

PETTY CASH PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

Functional Category:	Finance
Parent Policy:	Financial Management Policy
Approval Date:	June 12, 2019
Effective Date:	June 12, 2019
Procedure Owner:	Vice President, Corporate Services and Finance
Procedure Administrator:	Director, Business & Financial Services

Overview:

Purchases at NorQuest College (college) take place using contracts, purchase orders, invoices, procurement cards or through expense claim reimbursements. Where it is not practical to use one of these methods, employees may seek reimbursement via petty cash for low value, infrequent purchases, subject to specified conditions and limitations.

This procedure sets out conditions, limitations and actions relating to the management and use of petty cash in order to provide appropriate documentation and sufficient evidence of reasonability to internal auditors, external auditors or members of the public.

Authority to establish this policy is derived from the [NorQuest College Board of Governor's Policy No. 7](#), which delegates responsibility for the college's financial planning and activities to the President and CEO and [NorQuest College Board of Governor's Policy No.5](#), which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

Procedures:

College petty cash funds are used to reimburse employees who use personal funds for incidental business purchases. Employees involved in such transactions are required to adhere to the following conditions, limitations, and actions:

- Petty cash will not be paid out in advance of incurring an expense.
- The employee requesting has not claimed the expense previously through an expense claim or a procurement card.
- Each petty cash reimbursement request including GST, shall not exceed \$50.00.
- Petty cash cannot be used for personal items, emergency student loans, bursaries, salaries, wages, honoraria, hosting or meal expenses, travel expenses or cashing personal cheques.
- Members of the Board of Governors and members of Executive Committee may not make use of petty cash funds, to meet the requirements listed in the Disclosure of Travel and Expenses Policy.

Establishing a Petty Cash Fund

- A petty cash fund may be established to improve the efficiency of divisional operations. Deans, Directors or Senior Managers wishing to establish a petty cash fund must submit a written request to the Director, Business & Financial Services identifying:
 - the need for the fund,
 - a permanent employee of the college who will be the Petty Cash Administrator, and
 - the fund amount required.

- Each petty cash fund may not exceed \$600.00.
- The Director, Business & Financial Services will advise the requestor within 10 business days whether the request is approved.
- Once a petty cash fund has been approved, the Petty Cash Administrator requests the funds by completing a [Cheque Request](#) and submitting the original signed Cheque Request along with the Business & Financial Services Director's approval to Accounts Payable.
- Accounts Payable will produce and deliver a cheque to the Petty Cash Administrator, who will then cash the cheque with the Office of the Registrar or at the bank and place the funds in a cash box (see requirements below).
- A cash box may be acquired through the submission of a requisition to the Procurement and Contract Management Team.
- Petty cash funds are subject to periodic unannounced audits.
 - The Assistant Controller, Business & Financial Services reserves the right to close the petty cash fund or transfer the fund to a new Petty Cash Administrator when a petty cash internal audit discovers procedural non-compliance or misuse of the petty cash fund.

Petty Cash Fund Security

- The cash box holding the petty cash fund must be a locked container and kept in a locked cabinet or safe to which unauthorized access is controlled.
- Access to the cash box must be limited to the Petty Cash Administrator.
- Petty cash funds must be kept separate from personal funds and other collected revenue.
- Handling of petty cash should be done in a secure location, away from public viewing.

Reimbursing Expenses

- Employees seeking reimbursement for college expenses are to complete a [Petty Cash Voucher Form](#), attach original receipts, obtain approval from an appropriate signing authority¹ and submit these documents to the Petty Cash Administrator.
- A receipt must show the full details of a transaction:
 - Generally, this will be in the form of an original itemized receipt, invoice, or sales slip. Point of sale terminal receipts that do not show transaction details will not be accepted.
 - Where an original receipt is not itemized or not available, a [No Receipt Declaration Form](#) is to be submitted to document the detail/s of the purchase.
- When petty cash disbursements are made, the Petty Cash Voucher Form is to be completed and placed into the cash box along with associated receipts to replace the money that is taken out. The Petty Cash Administrator is responsible for ensuring the cash on hand and the Petty Cash Voucher(s) equal the authorized amount of the petty cash fund at all times.
- All petty cash expenses must be submitted for reimbursement before the fiscal year end (i.e. June 30th).

¹ Refer to the Signing Authority Policy

Replenishing Petty Cash Fund

- Petty cash funds are to be replenished and/or reconciled a minimum of twice per fiscal year.
- Petty cash funds may also be replenished at other times at the discretion of the Petty Cash Administrator.
- When replenishing the petty cash fund, the Petty Cash Administrator is required to submit a completed Cheque Request along with a completed [Petty Cash Voucher Reconciliation](#) to Accounts Payable with the associated Petty Cash Voucher Forms and receipts and any other supporting documents. A copy of the Cheque Request is to be retained by the Petty Cash Administrator for reference until the reimbursement cheque is received.
- Should an ineligible expense be reimbursed, Accounts Payable will advise the Petty Cash Administrator of the issue and will adjust the amount provided to replenish the petty cash fund accordingly.
- The Petty Cash Administrator is to recover the funds from the employee for the ineligible expense and may engage their Manager as required

Changing Petty Cash Fund Administrator

- If a Petty Cash Administrator is temporarily absent, he or she must either designate a temporary Petty Cash Administrator via written consent approved by their Manager and communicated to Accounts Payable or defer reimbursement transactions until the Petty Cash Administrator returns.
- If a permanent transfer is required, the existing Petty Cash Administrator replenishes the petty cash fund so that the fund has the established amount of cash on hand. The existing Petty Cash Administrator notifies AccountsPayable@norquest.ca, and the existing and new Petty Cash Administrators and their Manager must sign off a memorandum prepared by Accounts Payable as evidence of the completion of the transfer.
- Where the existing Petty Cash Administrator is not available to transfer the responsibility for the petty cash fund to the new Petty Cash Administrator; the Manager or next level upwards in authority is to perform this step.

Definitions:

Employee: includes a person who is engaged by NorQuest College to perform a service in accordance with existing terms and conditions of employment, employment contracts or collective agreements.

Petty Cash: a small amount of cash kept on hand for providing immediate reimbursement to employees for miscellaneous small expenses.

Petty Cash Administrator: a permanent employee of the college who has been authorized to make payments from a petty cash fund and who is directly responsible for the administration of the fund.

Related NorQuest College Information:

- [Cheque Request](#)
- [Disclosure of Travel and Expenses Policy](#)
- [Financial Management Policy](#)
- [No Receipt Declaration Form](#)
- [Petty Cash Voucher Form](#)
- [Petty Cash Voucher Reconciliation](#)
- [Signing Authority Policy](#)

Related External Information:
Next Review Date:
Revision History:

N/A

May 2023

June 2015: new (replaces Standard Practice 6.02 – Petty Cash Fund)
June 2019: Reviewed as per the Policy and Procedure Framework Procedure, and update to document links
August 2019: Compliance Office template & reorganization update