and other cash receipts should **NOT** be combined with the petty cash fund. Such amounts must be promptly deposited through the University Cashier crediting the appropriate accounts.

Financial Services or the Internal Auditor may request written verification of petty cash balances at year-end and will periodically perform unannounced audits of selected funds.

Custodian's Responsibilities:

The custodian is responsible for control of a petty cash fund, together with the supporting documentation. Specifically the custodian is responsible for the following:

- S Safekeeping of petty cash funds. The fund (including cash, receipts and vouchers) must be kept secured in a locked box, cash drawer or safe. Only the custodian is to have access to and disburse petty cash. Handling of petty cash should only take place in secure locations.
- S Collect the required information to support a claim. A petty cash voucher is required in order to collect the following information:
 - Date
 - Amount
 - Purpose
 - Account to be charged
 - Signature of person who disbursed the petty cash
 - Signature of the person receiving the petty cash
- S Disburse petty cash only upon submission of an original vendor receipt (credit card receipts are not acceptable).
- S Maintain a record of petty cash expenses. To minimize the risk of fraud and provide evidence of the missing amounts in the event of loss of funds, this record of expenses is to be stored separately from the petty cash funds and in a secure location (i.e. locked desk or filing cabinet).
- S Report cash shortages or excess cash immediately to the account holder.
- S Immediately report to Security and the University Controller, Financial Services, any thefts or attempted thefts.
- S Return the petty cash fund (money, receipts and petty cash vouchers) to Financial Services upon termination of employment or transfer to another position within the University.

Account Holder's Responsibility:

The account holder is responsible to count the petty cash fund monthly to ensure the custodian has the correct total of petty cash and reimbursement vouchers. A record of these counts must be kept on file. Attached in Appendix A is a sample count sheet.

Approvals:

The approval of the account holder, who is at least one level of authority higher than the custodian, is required to establish, close, change the amount of, or replenish a petty cash fund.

Petty Cash Transactions:

- Petty cash expenditures must comply with University purchasing policies and regulations and applicable donor/sponsor terms and conditions.
- A petty cash fund is intended for minor cash expenditures and is not to be used for frequently purchased items. Consult Purchasing (at 494-6570) if such purchases cannot otherwise be accomplished through purchase requisitions, the procurement card or the expense claim reimbursement process.
- Ineligible disbursements of petty cash funds include but are not limited to the following:
 - < personal loans
 - < fines
 - < parking tickets
 - < emergency student loans
 - < salaries
 - < cashing cheques

Procedures:

Establishing a Petty Cash Fund:

- Submit a completed Petty Cash Application Form (available on-line at www.dal.ca/finserv/policies) including the amount of the fund to Financial Services along with a completed Cheque Requisition Form. This form must designate the name of the custodian for the petty cash fund and be authorized by the account holder or person at the next highest level. The initial petty cash advance should use the expense code 0013 except in the case of Research or Special Purpose accounts which should use the expense code 8708.

Reimbursing Petty Cash Claims:

- Original vendor receipts are required for all purchases made from petty cash funds.
- Write the account number to be charged on the original receipt or petty cash voucher.
- The receipt or petty cash voucher should be signed in ink by both the person being reimbursed and the custodian of the petty cash fund.
- When a receipt is unavailable for a purchase (e.g. parking meter), a receipt can be made by the claimant indicating the type and amount of the expenditure and the purpose. The receipt should be marked “paid” and signed and dated by the claimant.

Replenishing the Petty Cash Fund:

- Submit a completed Cheque Requisition Form to Financial Services for reimbursement and charge expenses directly against the applicable expense codes.
- Cheques to replenish the petty cash are issued in the name of the custodian.
- The Cheque Requisition Form must be authorized by the account holder for the account. If the account holder is the payee, authorization must be by the next highest level (refer to the Signing Authority Policy).

Changing the Amount of the Petty Cash Fund:

- The custodian submits a properly authorized Petty Cash Request Form (available on-line at www.dal.ca/finserv/policies) stating the original amount of the fund and requesting the amount of increase or decrease.
- For increases to the fund the custodian will submit a completed Cheque Requisition Form for the amount of the increase.
- For decreases to the fund the custodian will need to return the value of the reduction in the petty cash fund using a completed Deposit Advice Form.
- Cash must not be sent through campus mail.

Changing the Petty Cash Custodian:

- These funds cannot be transferred or assigned directly from one custodian's care to another.
- If a petty cash custodian terminates or transfers his/her employment, the petty cash fund must be closed out and a new fund opened in the new custodian's name.

Closing the Petty Cash Fund:

- Petty cash funds drawn on a Research account must be closed on or before the end date of a Research grant or contract.
- Submit receipts and/or cash totalling the petty cash advance to the attention of the Manager of Accounts in Financial Services. Specify on the authorized documentation to "close petty cash fund".
- Cash must not be sent through campus mail.

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DALHOUSIE UNIVERSITY PETTY CASH COUNT SHEET

Date: _____

Location: _____

20	x	_____	=	_____	
10	x	_____	=	_____	
5	x	_____	=	_____	
2	x	_____	=	_____	
1	x	_____	=	_____	
				Change	_____
				Total Cash	_____
				Vouchers (attach adding machine tape)	_____
				Total Petty Cash Counted (cash and vouchers)	_____
				Total Petty Cash Per General Ledger	_____
				Difference	_____ *

* If a difference exists this must be reported to Financial Services immediately.

Custodian _____

Account Holder _____