



# Warracknabeal Secondary College

## Petty Cash Policy

### **Purpose:**

The purpose of petty cash is to meet minor payments, up to a limit of \$20 on any one item.

### **Imprest System:**

Petty cash advances, which must be approved/ratified by the School Council, are to be maintained on an imprest system.

This means that only the aggregate of the actual (monthly) payments are claimed by way of reimbursement.

Therefore, the amount of the advance is accounted for at any time by the production of cash/vouchers totalling the advance.

### **Approval of Payments:**

All petty cash payments should be supported by a voucher written in ink, and approved by an authorised person. Completed vouchers should also be marked 'paid' to prevent them from being re-submitted and paid again. Any relevant documentation should be attached to the Petty Cash voucher. The maximum amount held in Petty Cash is \$100.

### **Recoupment:**

Whenever petty cash needs replenishment:

- total the payments to date;
- ensure that the total of the payments made plus the balance of cash on hand equal the amount of the advance;
- summarise the expenditure incurred to accounts chargeable on reimbursement;
- prepare the payment voucher to replenish the advance to its fixed amount, that is, a cheque is to be drawn for the sum of the total payment made;
- make the recoupment cheque payable to 'Petty Cash' and opened to 'pay cash' with this notation being signed by the cheque signatories. If sufficient funds are in the cash drawer, Petty Cash may be replenished through here.

A new record of the petty cash payment schedule is to be started after each recoupment of the advance amount.

### **Security:**

Only one officer is to be the custodian of a petty cash advance and accountable for it.

Therefore, no other person is entitled to access the advance.

Cash on hand is to be kept in a secure location (lockable drawer/safe) at all times. The cash on hand must be fully adjusted and re-banked at the end of each school year.

During other vacation periods, where small amounts are held it is not necessary for action to be taken.

**Petty Cash Reconciliation:**

The principal or an officer appointed by the principal should carry out checks (at least two per year) where the officer checks that the petty cash balances, without having given the advance holder/custodian prior advice of the check.

The check should not be at the end of a reimbursement period and is intended to ensure that:


- the records are up-to-date;
- loans are not being taken from the advance;
- security is being maintained over the advance and vouchers.
- The custodian must be present at all times during the check.

**Petty Cash Checklist**

- The principal is to be advised in writing of the results of the check in a signed and dated report from the checking officer and the advance custodian.
- Petty cash payments limited to \$20 per item.
- Petty cash kept separate from all other funds in a secure location (lockable drawer/safe) at all times.
- IOU's not accepted.
- No personal cheques cashed.
- Petty cash voucher written in ink to support each payment, approved as applicable.
- Petty cash vouchers marked 'paid' when funds are paid to the claimant.
- Documentation attached to petty cash reimbursement request.
- All transactions recorded in petty cash book.
- The recoupment cheque is to be payable to the advance holder and opened to 'pay cash' with the notation being signed by the cheque signatories.

**Evaluation:**

This policy will be reviewed as part of the school's three-year review cycle.

Ratified by School Council	Date:	21/8/17
Signed:	Principal:	
	School Council President:	