

COLAC SECONDARY 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 Colac Secondary College that may be utilised by school staff for small purchases at the discretion of the Principal or Business Manager.

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-safe or in a lockable cabinet.

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 Principal, or Business Manager, with school council permission may establish a petty cash advance. The following will apply:

- the limit on any one payment is \$200.
- clear records of petty cash expenditure must be maintained.
- all original tax invoices/receipts are required to be supplied to the Business Manager. All petty cash claims must be supported by receipts or invoices.
- A "Petty Cash Form" form must be completed by and signed by the appropriate staff member and invoices/receipts attached to claim
- 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 practicable 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 Business Manager, must check the petty cash balance twice a year, without giving advance notice of the check.

FURTHER INFORMATION AND RESOURCES

- School Policy and Advisory Guide: Payment of Accounts
- Financial Manual for Victorian Government Schools Section 11 – Expenditure Management

EVALUATION

This policy will be reviewed every one to two years or more frequently if necessary due to changes in regulations or circumstances.

Council Approval date	June 2021
Review date	2023
DET/VRQA required	Optional / Mandatory