

Policy Name:	Petty Cash Fund
Originating/Responsible Department:	Financial Services
Approval Authority:	Senior Management Committee
Date of Original Policy:	November 1992
Last Updated:	January 2024
Mandatory Revision Date:	January 2029
Contact:	Associate Vice-President, Financial Services

Policy:

A department or unit may be eligible to maintain a petty cash fund to provide an effective and efficient method of processing minor, non-recurring expenses incurred on behalf of the university, that could not otherwise be processed using the Procurement Card. These funds shall be administered by Financial Services and will not be issued for Research funds.

Purpose:

- To clarify the circumstances under which a petty cash fund will be provided.
- To outline the responsibilities of the petty cash custodian.
- To outline appropriate procedures for the administration of any University petty cash funds.

Scope:

This policy applies to all University departments and units.

Procedure:

1. Petty cash funds will be established or increased/decreased based on a written request from the Department Head to the Supervisor of Receipt Accounting, Financial Services. The request must include the following information for review and approval:
 - Purpose of the fund and substantiation for the amount requested;
 - Name of the employee who will be the custodian for the amount requested;
 - A description of how the money will be properly secured. Units can contact Campus Safety Services for advice, if required.
2. Following approval, the Petty Cash fund is issued to the Custodian. The Custodian is responsible for:
 - Balancing of the fund by ensuring that total cash on hand plus total receipts equals total fund amount.
 - Any shortages in the fund must be reimbursed. Funds lost due to circumstances beyond the control of the Custodian must be repaid from the unit's funds or other available operating funds.

- Preparing and submitting timely reports to the Receipt Accounting, Financial Services, which include the FOAPAL to be charged and the applicable HST.
 - Recording, on each individual receipt submitted for reimbursement, the FOAPAL to be charged as well as authorization (signature) by the departmental head or budgetary authority.
 - Replenishing the fund as required and also immediately prior to the fiscal year end of April 30th, to ensure expenses are recorded in the appropriate budget year.
 - Responding to all custodial, reporting and monitoring requests from the Business Office.
 - Reporting immediately, to Campus Safety Services and Receipt Accounting, Financial Services, any lost or stolen receipts or amount from the fund.
 - Requesting training from the Receipt Accounting, Financial Services if there are any questions regarding these administrative responsibilities.
3. The Petty Cash Fund is issued in the name of the authorized Custodian and can be accessed and managed only by the Custodian. If the present Custodian leaves the University or has a change of duties, the petty cash **must be returned to Financial Services and re-issued to a new Custodian on request from the Department Head and following approval by** Receipt Accounting, Financial Services.
4. The following are **unacceptable** uses for Petty Cash funds:
- Payment for wages, salaries, honorariums, meal allowances or other similar payments that must be paid through Payroll Services to ensure Canada Revenue Agency (CRA) requirements are met;
 - Personal loans or reimbursement of personal expenses (parking tickets, medical certificates, etc);
 - Travel expenses, with the exception of taxi chits, parking and local per KM reimbursement;
 - Acceptance of I.O.U. or personal cheque as a reimbursable expense; and
 - Any other use that would be contrary to University policies or applicable legal obligations.
- Whenever possible, purchases should be made through the university's preferred suppliers as negotiated by Procurement Services. The Procurement Card should be considered for regular low value university purchases.
5. Under **NO** circumstances shall the petty cash funds be kept in a bank account, but rather are to be safeguarded in a locked cash box within a locked desk, filing cabinet or safe.
6. Petty Cash funds must not be commingled with any other funds or used for any purposes other than those listed in this policy.
7. The Petty Cash Fund is subject to periodic audit by the University. The Fund must be maintained at its full value at all times - i.e. the custodian must be able to produce cash or receipts which total the full value of the fund.

Roles and Responsibilities:

Financial Services

Financial Services is responsible for reviewing purchases made with Petty Cash funds to ensure they are in accordance with University policies, applicable law and that appropriate supporting documentation has been received. Annually, Financial Services will confirm the Custodian and value of each fund.

Custodian

The Custodian is fully responsible for ensuring the safekeeping of the Petty Cash fund and for its proper usage. The funds must be stored in a secure manner, with access limited to the Custodian. The Custodian is responsible for following university policies and procedures in maintaining the petty cash fund.

Department Head

The Department Head is responsible for following university policies and procedures in maintaining the petty cash fund.

Contacts:

Associate Vice-President, Financial Services;
Director, Business Operations;
Director, Campus Safety Services
Director, Strategic Procurement

Links to related Policies:

Cash Handling Policy
Procurement Card Policy
Procurement Policy