

# Petty Cash Policy

November 2015



## Policy Approval and Distribution

Related Council Policy or Procedure		
Approved by	Council on (date):	25 November 2015
	Resolution No:	349/15
Distribution	Council website	<input checked="" type="checkbox"/>
	Intranet	<input checked="" type="checkbox"/>
	TRIM	<input checked="" type="checkbox"/> Yes Container: 10/100

## Revision Record

Date	Version	Revision Description
Nov 2015	1	Initial Policy

**1. PURPOSE**

The purpose of this policy is to provide consistency in procedures and standards in petty cash handling across all Council sites and services to ensure Council fulfils its financial obligations and service delivery.

**2. SCOPE**

This Policy applies to all Council staff including individuals under contract, Councillors and delegates of council as defined in Council's Code of Conduct and in particular for those involved with the handling of cash at designated sites and any persons authorised to use petty cash.

**3. POLICY STATEMENT**

All money received by Council is fully accounted for and receipted and deposited to Council's bank account, maintaining accountability for the flow of cash through Council so that the correct and proper use of petty cash occurs at the City of Botany Bay.

**4. POLICY DETAILS**

**4.1** Petty cash should only be used where a reasonable incidental or urgent purchase is required and/or the amount involved does not warrant normal purchasing procedure. Only minor expenditures of less than \$50 should be met from a petty cash advance.

**4.2 Issuing of Petty Cash Floats**

- a) Application to have a petty cash float available by a Department will be approved by either the relevant Director or the Deputy General Manager in conjunction with the Chief Financial Officer.
- b) Petty cash floats will be advanced from the appropriate budget number (general ledger) and recorded on a register.
- c) The re-banking of petty cash advances will be receipted to the same account.

- 4.3** The following transactions are excluded from petty cash reimbursement:
- a) Cashing of cheques;
  - b) Temporary loans to any person;
  - c) Payment of expenses exceeding \$100 for any one voucher, in which case the voucher must be suitably authorised by the relevant Director to justify the transaction.
  - d) Payment of creditors' accounts;
  - e) Purchase of fuel (except where approved by the General Manager);
  - f) Payments for expenses not related to Council business i.e. personal expenses; and/or
  - g) Payment of any personal remuneration to any person or organisation, whether for salaries, wages, or for any other reason.

**4.4 Monetary Limit**

- a) The maximum petty cash reimbursement will be no more than \$200 per calendar month per individual. Should this amount be exceeded, then the relevant Director is to be notified and alternative procurement methods for procurement of the items are to be implemented.
- b) Exceptions to this requirement may only be approved by the relevant Director or Deputy General Manager, in consultation with the Chief Financial Officer.
- c) Payment for items of a higher value should be made through normal procurement processes and invoice processing or by means of corporate credit card or store card in accordance with the Corporate Credit Card and store cards Policy and Procedures.

**4.5 Segregation of Duties**

- a) The officer who controls the petty cash float must not be the claimant, unless they have another administration staff member certify the claim.
- b) The claimant must not be the supplier of the goods / services that the petty cash claim relates to.

**4.6 Reconciliation of Petty Cash Funds**

- a) The petty cash float should be reconciled by the petty cash advance holder at the end of each month or when the float falls below \$100 balance, whichever occurs first.
- b) A receipt is to be issued for all transactions, in accordance with the receipting procedure at each site, using the approved Council system or official receipt books. Each receipt for petty cash must be dated and numbered in sequential order;
- c) All claim dockets and original receipts should be attached to the petty cash reconciliation with associated cost account details and provided to the relevant Director to review and approve to allow replenishment of the petty cash float.

**5. ROLES AND RESPONSIBILITIES**

- a) All Councillors and staff have a responsibility to:
  - Comply with Council policy and the related procedures; and
  - Report breaches of this policy and suspected fraudulent or corrupt behaviour in accordance with Council's Internal Reporting Policy.
- b) The General Manager will ensure that adequate training is provided to relevant Councillors and staff to ensure that they are aware of their obligations under this Policy.
- c) The Chief Financial Officer is responsible for monitoring the use and appropriateness of petty cash reimbursement.
- d) Relevant staff will be notified of any changes or updates to this policy by the Chief Financial Officer.

**6. COMPLIANCE WITH POLICY**

- a) Sanctions for the breach of this policy will be determined in accordance with the provisions applied under the Council's Code of Conduct.

- b) Staff members in breach of this policy will be subject to disciplinary procedures as provided under the Local Government (State) Award.

## **7. REVIEW AND ENDORSEMENT**

- a) Corporate Services - Governance responsible for the review and issue of this policy every two years.
- b) The General Manager, or their delegate, is authorised to approve variations to this policy in order to comply with legislative requirements. Any variation made will be reported to Council.
- c) The Policy and annexures are subject to review on an ongoing basis and Council reserves the right to alter, vary or terminate a staff member's access to petty cash.
- d) This Policy supersedes all previous policies from the date of resolution.

## **8. DEFINITIONS**

Cash	Electronic and credit card transactions, cheque, money order, and currency including notes and coins.
Cash handling	means petty cash, manual and electronic means of cashiering (cash, cheque, eftpos and credit card), floats (special events, collection of monies), banking preparation and reconciliation.
Banking	means cash preparation and reconciliation for collection by Council's authorised collection agent for depositing with bank.
Designated site	<p>Those sites throughout Council that are involved in cash handling and merchandise control operations. These include but are not limited to:</p> <ul style="list-style-type: none"><li>a) Customer Service</li><li>b) Library</li><li>c) Airport Business Unit</li><li>d) Finance</li><li>e) Childcare Centres</li><li>f) Recreation Facilities e.g. Aquatic Centre, Golf Course, Squash Courts</li></ul>

- g) Meals on Wheels
- h) Mayor's Office
- i) Administration Centre

## **9. LEGISLATION AND OTHER REFERENCES**

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*
- *Banking Act 1959*

## **10. RELATED DOCUMENTS**

- Code of Conduct
- Procurement Policy
- Internal Control Policy
- Fraud and Corruption Prevention Policy
- Internal Control Policy
- Delegations of Authority
- Payment of Expenses and Facilities Policy
- Corporate Credit Card and Store Cards Policy