

Petty Cash Floats & Claims

Petty cash should be used for small payments of goods or services where it is uneconomic or inconvenient to process via purchase order (Accounts Payable). The use of a purchase order results in payment to suppliers by BACS transfer, this is an expensive process and small one-off payments under £40 are best dealt with via the petty cash system. Petty cash can also be used to buy one off small pieces of equipment (up to £40) and such items should not be claimed via an expense claim.

Typical payments made through petty cash include bus fares, stamps and urgent stationery. Petty cash should not be used to fund private parties, to pay regular suppliers or for casual wages. Appendix A gives examples of items that should not be bought through petty cash.

Each School/Directorate can be provided with a Petty Cash Imprest (float). The value of the float will vary according to the volume of transactions likely to take place. Applications to open, close or vary the amount of the float should be made to the Finance Section by email to xrs-financial@adbn.ac.uk and should be authorised by the Head of School/Directorate or authorised signatory and not increased via the normal petty cash claim. Financial Accounting should be notified of any changes to the holder of the petty cash float.

Payments from a petty cash float should be supported by a receipt or voucher and should be recorded on the petty cash imprest account form. Claims for reimbursement of minor travel and subsistence must comply with University regulations for travel expenses, even though payment is made through the Petty Cash float.

All petty cash payments must be made from the petty cash float, any cash received from sales or other cash receipts must not be used to make petty cash payments. All cash receipts should be forwarded to the Finance Section separately. Cash that has to be returned to the Finance Section should be returned through the secure mail system.

Schools/Directorates are responsible for ensuring the safe custody of the petty cash float and ensuring that monies are properly accounted for. A record of all payments from petty cash must be maintained with receipts being cross referenced to the appropriate entry i.e. using a unique number reference. Records should clearly show:

- name of the person receiving the cash
- reason for payment
- amount paid
- date paid
- financial codes to be charged
- signature of the person receiving the cash
- detailed receipt (cross referenced to appropriated entry).

It is essential that anyone receiving cash should sign to confirm that the cash was received. The Head of School/Directorate or their authorised representative should certify all petty cash accounts as correct.

When reimbursement is required complete the petty cash claim form (available on StaffNet). Completed forms should be authorised and forwarded to Accounts Payable within the Finance Section.

Reimbursement should be for the amount spent in the period; expenditure should be coded accordingly on the petty cash claim. For example, if the Finance Section held a petty cash float of £100 and spent £5 on bus travel and £15 on stamps, a claim should be made for £20 to bring the petty cash float up to the original £100. On the claim form £5 should be charged to travel and £15 to postage.

Reimbursement is made by cash and is available for collection from the Cash Office.

Petty Cash transactions will be subject to a periodic audit. The Financial Accounting Section will request Schools/Directorates to forward their Petty Cash book, including all receipts or petty cash vouchers to the Finance Section. The Petty Cash recorded will be checked to ensure that only legitimate items have been paid from the floats, that all receipts are available and the petty cash float balances to the original value.

Appendix A – Examples

1. Individual petty cash payments should not exceed £40.
2. Mobile phones should not be purchased using petty cash. These should be bought through IT Services.
3. The University will not refund monies spent on Pay As You Go / Top-Up Vouchers for mobile phones.
4. All salary and wage payments must be paid by the Payroll Dept and not from petty cash.
5. Payments to research volunteers should follow the relevant process within the Payments to Individuals guidance available on StaffNet and not through petty cash.
6. Subscriptions and conference fees should be paid for by raising a Special Order and sending it to Accounts Payable for processing.
7. The original receipt should be kept as a receipt for the petty cash used. Part of a receipt is not acceptable - if necessary, a photocopy of the receipt will be acceptable.
8. Debit / credit card receipts should be accompanied by the original receipt.
9. Milk, tea, coffee, cakes, biscuits etc are only an allowable expense if they are used for visitors to the department and are not allowable for staff.
10. Monies received by departments to cover personal photocopying charges, personal phone calls, miscellaneous sales of stamps etc. should be sent directly to the Finance Section via the secure mail system and not added to petty cash.

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