



POLICY ON PETTY CASH

POLICY NUMBER	2017-02-003
TITLE OF THE POLICY	PETTY CASH
DATE OF ADOPTION	25 th April 2017
DATE OF IMPLEMENTATION	25 th April 2017
PROJECTED DATE OF REVISION	2018
PURPOSE OF THE POLICY	The objective of this policy is to establish guidelines and procedures that will regulate the establishment, administration, and discontinuance of petty cash funds.
ACCOUNTABILITY	Vice President of Finance & Chief Financial Officer
ASSOCIATED PROCEDURES	The Vice President of Finance & Chief Financial Officer will be responsible for developing procedures to implement this policy

Authority

This policy is under the authority of the Board of Trustees, University of The Bahamas.

The University operates two different petty cash systems: Petty cash centrally managed by the Business Office and, when approved by the Vice President of Finance, decentralized petty cash management and disbursement.

A. Centralized Disbursement

1 Purpose

To establish guidelines and procedures that will regulate the establishment, administration, and discontinuance of petty cash funds for centralized management and disbursement of petty cash by Accounts Receivable.

2 Responsibility

- 2.1 Accounts Receivable: Under oversight of the Vice President of Finance, Accounts Receivable cashiers, under supervision of the Director of Accounts Receivable, shall have responsibility for the disbursement of petty cash funds if a request for petty cash is submitted with signed approvals and in accordance with this policy. Until such disbursement occurs, Accounts Receivable cashiers must properly safeguard petty cash monies entrusted to the department, by keeping it in the locked Petty Cash tin and secured in the safe. After the petty cash has been used for the intended purpose, Accounts Receivable cashiers will collect the appropriate receipt from the transaction within a 24-hour period, ensure that the receipt matches the request and/or collect any surplus monies above the approved petty cash amount.
- 2.2 Vice President of Finance and Director of Accounts Receivable: The Vice President of Finance and Director of Accounts Receivable cashiers will ensure through training and oversight that:
- 1) Requests are completed, the petty cash is distributed only for University-approved purposes, and limited to \$100 unless extraordinary circumstances dictate otherwise;
 - 2) Receipts are submitted to Accounts Receivable within 24 hours;
 - 3) Receipts match the petty cash requests; and
 - 4) All petty cash vouchers are properly approved and fully documented.
- 2.3 Petty Cash Employee: The employee in the department who has requested a payment from petty cash and who is directly responsible for safeguarding the cash, spending the amount received for the purpose requested, and returning the receipt and change to Accounts Receivable.
- 2.4 Department Head: The employee in the department who provides signature on the Petty Cash form and ensures that a responsible employee is carrying out the Petty Cash requirements

3 Procedures

- 3.1 Request forms for Petty Cash will be made available in in paper form in various locations or in electronic form.
- 3.2 Department Head completes the form and signs it, then gives it to the Petty Cash Employee to hand-carry to Accounts Receivable.
- 3.3 The Vice President does not need to review the form if requests are complete, the petty cash is for University-approved purposes, and limited to \$100.
- 3.4 The Petty Cash Employee hand-carries the completed and signed form to the Accounts Receivable Cashier.
- 3.5 The Accounts Receivable Cashier reviews the form to ensure that it is complete and has the approval of the Vice President for Finance, then distributes the amount requested.
- 3.6 The Petty Cash Employee takes the funds, spends them for the intended/approved purpose, receives the goods and an appropriate receipt, taking the goods back to the department. The employee then takes the receipt along with any change from the purchase back to Accounts Receivable within 24 hours as documentation.
- 3.7 The difference between the purchase price and the request is then reconciled by the Accounts Receivable cashier as change collected by the cashier or funds distributed to the Petty Cash Employee. With the filing of the petty cash form and receipt documentation by the cashier, the transaction is complete.

B. Decentralized Disbursement

1 Purpose

To establish guidelines and procedures that will regulate the establishment, administration, and discontinuance of petty cash funds for decentralized management and disbursement of petty cash by departments.

2 Responsibility

- 2.1 Vice President of Finance: The Vice President of Finance will draft, revise and oversee implementation of this policy by Accounts Receivable and approve requests by departments for decentralized management of their petty cash, if appropriate.
- 2.2 Accounts Receivable: Under oversight of the Vice President of Finance, Accounts Receivable shall have responsibility for:
- 1) Training department heads on the proper procedure for management, disbursement and documentation of decentralized petty cash float;
 - 2) Determining the amount of petty cash float for each department, implementing this policy and internal controls governing the use of petty cash funds;
 - 3) Disbursing funds for the initial setup; and
 - 4) Reconciling the documentation with the requests on a monthly basis, and replenishing the departmental petty cash if needed.
 - 5) Once the monthly reconciliation and disbursement takes place the Director of Accounts Receivable will sign off on the review or bring discrepancies to the attention of the department head and the Vice President of Finance. The Director of Accounts Receivable will also perform a staggered surprise cash count each month to detect errors and remove the risk of fraud.
- 2.3 Department Head: The head of the department approved for petty cash float and its management will ensure:
- 1) Requests are completed in writing, the petty cash is distributed only for University-approved purposes, and limited to \$100;
 - 2) Receipts are submitted to the Department Head within 24 hours;
 - 3) Receipts match the petty cash requests; and
 - 4) All petty cash vouchers are properly approved and fully documented.
- 2.4 Petty Cash Employee: The employee in the department who has requested a payment from petty cash and who is directly responsible for safeguarding the cash, spending the amount

received for the purpose requested, and returning the receipt and change to the Department Head with decentralized authority for petty cash.

3 Procedures

- 3.1 Request forms for Petty Cash will be made available in the department.
- 3.2 The Petty Cash Employee completes the form and signs it, then gives it to the Department Head for approval.
- 3.3 The Department Head reviews the form, and, if requests are complete and congruent to the University's petty cash policy as defined herein, the petty cash is disbursed to the employee for the purpose requested.
- 3.4 The Petty Cash Employee takes the funds, spends them for the intended/approved purpose, receives the goods and an appropriate receipt, taking the goods back to the department and the receipt along with any change from the purchase back to the Department Head.
- 3.5 The difference between the purchase price and the request is then reconciled by the Department Head as change collected by the cashier or funds distributed to the Petty Cash Employee.
- 3.6 The Department Head reviews the document requests, receipt documentation and cash balances after each transaction to ensure all is complete and the balance agrees with the documentation.
- 3.7 Once a month, the Department Head submits a reconciliation to Accounts Receivable for review and to support a request for replenishment of the float.

C. Prohibitions from use of Petty Cash

Petty cash funds may NOT be used for the following:

1. Items/receipts in excess of \$100.00.
2. Cashing of personal checks or providing personal loans.
3. Purchases which are required to be reported in a specific manner such as, but not limited to, personnel services, travel expenses, payroll advances, and business meals.
4. Purchase of items which are prohibited under petty cash procedures, including:
 - 1) Advertising;
 - 2) Alcoholic beverages and tobacco;
 - 3) Accident- related automotive repairs;
 - 4) Clothing;
 - 5) Controlled substances;
 - 6) Donations;
 - 7) Hazardous materials;
 - 8) Leases and rentals;
 - 9) Maintenance agreements;
 - 10) Letterhead, business cards, and envelope;
 - 11) Personal items;
 - 12) Items intended to be used or consumed by University Employees for other than University use.
 - 13) Professional services;
 - 14) Renovations or remodeling (on campus);
 - 15) Seminars and memberships;
 - 16) Telephones and cell phones;
 - 17) Weapons and ammunition; and
 - 18) Hospitality expenses greater than \$9 per person, such as meals.



PETTY CASH REQUEST FORM

Department:

Date:

Department Head:

Amount Requesting:

Purpose (please state clearly):

Approved by (Department Head): _____

All receipts MUST be forwarded to the BUSINESS OFFICE for processing within 24 HOURS.

Failure to do so would render the receiver of the funds liable to replace monies given

VOID your department's privileges of receiving funds in the future.

*****PLEASE DO NOT EXCEED THE \$100.00 LIMIT*****

FOR BUSINESS OFFICE USE

Amount Received:

Total Purchased:

Amount Returned/Claimed:

Date receipt returned:

Department and Item numbers:

Approved by (Business Office Official):

Funds received by: