

Petty Cash Advance Policy



Purpose

This policy provides guidelines and procedures for the establishment and administration of petty cash funds and cash advances.

Scope

All Britannia Society and Seconded Parks Board staff. Contractors and volunteers are not authorized to utilize cash advances.

POLICY STATEMENTS

1. General

- 1.1. Petty cash funds or cash advances are to be used for low value, incidental items of \$100 or less that are related to Britannia business when other payment methods (cheques or Britannia staff credit cards) would be impractical.
- 1.2. Petty cash funds or cash advances **should not be used** for purchases where goods or supplies are available from a vendor in which Britannia already has a contract with.
- 1.3. Petty cash funds or cash advances **should not be used** to pay for honoraria, wages or salaries, mileage or personal items.
- 1.4. Petty cash funds or cash advances are approved by the Manager of Administrative Services upon the request of a Department Manager and placed under the care and control of a designated custodian.
- 1.5. Only the custodian is authorized to provide disbursements from the advance, and all disbursements must be supported by original receipts.
- 1.6. Non-compliance with this policy and procedural guidelines will result in the employee not being eligible for future cash advances or petty cash funds.
- 1.7. Fraudulent or intentional misuse of a cash advance or petty cash fund for personal benefit will be considered misappropriation of Britannia funds and may result in disciplinary action, up to and including termination.

2. Roles and Responsibilities

2.1. Custodian:

- Completing a petty cash/cash advance request form, inputting the following information:
 - a) Name of employee
 - b) Amount requested
 - c) Expense account where the relevant expenses will be expensed to
 - d) Purpose of the request
 - e) Expected date that the advance will be reconciled
- Disbursing funds and retaining original receipts
- Submitting replenishment requests, by reconciling purchases to date, and submitting for approval to the Department Manager, if needed.

- Closing the cash advance by reconciling purchases/purchase receipts to the original cash advance by the date input on the initial form. Any cash shortage should be reported to the Department Manager immediately.

2.2. Department Manager:

- Ensuring the custodian is informed of and understands the responsibilities involved in controlling and managing the cash advance.
- Approving the initial request, any replenishment requests, and the close out of the cash advance.
- Informing the Manager of Administrative Services, immediately of any misuse, or shortage of funds.

2.3. Manager of Administrative Services:

- Approving requests for a petty cash advance, replenishment, or closing the advance.
- Reviewing any cash advances where there are shortages of funds and terminating cash advances for repeated non-compliance.

2.4. Accounting:

- Maintaining any current cash advance records.
- Reconciling cash advance balances to the general ledger
- Issuing payment when a cash advance is approved