

**Purpose**

To implement a petty cash process that complies with the Department’s policy requirements.

**Scope**

This policy applies to petty cash held by *Mildura Senior College & Mildura English Language Centre (College)* that may be utilised by school staff for small purchases at the discretion of the principal or petty cash custodian. At times, production of order forms and cheques for small purchases is inconvenient or unrealistic. On such occasions, petty cash may be used.

**Policy**

Petty cash may be utilised to meet minor payments for school-related purposes other than salary and wages. The limit on any one payment is \$200.00

Cash must be kept in a secure location at all times (MELC, Canteen, Library & Strong room).

**Cash advance**

Schools are permitted to keep a small amount of petty cash on site to cover small school expenses. The school council must approve and minute the approval of the petty cash advance amount.

Only one staff member must be the custodian of a petty cash advance and is accountable for it (***the advance holder***).

The principal, with the permission of the school council, may establish a petty cash advance under the following conditions:

- The initial advance is to be established by drawing a cheque made payable to the advance holder, that is the member of staff responsible for the custody and control of the cash advance, and opened to ‘pay cash’.
- In normal circumstances, a petty cash advance should be sufficient to pay the expected expenditure for a month.
- The limit on any one payment is \$200.00.
- Clear records of petty cash expenditure must be maintained. All reimbursements must be recorded on a Petty Cash voucher detailing the date of reimbursement, signature of the claimant, goods or services obtained and payment made.
- All original tax invoices/receipts are required to be attached to the Petty Cash voucher. All petty cash claims must be supported by receipts or invoices. And are to be attached to the petty cash schedule that is the advance holder’s summary record of transactions
- The Petty Cash voucher should be kept with the advance in a secure location.
- Where an individual has used a personal credit card to purchase goods for the school, the card holder’s copy of the voucher is to be attached behind the petty cash docket when reimbursement is claimed. Note all purchases over \$10 will be reimbursed through CASES21 & the Staff Reimbursement form.
- In accordance with internal control procedures, 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.

Advances must be adjusted at the end of each school year by either the:

- repayment of cash equal to the advance
- production of receipts/invoices equal to the advance
- Production of cash and receipts/invoices equal to the advance.
- The cash on hand must be fully adjusted and re-banked at the end of each school year. During other holiday periods, where small amounts are held, it is not necessary for this action to be taken.
- Authorised advances may be re-established at the beginning of the next year.
- Transactions should be recorded as close as possible to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified.
- Before petty cash is replenished, a reconciliation must occur to ensure that the total payments made plus the balance of cash on hand are equivalent to the original advance. Using the End of year float & petty cash on site form.
- A fresh record of the petty cash payment is to be started after each recoupment of advance.

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## Internal checking system

The principal, or an officer appointed by the principal, must check the petty cash balance twice a year, without giving advance notice of the check. The check should not be at the end of a reimbursement period and is intended to ensure that:

- records are up-to-date
- loans are not being taken from the advance
- security is being maintained over the advance and vouchers/receipts/invoices.

The custodian must be present at all times during the check. 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. If the Principal is the checking officer they will produce the report in conjunction with the advance custodian. The internal petty cash checking form should be used for this process.

## Resources

This policy should be read in conjunction with the following Department policies and guidelines:

School Policy and Advisory Guide:

- [Payment of Accounts](#)
- [Financial Manual for Victorian Government Schools](#) Section 11 – Expenditure Management
- [Cash Handling resources](#)

## Appendices

- End of year float & petty cash on site form
- Petty cash master form
- Internal petty cash checking form
- Staff Reimbursement form

## Review and Evaluation

The College Council is to formally minute and review this policies every 2 years.

<i>Ratified by:</i>	<i>College Council</i>	<i>Ratified date:</i>	<i>07.02.2020</i>
<i>Document Owner:</i>	<i>Business Manager</i>	<i>Reviewed date:</i>	<i>07.02.2022</i>
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<i>Principal Approval:</i>			

**Date reviewed by College Council: 10.02.2020**

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