

Petty Cash

Reviewed Date		Number	<i>FI0106</i>
Revised Date	<i>October 12, 2016</i>	Approved Date	<i>December 19, 1990</i>

Introduction

Petty cash is a small amount of discretionary funds in the form of [cash](#) used for expenditures where another form of payment is not feasible.

In accordance with the agency Procurement Policy FI0107, The Board of Health delegates to the Medical Officer of Health/Chief Executive Officer (CEO) responsibility for establishing, and monitoring compliance with, purchasing and contracting procedures and practices consistent with the purpose, principles and limitations defined within this Board Policy. Petty Cash Funds not to exceed \$500 may be established.

Purpose

To establish the purpose, principles, procedures and limitations for Petty Cash Funds.

Legislative Authority

N/A

Policy Definitions and Interpretation

Petty Cash Fund: A specified amount of cash on hand to be used for pre-approved low cost incidentals; essential or immediate purchases or for making change for clients.

Policy

Petty Cash Funds not to exceed \$500 will be established on an office-by-office basis by the Director of Program Foundations and Finance Department (PFF) (see appendix A). The petty cash fund will be used for items whose need cannot be anticipated in advance, or for a purchase in an emergency situation. It will not be used to circumvent the normal purchase requisition process.

Petty Cash Funds are for Health Unit business purposes only, and under no conditions will money be advanced to any employee for personal purposes through the petty cash.

The Director of PFF will identify a position in each office who will be responsible for managing the Petty Cash Fund in accordance with this policy and procedure. No other persons will access the Petty Cash Fund.

Petty Cash Funds will be secured at all times.

Purchases by an employee for which reimbursement is sought from the Petty Cash Fund must be approved in advance by the appropriate Manager.

All Petty Cash Fund disbursements will be evidenced by signed receipts that are retained for audit purposes.

Procedures

1. Employees making essential or immediate purchases to support programs, services or operations will seek approval of their manager prior to purchasing.
2. Employees will present original receipts initialed by the employee to the employee in their office who is responsible for managing the Petty Cash Fund for reimbursement.
3. In instances where an employee requests cash in advance for a purchase, a note acknowledging this amount must be signed by the employee and retained in the Petty Cash fund. Upon submission of the initialed receipt and any surplus cash, this note should be returned to the employee.
4. The employee responsible for the Petty Cash shall record the purchase and maintain the initialed receipts on file. The total of cash on hand and receipts on file must always equal the approved Petty Cash fund amount.
5. On a weekly basis the employee responsible for the Petty Cash Fund will reconcile to ensure the fund is in balance. If the fund does not balance, the employee responsible for the Petty Cash Fund will notify the Financial Administrator PFF to assist in reconciliation. The employee responsible for the Petty Cash Fund will report any discrepancies to their immediate supervisor and the Director of PFF.
6. On a monthly basis the employee responsible for the Petty Cash Fund will prepare the Petty Cash Fund Reconciliation Statement along with the supporting receipts and submit to Financial Administrator PFF for replenishment of the fund. Petty Cash funds with little activity are required to submit a Petty Cash reconciliation quarterly.
7. If there is a balance of cash greater than the established maximums amount, the employee responsible for the Petty Cash Fund will forward the cash over flow amount, Petty Cash Fund Reconciliation Form and receipts to the Financial Administrator, PFF for deposit.
8. The Financial Administrator PFF will provide the replenishment amount required per the reconciliation form and return the funds to the employee responsible for the Petty Cash Fund.
9. Management will confirm the validity of the Petty Cash Fund purchase when approving transactions in the General Ledger.
10. All Petty Cash Funds must be reconciled at year end following processes identified in steps 5 through 8 above.

Related Policies

FI0107 Procurement

Related Forms

Petty Cash Fund Reconciliation

Final Approval Signature: _____

Review/Revision History:

September 2010 Policy Number change, previous number B4.100

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