

LANGARA COLLEGE

Title: Petty Cash
Category: Finance – Expenditures
Policy No.: C3003
Replaces: 3.3.0.1
Applicability: All Langara Employees
Effective Date: November 3, 2009
Source(s): Langara Council

Approval: [President's signature is on the original copy of this policy]

1. PURPOSE

To describe the controls of petty cash funds, define limits to their disbursement and requirements for replenishment.

2. DEFINITIONS

Custodian: The individual responsible for the safe custody of the petty cash fund.

Imprest account: A petty cash control mechanism in which an individual is given a fund of money (petty cash fund) to meet certain expenses. When some of the money has been spent, the individual submits vouchers and the fund is replenished.

Organization: An operating unit of the College.

Petty cash fund: Cash held by a custodian for the purpose of reimbursing or paying for expenses where it is not practicable to pay by cheque or using a purchase order.

Reimbursement limit: The maximum expenditure that can be reimbursed via a petty cash fund. This maximum for every petty cash fund is \$75, except for petty cash funds held by custodians in Financial Services, which is \$100.

3. AUTHORITY

3.1 Related Acts and Regulations

None

3.2 Related Policies

C1002 – Financial Signing Authority
C3001 – Purchasing

4. RELATIONSHIPS WITH COLLECTIVE AGREEMENTS

Not applicable.

5. POLICY

- 5.1 Petty cash expenditures will be managed using imprest accounts assigned to individual custodians.
- 5.2 Each petty cash fund will be held in a secure location and access will be limited to the custodian of that fund.
- 5.3 Receipts and cash-on-hand must always total the amount of the initial petty cash fund advance. Revenues, expense recoveries and other cash receipts should NOT be combined with the petty cash fund.
- 5.4 Petty cash will not be used for expenditures that are greater than the reimbursement limit.
- 5.5 Petty cash expenditures must be authorised by the budget officer responsible for the organisation to which they are being charged.
- 5.6 Petty Cash will NOT be used for any of the following:
 - a. Banking services to employees
 - b. Student refunds
 - c. Honorariums
 - d. Personal expenditures
- 5.7 Financial Services will periodically request written verification of imprest account balances and may perform unannounced audits of selected funds.

6. GUIDELINES/STANDARDS

Not applicable.

7. EXCEPTIONS

Not applicable.

8. PROCEDURES

- 8.1 Imprest accounts will be assigned to custodians by the Director, Financial Services or their delegate.
- 8.2 Custodians will keep the cash, receipts and vouchers secured in a locked box, cash drawer or safe. Only the custodian is to have access to and disburse petty cash.
- 8.3 When expenditures are made, prior to the release of cash, a petty cash voucher in such form as authorised by the Director, Financial Services and found at Petty Cash Voucher (Appendix 1) must be completed.
- 8.4 Expenditures greater than the reimbursement limit cannot be split into multiple amounts, each less than the reimbursement limit, in order to qualify for reimbursement from petty cash.
- 8.5 The voucher or supporting documents must be authorised by the Budget Officer for the area that is being charged. Budget Officers cannot authorize payment to themselves, but will require the approval of the next most senior Budget Officer.
- 8.6 Original receipts must accompany the voucher. If a receipt is not available then approval by the Department Chair or the next most senior Budget Officer is also required.
- 8.7 Custodians will ensure that requests are consistent with policy and all required documentation is complete prior to the release of cash.
- 8.8 Receipt of the cash must be evidenced by the signature of the receiving person.
- 8.9 A Petty Cash Count Sheet (Appendix 2) must be completed by the custodian at the end of every month.
- 8.10 When replenishment of the imprest account is required, the cash balance will be verified by the custodian using a Petty Cash Count Sheet and witnessed by their supervisor.
- 8.11 Upon receiving the request for replenishment, the Manager, Accounts Payable or their delegate will ensure that the verified remaining balance of the cash plus the replenishment request reconciles to the imprest account balance and that claims are in accordance with College Purchasing and Signing Authority Policies.
- 8.12 Replenishment cheques will only be issued to the assigned custodians of the Petty Cash Fund.

9. RESPONSIBILITY

For inquiries relating to this policy, please contact the Director, Financial Services.

10. APPENDICES

Appendix 1: Sample Petty Cash Voucher

Appendix 2: Petty Cash Count Sheet

APPENDIX 1
Sample Petty Cash Voucher



**LANGARA
COLLEGE**

PETTY CASH VOUCHER

Date: _____ 20____

PAID TO: _____

AMOUNT: _____

FOR: _____

APPROVED BY: _____

CASH RECEIVED: _____

CHARGE TO ORG. #	INDEX #	AMOUNT



**LANGARA
COLLEGE**

PETTY CASH VOUCHER

Date: _____ 20____

PAID TO: _____

AMOUNT: _____

FOR: _____

APPROVED BY: _____

CASH RECEIVED: _____

CHARGE TO ORG. #	INDEX #	AMOUNT

APPENDIX 2 Petty Cash Count Sheet



PETTY CASH COUNT SHEET

Location: _____
 Responsible Custodian: _____
 Petty Cash Account No.: _____

Denominations	# Of Currency	Total
\$0.01		\$0.00
\$0.05		\$0.00
\$0.10		\$0.00
\$0.25		\$0.00
\$0.50		\$0.00
\$1		\$0.00
\$5		\$0.00
\$10		\$0.00
\$20		\$0.00
\$50		\$0.00
\$100		\$0.00
\$Other (please enter value below)		\$0.00
Total Currency Count		\$0.00
+ Total Petty Cash Receipt		
Total PC Balance		
Approved PC Fund Amount		
Over/(Short)		

Comments:

Custodian Signature: _____ Date: _____

Verifying employee Signature: _____ Date: _____