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Parent Policy: [Financial Management and Practices Policy](#)

Petty Cash Procedure

Office of Administrative Responsibility:	Financial Services
Approver:	Director, Investments and Treasury
Scope:	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	revenue.procedure@ualberta.ca
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Overview

Most University purchases are processed through purchase requisitions, direct order contracts, corporate purchasing card or expense reimbursement. Units can make use of a petty cash fund to pay incidental, low value expenditures when it is a more cost efficient alternative to other payment and reimbursement processes.

Purpose

To establish institutional procedures for effective management of petty cash funds and expenditures.

PROCEDURE

1. ALLOWABLE PETTY CASH TRANSACTIONS

Petty cash transactions must comply with University related policy, regulations and applicable donor/sponsor terms and conditions.

Petty cash cannot be used for personal loans, emergency student loans, bursaries, salaries, wages, honoraria or cashing cheques.

Petty cash is not to be used for frequently purchased items. Consult with Supply Management Services if such purchases cannot be otherwise met through purchase requisitions, direct order contracts, the corporate purchasing card or the expense claim reimbursement process.

Only dispense petty cash upon submission of original vendor receipts or when refunding deposits (e.g. key deposits). Given the amount is insignificant, once charged to 502101 do not reallocate to other expense accounts.

For additional information and examples, when to utilize petty cash, please refer to *Guide to Financial Management, Procurement of Goods & Services, Payment to or on Behalf of Individuals*.

2. HOW TO OBTAIN PETTY CASH

Complete and submit a *Petty Cash Requisition Form* to Financial Services. Under no circumstances can funds derived from the sale of goods and services or any other source be added to a unit's petty cash fund. The custodian must provide the original signed *Petty Cash Requisition Form*, as well as OneCard ID at time of collecting funds from FS Cashier.

Normally a unit's monthly tally of petty cash transactions will not exceed \$250. Unless a unit's location is not in close proximity to Financial Services Cashier or funds are needed to deal with some unique circumstance (i.e. payments to research subjects), the \$250 maximum is viewed as sufficient. Financial Services will consider exceptions by written request (see bottom of *Petty Cash Requisition Form*).

Issued funds will be immediately charged (by Financial Services Cashier) to the requisitioning unit's miscellaneous expense account (502101 – Supplies and Services General).

3. CUSTODIAN RESPONSIBILITIES

The custodian holds responsibility for and control over a unit's petty cash funds and the supporting documents and backup. Specifically the custodian is responsible for the following:

Safekeeping of petty cash funds/bank: only the custodian is provided access to petty cash funds and is responsible for their disbursement. Petty cash is stored in a lockable box and locked when not in use. The petty cash box, when not being attended, must be kept in a secure, locked place (i.e. locked desk, filing cabinet or safe).

To only dispense petty cash upon submission of original vendor receipts and ensure these receipts reconcile to and fully support a petty cash record of expenditures.

To maintain a record of petty cash expenditures. To minimize the risk of fraud by unauthorized staff and provide evidence of the missing amounts in the event of loss of funds, this record of expenditures is to be stored separately from the petty cash funds and in a secure location (i.e. locked desk or filing cabinet).

To ensure appropriate record keeping of all related supporting documentation and backup (i.e. copies of requisition forms, expenditure reports with original receipts, general ledger journal entries, etc.). Retention of these records in accordance with the University's document retention policy and to satisfy financial audit requirements (7 year retention period) is required.

If petty cash funds are no longer required, return the unused cash to the expense account 502101. This can be done by Cashier Deposit Form at Financial Services Cashier.

4. REPLENISHING PETTY CASH

Petty Cash Requisition Form is submitted to Financial Services Cashier. OneCard ID must be provided at the time of collecting funds.

It is the SFO's responsibility to appoint a custodian and upon termination of employment or transfer of an appointed custodian, to recover the respective petty cash and/or expenditure report and backup and in turn delegate custody to another. Financial Services is also informed of the change.

To immediately report to Campus Security Services, Financial Services (Treasury) and Internal Audit any discrepancies or suspected thefts or fraud of petty cash. Note Campus Security Services will in turn notify Insurance and Risk Management and provide a written report of matter to the unit.

DEFINITIONS

There are no definitions for this procedure. [[▲ Top](#)]

FORMS

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[Petty Cash Requisition Form](#)

RELATED LINKS

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