

SUBJECT: PETTY CASH FUNDS

Departments may have a large volume of minor expenses for which issuing cheques is not practical or cost effective. Groups within common geographical areas having such expenses may request to establish a petty cash fund to facilitate payments on a timely basis.

Examples of petty cash expenses include payments for purchases of office supplies, postage, stamps, freight, and miscellaneous items. Each purchase should not exceed \$50.00. Wages, capital items, gifts, meals and travel are not to be charged through petty cash. Appropriate forms are to be used.

1. Request for Establishment of a Petty Cash Fund

- 1.1 Petty cash fund balances will be determined by the Finance Department, not to exceed a maximum of \$500.
- 1.2 A requisition for establishment of a petty cash fund and the reason(s) for requiring a petty cash fund is forwarded to the Finance Department. This requisition must:
 - i) provide details on what departments the fund are to cover;
 - ii) be made payable to the appointed custodian (person who disburses, balances and replenishes the fund); and
 - iii) be signed by the budget centre manager.

2. Procedure for Maintaining the Petty Cash Fund

- 2.1 Upon receipt of the Requisition, the Finance Department will set up an account (which Finance monitors). It should be noted at this stage, the department's account is not charged. The funds are provided from the overall UNBC general account.
- 2.2 The custodian will retain original receipts for all expenses reimbursed out of petty cash funds.
- 2.3 When the funds are near depletion, the custodian will balance the petty cash. The total of all receipts and cash on hand must equal the amount shown on the monthly petty cash ledger.
- 2.4 The department then prepares a requisition for payment to replenish the petty cash fund. The requisition must:
 - i) be made payable to the custodian.
 - ii) be signed by the budget centre manager responsible for the fund.
 - iii) include all supporting receipts and documentation coded to valid budget accounts. The amount replenished must always equal the value of receipts accompanying the requisition.
- 2.5 When the petty cash account is no longer required and needs to be closed, all funds and/or receipts should be returned to the Finance Department accompanied by a memo requesting the closure of the fund. The Finance Department will credit all cash directly to the department's monthly petty cash ledger (UNBC general account). Receipts will be attached to the memo, debiting (charging) the appropriate account and crediting the petty cash ledger.

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- 2.6 Annual verification will be requested by the Finance Department in accordance with audit recommendations, where the custodian and responsible person will have to verify the balance of their petty cash account in writing.