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Parent Policy: Financial Management and Practices Policy

Petty Cash Procedure

Office of Administrative Responsibility:	Finance, Procurement and Planning
Approving Authority:	Chief Financial Officer and Associate Vice-President (Finance, Procurement and Planning)

Purpose

The purpose of this procedure is to establish institutional processes for effective management of petty cash funds and expenditures.

Most university purchases are processed through purchase requisitions, direct order contracts, corporate purchasing card or expense reimbursement. Units can make use of a petty cash fund to pay incidental, low value expenditures when it is a more cost effective alternative to other payment and reimbursement processes.

Definitions

There are no definitions for this procedure.

Scope

This procedure applies to all members of the University Community participating in activities or functions governed by this procedure and its parent policy.

Procedure

1. PETTY CASH TRANSACTIONS

1.1. Petty cash transactions must comply with University related policy, regulations and applicable donor/sponsor terms and conditions.

1.2. Petty cash cannot be used for personal loans, emergency student loans, bursaries, salaries, wages or cashing cheques. The use of petty cash for honorarium payments is regulated and requires the completion and submission of the Honoraria Reporting and

Payment Form to Human Resource Services (T4A will be provided). Petty cash is not to be used for frequently purchased items. Consult with Supply Management Services if such purchases cannot be otherwise met through purchase requisitions, direct order contracts, the corporate purchasing card or the expense claim reimbursement process.

1.3. Only dispense petty cash upon submission of original vendor receipts or when refunding deposits (e.g. key deposits). Given the amount is insignificant, once charged to 502101 do not reallocate to other expense accounts. For additional information and examples of when to utilize petty cash, please refer to the *Guide to Financial Management*.

2. HOW TO OBTAIN PETTY CASH

2.1. Complete and submit a Petty Cash Requisition Form to Financial Services. Under no circumstances can funds derived from the sale of goods and services or any other source be added to a unit's petty cash fund. These must be deposited and recorded as revenue or payments. The custodian must provide the original signed *Petty Cash Requisition Form*, as well as a OneCard ID when collecting funds from FS Cashier.

2.2. Normally a unit's monthly tally of petty cash transactions will not exceed $500. Unless a unit's location is not in close proximity to the Financial Services Cashier or funds are needed to deal with some unique circumstances (i.e. payments to research subjects), the $500 maximum is viewed as sufficient. Financial Services will consider exceptions by written request (see bottom of Petty Cash Requisition Form). Financial Services, Casher requires a 3 day notice for all Petty Cash requests regardless of amount. Please email fs.cashier@ualberta.ca.

2.3. Issued funds will be immediately charged (by Financial Services Cashier) to the requisitioning unit's miscellaneous expense account (502101 – Supplies and Services General), and this charge is not to be further distributed.

3. CUSTODIAN RESPONSIBILITIES

The custodian holds responsibility for and control over a unit's petty cash funds and the supporting documents and backup. Specifically the custodian is responsible for the following:

3.1. Safekeeping of petty cash funds/bank: only the custodian is provided access to petty cash funds and is responsible for their disbursement. Petty cash is stored in a lockable box and locked when not in use. The petty cash box, when not being attended, must be kept in a secure, locked place (i.e. locked desk, filing cabinet or safe).

3.2. To only dispense petty cash upon submission of original vendor receipts and ensure these receipts reconcile to and fully support a petty cash record of expenditures.

3.3. To maintain a record of petty cash expenditures. To minimize the risk of fraud by unauthorized staff and provide evidence of the missing amounts in the event of loss of funds, this record of expenditures is to be stored separately from the petty cash funds and in a secure location (i.e. locked desk or filing cabinet).

3.4. To ensure appropriate record keeping of all related supporting documentation and backup (i.e. copies of requisition forms, expenditure reports with original receipts,

general ledger journal entries, etc.). Retention of these records in accordance with the University's document retention policy and to satisfy financial audit requirements (six years plus the current year) is required.

3.5. The custodian is responsible for ensuring cash and receipts match the amount of the petty cash requisition. This will be reviewed and confirmed by Senior Financial Officers and/or central unit staff.

3.6. If petty cash funds are no longer required, return unused cash to the expense account 502101. This can be done via Deposit Form (bound in books) to the Financial Services Cashier.

4. REPLENISHING PETTY CASH

4.1. A completed *Petty Cash Requisition Form* is submitted to the Financial Services Cashier. OneCard ID must be provided when collecting funds.

4.2. It is the responsibility of the Senior Financial Officer (SFO) to appoint a custodian and, upon termination of employment or transfer of an appointed custodian, to recover the respective petty cash and/or expenditure report and backup and in turn delegate custody to another. The Petty Cash Custodian Authorization Form is available at Financial Services, Cashier. It is mandatory that this form be completed and up to date.

4.3. The SFO must immediately report to Campus Security Services, Financial Services (Treasury) and Internal Audit any discrepancies or suspected thefts or fraud of petty cash. Note: University of Alberta Protective Services will in turn notify Risk Management and Insurance and provide a written report of matter to the unit.

Forms

- Honoraria Reporting and Payment Form
- Petty Cash Requisition Form

Parent Policy Suite

- Financial Management and Practices Policy
- Cash Depositing Procedure
- Chart of Accounts Chartfield Request Procedure
- Electronic Funds Transfer Incoming Payment Procedure
- External Billing Procedure
- Financial Controls Self-Assessment Procedure
- General Ledger Journal Entry Requests Procedure
- Gift Expenditure Procedure
- Hospitality and Event Expense Procedure
- In-Year Fund Transfer Procedure
- Indirect Costs of Research Procedure
- Interest Procedure Restricted Accounts
- Loss Reporting Procedure
- Petty Cash Procedure

- Research Over Expenditure Authorized Procedure
- Research Over Expenditure Unauthorized Procedure
- University Contingency Procedure
- Waiver and Release of Liability Procedure and Informed Consent Procedure

Related Links

- Guide to Financial Management

History

- May 11, 2004 Approved.
- September 23, 2024 Editorial amendment. Formatting and links.

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this procedure: revenue.procedure@ualberta.ca

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html