

Policy Name:	Petty Cash Fund
Originating/Responsible Department:	Financial Services
Approval Authority:	Senior Management Committee
Date of Original Policy:	November 1992
Last Updated:	February 2019
Mandatory Revision Date:	February 2024
Contact:	Assistant 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, that could not otherwise be processed using the Procurement Card, incurred on behalf of the university. These funds shall be administered by the Business Office 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 University petty cash funds.

SCOPE:

This policy applies to all University departments and units.

PROCEDURES:

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, Business Office. The request must include the following information:
 - Purpose of the fund and substantiation for the amount requested;
 - Name of the employee who will be the custodian for the amount requested;
 - How the money will be secured. (Contact University Safety for advice, if required.)
2. The Petty Cash fund is issued to the custodian. The custodian is responsible for:
 - Balancing of the fund (ensuring that total cash on hand plus total receipts equals total fund amount.
 - Preparing and submitting timely reports to the Business Office, 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 and the Business Office, any lost or stolen receipts or amount from the fund.
 - Requesting training from the Business Office if there are any questions regarding these administrative responsibilities.
3. The Petty Cash Fund is issued in the name of the custodian and should be access 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 the Business Office and re-issued to a new custodian on request from the Department Head.**
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 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.

Whenever possible, purchases should be made through the university's preferred suppliers as negotiated by Purchasing 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 should be safeguarded in a locked cash box within a locked desk, filing cabinet or safe.
6. 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.

CONTACTS:

Assistant Vice-President, Financial Services; Director – Business Operations

RELATED POLICIES:

Cash Handling Policy