

# Croydon Community School & OPTIONS

## Petty Cash Policy



### PURPOSE

To implement a petty cash process that complies with the Department's policy requirements.

### SCOPE

This policy applies to petty cash held by Croydon Community School & OPTIONS that may be utilised by school staff for small purchases at the discretion of the principal or petty cash custodian.

### POLICY

Petty cash may be utilised to meet minor payments for school-related purposes other than salary and wages.

The limit on any one payment is \$200.00.

Cash must be kept in a secure location at all times.

### Cash advance

Schools are permitted to keep a small amount of petty cash on site to cover small school expenses. The school council must approve and minute the approval of the petty cash advance amount. A petty cash advance should be sufficient to pay the expected expenditure for the month.

Only one staff member must be the custodian of a petty cash advance and is accountable for it (**the advance holder**).

The Croydon Community School & OPTIONS principal with school council permission may establish a petty cash advance and:

- the limit on any one payment is \$20.00
- clear records of petty cash expenditure must be maintained. All reimbursements must be recorded on a "Petty Cash Form" detailing the date of reimbursement, signature of the claimant, goods or services obtained and payment made.
- All original tax invoices/receipts are required to be attached to the Petty Cash Form. All petty cash claims must be supported by receipts or invoices.
- The "Petty Cash Form" should be kept with the advance in a secure location eg. Safe.
- Advances must be adjusted at the end of each school year by either the:
  - repayment of cash equal to the advance
  - production of receipts/invoices equal to the advance
  - production of cash and receipts/invoices equal to the advance.
- The cash on hand must be fully adjusted and re-banked at the end of each school year. During other holiday periods, where small amounts are held, it is not necessary for this action to be taken.
- Transactions should be recorded as close as possible to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified.
- Before petty cash is replenished, a reconciliation must occur to ensure that the total payments made plus the balance of cash on hand are equivalent to the original advance.
- A fresh record of the petty cash payment is to be started after each recoupment of advance.

### Internal checking system

The principal, or an officer appointed by the principal, must check the petty cash balance twice a year, without giving advance notice of the check. The check should not be at the end of a reimbursement period and is intended to ensure that:

- records are up-to-date
- loans are not being taken from the advance
- security is being maintained over the advance and receipts/invoices

The custodian must be present at all times during the check.

The principal is to be advised in writing of the results of the check in a signed and dated report from the checking officer and the advance custodian. If the Principal is the checking officer they will produce the report in conjunction with the advance custodian.

## RELATED DOCUMENTS AND POLICIES

- School Policy and Advisory Guide: [Payment of Accounts](#)
- [Financial Manual for Victorian Government Schools](#) Section 11 – Expenditure Management
- [Cash Handling resources](#)

## REVIEW CYCLE

This policy will be reviewed annually by School Council to confirm/enhance internal control procedures.

Proposed amendments to this policy will be discussed with Administration Staff, Leadership Team and School Council.

This policy was last approved by school council on 17<sup>th</sup> February, 2020 and is scheduled for review on February, 2021.