



# Lorne P-12 College

## 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 Lorne P-12 College 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.

Cash must be kept in a secure location at all times. During school hours this is a locked drawer in the office, after hours it is locked in the safe, in a locked room.

#### 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 Lorne P-12 College Principal with School Council permission may establish a petty cash advance and:

- the limit on any one payment is \$200
- 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 in the administration office or in the safe in a secure room.
- 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.

#### COMMUNICATION

This policy will be communicated to our staff in the following ways:

- A copy will be made available to all staff who handle petty cash
- Included in staff handbook/manual
- Discussed at staff briefings/meetings (as required)

#### FURTHER INFORMATION AND RESOURCES

- [Financial Manual for Victorian Government Schools](#) Section 11 – Expenditure Management
- [Cash Handling resources](#)

#### POLICY REVIEW AND APPROVAL

Policy last reviewed	February 2023
Approved by	School Council
Next scheduled review date	February 2024