

Part: **Public Money and Property**
 Section: **General Revenue Fund and Revolving Funds**
 Subsection: **Payments from the GRF**
 Policy: **Petty Cash and Cash Register Floats**

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Petty Cash and Cash Register Floats

Objective

The objective is to provide for the use of petty cash funds and cash register floats.

Authority

The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and sections 22 and 28

Definitions

A **petty cash fund** is a specified amount of cash entrusted to an individual and used for minor disbursements (e.g., supplies).

A **cash register float** is a specified amount of cash entrusted to an individual for use in cash registers in order to provide change to customers.

Treasury Board Policy

- .01 Approval by the Provincial Comptroller or delegate is required for the establishment of a petty cash fund or a cash register float.
- .02 Approval by the Provincial Comptroller or delegate is required for increases to petty cash funds or cash register floats.
- .03 Cash to establish a petty cash fund or cash register float is to be charged to the appropriate balance sheet natural account.
- .04 Ministries are responsible for implementing suitable controls to minimize loss or inappropriate use of the petty cash fund or cash register float.
- .05 Ministries are responsible to ensure that all expenses incurred through a petty cash fund meet all payment requirements of Treasury Board and the Provincial Comptroller for the particular type of payment.

Provincial Comptroller Directives

- .06 Approval to establish and increase petty cash funds and cash register floats is delegated to the ministry Corporate Services Head. This authority cannot be delegated further.

Controls

- .07 Controls are required to ensure that:
 - petty cash funds and cash register floats are properly approved;
 - cash is only entrusted to employees where there is segregation of duties;

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- custodians are aware of their responsibilities;
- cash is safeguarded and protected against loss;
- petty cash funds are used for appropriate purchases (\$50 or less);
- petty cash disbursements are accurately recorded on a timely basis and adequate supporting documentation and proper authorization is provided;
- petty cash is reconciled at month-end and year-end and cash register floats are counted daily;
- petty cash records, receipts and reconciliations are periodically reviewed by a supervisor;
- cash is periodically verified and confirmed by a supervisor; and
- cash is returned to the General Revenue Fund (GRF) when the petty cash fund or cash register float is no longer needed.

Assessing Need

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When establishing or increasing petty cash funds and cash register floats, ministries should consider the following:

- the need for the petty cash fund or cash register float;
- whether the level of the fund is appropriate for the fund's usage; and
- whether the procedures for operating the fund meet the requirements outlined in this section.

Size of Petty Cash Fund

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To determine the appropriate size of a petty cash fund, ministries should review all factors, such as monthly cash flow requirements and the time needed to process claims for reimbursement. The size should be large enough to ensure operational requirements are met and yet small enough to reduce the risk of abuse or theft. Excessive petty cash funds should not be established to compensate for slow processing of reimbursements. Monthly reimbursement of the fund is generally appropriate; however, weekly reimbursement may be required during peak periods.

Custodian Responsibilities

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A petty cash fund or cash register float is assigned to an employee, who is the custodian of the cash. The money does not belong to the custodian. The custodian is charged with the duty to safeguard the petty cash fund or cash register float. The custodian must also ensure the integrity of all transactions of the petty cash fund.

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- Seasonal or Temporary** .11 Where a petty cash fund or cash register float is required on a temporary or seasonal basis, the cash should be returned to the GRF as soon as the petty cash fund or cash register float is no longer needed.
- Transfer to a New Custodian** .12 The transfer of petty cash funds or cash register floats from one custodian to another must be properly recorded on MIDAS (i.e., the prepayment must be in the name of the new custodian).
- .13 Petty cash funds must be reconciled and balanced and cash register floats must be verified prior to transferring the fund to a new custodian.
- Custodian Leaves** .14 When a custodian leaves the ministry, the petty cash fund or cash register float issued to the custodian is to be transferred to another custodian or collected and deposited to the GRF and applied against the original coding.
- Petty Cash Disbursements** .15 The use of purchase cards is encouraged. However, ministries may make purchases of supplies of \$50 (exclusive of taxes) or less from a petty cash fund where a purchase card is not practical. A purchase order is not required for these purchases.
- .16 Money orders may be used instead of cash for petty cash payments where it is more efficient or safe. For example, money orders should be used if the payment is to be sent by mail. The need for money orders would be rare.
- .17 Business expense items and intra-city travel expenses (e.g., parking) under \$50 are to be paid through normal payment processes through the central financial system. However, if warranted by the circumstances, on an exceptional basis, they may be reimbursed through petty cash if the required approval is received and the appropriate documentation (e.g., [Standard Payment Form](#) – Purpose: Business Expense Reimbursement or Travel Expense Statement) and coding is provided.
- .18 Ministries are not permitted to use petty cash for the payment of a grant, contract or lease.
- .19 Payments are subject to the same requirements as payments made directly from the GRF.

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- Petty Cash Reimbursement** .20 The custodian is responsible for arranging reimbursements to the petty cash fund. Petty cash reimbursements should occur as frequently as necessary in order to maintain adequate cash to meet operational needs; however, small reimbursements are discouraged because of administrative costs.
- .21 Ministries prepare payment documents for petty cash reimbursements to the custodian of the fund. The reimbursement must be charged to the account classifications that are applicable to the disbursements (e.g., Office Supplies are coded to 550000). Paid invoices and/or receipts signed by the employee must be submitted as supporting documentation.
- Petty Cash Reimbursement Form** .22 The [Petty Cash Reimbursement](#) form can be used to assist in the reimbursement of the petty cash fund. It can also be used when reconciling the fund.
- Reconciliation** .23 At all times, the cash on hand plus the reimbursements in process should equal the amount of the petty cash fund. The custodian must reconcile the petty cash fund every month and at year-end. Cash register floats should be counted daily.
- Year-end** .24 The year-end reconciliation must be sent to the ministry Corporate Services Head or delegate for verification.
- .25 Ministries should ensure employees submit expense claims prior to the year-end cut-off date to ensure expenses are charged to the proper year.
- Overages** .26 Overages identified in petty cash funds or cash register floats are revenue and do not belong to the custodian.
- Shortages** .27 Refer to [Section 3112 Petty Cash and Cash Register Float Losses](#) for the policy for reimbursing petty cash and cash register floats for losses.

References

- [3100 Payments from the GRF](#)
[3101 GRF Payment Responsibilities](#)
[3112 Petty Cash and Cash Register Float Losses](#)
[3154 Purchase Cards](#)

[Accounting Manual, Appendix A General Revenue Fund Year-end Procedures and Schedules](#)