



Town of Whitby Procedure

Procedure Title:	Petty Cash Procedure
Procedure Number:	F 280-002
Reference:	Financial Control Policy
Date Approved:	November 27, 2017
Date Revised:	Not Applicable
Approval:	Chief Administrative Officer
Point of Contact:	Financial Services Department

Purpose

The purpose of the Petty Cash fund is to allow for the payment of minor business expenses in an efficient and cost effective manner. The use of Petty Cash funds should be limited to reimbursement to staff for small business expenses not to exceed \$30.00 per occurrence.

Scope

This Procedure provides guidance for the authorization, establishment and replenishment of Petty Cash funds, including appropriate uses and security standards. This Procedure applies to appointed staff in all departments or locations requiring a Petty Cash fund to make essential and/or immediate purchases for which other payment methods are impractical.

Petty Cash Funds can only be used for small business transactions not to exceed \$30.00.

1. Definitions

- 1.1. **Petty Cash** means a specified amount of cash on hand to be used for essential and immediate purposes.
- 1.2. **Custodian** refers to an approved staff member appointed to operate, safeguard and make disbursements from a Petty Cash fund.

2. Responsibilities

- 2.1. Chief Administrative Officer is responsible for:
 - 2.1.1. Approving this Procedure and any amendments from time to time.

- 2.2. Commissioner of Financial Services/Treasurer is responsible for the following:
 - 2.2.1. The Treasurer shall have the authority to establish Petty Cash funds in such an amount as deemed required by a Department.
- 2.3. The Manager, Treasury Services or designate is responsible for:
 - 2.3.1. Implementing this Procedure and undertaking and controlling any changes or revisions.
 - 2.3.2. The communication and distribution of procedure requirements to Supervisors/Managers responsible for Petty Cash.
 - 2.3.3. In circumstances of material or recurring noncompliance, notification will be escalated to the Department Heads as appropriate.
- 2.4. Department/Division Heads/Managers/Supervisors are responsible for the following:
 - 2.4.1. Facilitating compliance with this Procedure and ensuring that necessary departmental procedures are established, communicated, monitored, and updated as required.
 - 2.4.2. Ensuring that a secure locked location is available for the funds to be held during the day and overnight.
- 2.5. Petty Cash Custodians are responsible for:
 - 2.5.1. Complying with Petty Cash procedures developed for and implemented by their respective departments.
 - 2.5.2. Reconciling, disbursing and replenishing Petty Cash funds.
 - 2.5.3. Ensuring disbursements from Petty Cash Funds are properly documented and for valid Town of Whitby business purposes. At a minimum, receipts should include a description of the date, amount, purpose and the name of the person disbursing/receiving Petty Cash.
- 2.6. Disbursing and Accounting for Petty Cash
 - 2.6.1. Only the custodian or authorized delegate may make disbursements from a Petty Cash fund. The custodian is responsible to operate, account for and to safeguard the cash, receipts and verifications and shall keep all cash and related documents are secured.
 - 2.6.2. Reimbursements:

The custodian may use Petty Cash to reimburse a staff member who has used personal money for an expenditure less than or equal to \$30.00 that would ordinarily be an allowable Petty Cash expenditure. The custodian must receive, from the staff member being reimbursed, both a written receipt for the expenditure and a signed Petty Cash Voucher form acknowledging the reimbursement. The written receipt and Petty Cash Voucher must:

- i. Describe the purchase and state the cost;
- ii. Show the account to which the purchase is charged;
- iii. Bear the signed approval of the custodian; and,
- iv. Bear the signed acknowledgement of the payment received
- v. Under no circumstances may the custodian approve his or her own Petty Cash expense. This must be approved by the respective Manager or Supervisor.

2.7. Security of Petty Cash and Related Receipts

2.7.1. It is the custodian's responsibility to take adequate precautions for the safekeeping of the Petty Cash funds under their control. Petty Cash funds and related receipts must be stored in a locked box or locked cash drawer. Only the custodian and a senior staff member should have the keys to the box and the cabinet. The locked box or drawer must also be kept:

- i. Inside a locked safe when the cash is not in use; or,
- ii. Inside a locked area.
- iii. Petty Cash funds should never be left unattended or unsecured. Theft or loss of Petty Cash must be reported immediately.

2.8. Reconciling, Replenishing and Closing a Petty Cash Fund

- 2.8.1. The sum of cash on hand and verified disbursements (i.e. verified receipts) must always equal the approved amount of the Petty Cash fund.
- 2.8.2. The custodian shall reconcile a Petty Cash fund and have the Department Manager sign-off on the reconciliation on a regular basis. Further, reconciliations should be performed:
 - i. At year-end; and,
 - ii. When the custodian is temporarily or permanently replaced.
- 2.8.3. Under signature of the Department Manager the custodian shall initiate the replenishment of a Petty Cash fund:
 - i. When the fund nears depletion; and,
 - ii. At the end of each fiscal year.
- 2.8.4. To replenish a Petty Cash fund the custodian shall:
 - i. Reconcile the total of the receipts plus remaining cash to the approved amount of the fund.
 - ii. List in summary form the accounts and amounts of verified and paid receipts on the prescribed cheque requisition;
 - iii. Submit the cheque requisition and supporting documentation to a Manager or Supervisor with appropriate expenditure signing authority within the Department for review and approval; and,
 - iv. Forward to Accounts Payable where a cheque will be created.

2.9. Petty Cash Reviews

- 2.9.1. The Petty Cash fund will be subject to periodic reviews. Issues or concerns identified during the review will be reported to the Manager, Treasury Services for follow-up.

Original Approved and Signed.

Matt Gaskell, Chief Administrative Officer, x2211

November 27, 2017

Date