



POLICY P4.1.14 PETTY CASH

ITEM	DESCRIPTION
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SOPs	SOP 4.1.14-1 Duties of Petty Cash Holders
Owner	Executive Director, Executive Services
Contact	Manager, Financial Accounting
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1 Purpose

- 1.1 This policy outlines the principles for management, access and use of petty cash within the NSW Rural Fire Service (NSW RFS) and ensures compliance with the:
- Public Finance and Audit Act 1983;*
 - Public Finance and Audit Regulation 2015;* and
 - Treasurer's Directions.

2 Definitions

- 2.1 For the purpose of this policy the following definitions apply:
- ABN:** Australian Business Number.
 - CFO:** The Chief Financial Officer of the NSW RFS.
 - Delegated Officer:** Refer to policy P4.1.1 Financial Delegations
 - Member:** Refers to a staff member of the NSW RFS employed under the *Government Sector Employment Act 2013*.
 - Petty cash:** cash held to reimburse members for minor expenditure incurred in the course of their official duties.
 - Petty cash float:** the total value of petty cash approved to be held in a particular location.
 - Petty cash holder:** the officer assigned responsibility for management of the petty cash float.

3 Policy

- 3.1 Petty cash is to be used only for official purposes. If you are in any doubt regarding the intended expense, confirm with your manager to ascertain if it will be claimable under petty cash prior to incurring the expense.
- 3.2 Individual payments from petty cash floats shall be confined to minor expenditure other than salaries and wages and travel related allowances/payments, and shall not exceed \$100. Splitting of invoices, dockets or purchases is not permitted.
- 3.3 Corporate credit card holders should utilise their credit card for taxi, parking and public transport expenses rather than claim through petty cash.
- 3.4 Petty cash will only be issued when a member provides a completed Petty Cash Claim Form, approved by a delegated officer, and supported by documentary evidence including an original Tax Invoice that shows the ABN of the supplier.
- 3.5 A delegated officer cannot approve their own petty cash claim.
- 3.6 Petty cash must be claimed within one month of the expense being incurred.
- 3.7 A member may collect petty cash on behalf of another member where authorised to do so in writing by the member who incurred the expense.
- 3.8 Petty cash advances are not available under any circumstances.
- 3.9 Members cannot borrow from petty cash for personal expenses under any circumstances.
- 3.10 Petty cash floats must be approved by the CFO, who will also determine the value of the petty cash float. The number and value of petty cash floats will be kept to a minimum whilst facilitating reimbursements to members.
- 3.11 At any one time, only one member shall be allocated responsibility for the petty cash float including the issuing, reconciling and security of petty cash.
- 3.12 An office should not maintain a petty cash float provided by Council except in exceptional circumstances. The holding of a Council petty cash float requires the approval of the CFO. This policy will apply to any Council petty cash float except where Council policy is more stringent.
- 3.13 Petty cash must not be used to bypass the Purchasing system. Where purchases of the same goods or services are undertaken frequently, they should be purchased by way of a purchase requisition in accordance with approved processes and delegations.
- 3.14 Other monies, including any receipts to be banked, private funds, social club monies, brigade funds or Council funds, shall not be mixed with the petty cash float or kept in the same tin.
- 3.15 Audits may be undertaken at any time, and the petty cash holder will provide access to the petty cash float immediately on request for this purpose to the auditor (whether a delegated officer, internal or external auditor). Any audit of the petty cash float shall occur with the petty cash holder present.

4 Related documents

- SOP 4.1.14-1 Duties of Petty Cash Holders
- *Public Finance and Audit Act 1983*
- *Public Finance and Audit Regulation 2015*
- Treasurer's Directions
- Petty Cash Claim Form (Standard)
- Petty Cash Claim Form (Meals)
- SS 1.1.7 Code of Conduct and Ethics
- P4.1.1 Financial Delegations

5 Amendments

AMENDMENT DATE	VERSION NO	DESCRIPTION
27 August 2011	1.0	Initial release (This policy replaces P1.1.8 Petty Cash)
23 November 2015	2.0	Rewritten to reflect current practice

SOP P4.1.14-1

Responsibilities of Petty Cash Holders

1 Purpose

- 1.1 This standard operating procedure provides guidance to petty cash holders on their responsibilities.

2 Procedures

Issuing of Petty Cash

- 2.1 A petty cash holder is solely responsible for a petty cash float.
- 2.2 Only one member can be responsible for a petty cash float at any one time.
- 2.3 A petty cash holder will only issue petty cash to a member when the requirements of the Petty Cash Policy P4.1.14 Clause 3.4 have been satisfied.
- 2.4 A petty cash holder has the right to refuse to issue petty cash until they are satisfied that the expense has been incurred in the course of official NSW RFS duties, is appropriately approved by a delegated officer and supported by relevant original documentation.

Security of a Petty Cash Float

- 2.5 Petty cash floats will be maintained in a locked petty cash tin.
- 2.6 Keys must be retained by the petty cash holder and shall not be left where unauthorised persons can access them.
- 2.7 The petty cash tin will be further secured in a locked cupboard or safe.

Transfer of a Petty Cash Float

- 2.8 Where it is necessary to transfer the petty cash float from one petty cash holder to another, a reconciliation and handover must occur.
- 2.9 The outgoing petty cash holder must count the cash and receipts on hand and reconcile the float in the presence of the incoming petty cash holder.
- 2.10 The incoming petty cash holder must check and sign the reconciliation to accept custodianship of the petty cash float.
- 2.11 All keys must be provided to the incoming petty cash custodian.
- 2.12 Evidence of transfer of the petty cash float should be retained on file, with a copy forwarded to Financial Services via finance@rfs.nsw.gov.au.

Recoup of Petty Cash Float

- 2.13 Regular recoups of the petty cash float should be undertaken to ensure there is sufficient cash on hand to meet the reimbursement needs of members incurring expenses.
- 2.14 Recoups are made by corporate credit card with supporting documentation supplied to Financial Services:
- For floats held outside of Head Office: as part of the credit card reconciliation;
 - For the Head Office float : processed by Financial Services upon receipt of a reconciliation and supporting documentation signed by both the petty cash holder and delegated officer.
- 2.15 Where recoups are required more often than monthly to accommodate the need for petty cash, consideration will be given by the CFO to increasing the value of the petty cash float. Conversely, where petty cash recoups are infrequent, the CFO may reduce the value of the petty cash float at their discretion.

Reconciliation of Petty Cash Floats

- 2.16 Petty cash floats must be reconciled at the end of each month and the reconciliation signed by a delegated officer and retained on file with a copy provided to Financial Services at finance@rfs.nsw.gov.au. A standard reconciliation template is available from finance@rfs.nsw.gov.au.
- 2.17 At the end of each quarter, and at financial year end, the petty cash holder must provide a written statement to the CFO that the petty cash reconciliation is accurate. Petty cash floats must be recouped prior to this reconciliation.

Audit of Petty Cash

- 2.18 Petty cash floats are subject to regular, unscheduled audits conducted by the delegated officer, Financial Services staff, internal or external auditors.
- 2.19 Petty cash holders should ensure that at all times evidence of petty cash distributed and receipts are maintained to reconcile to the petty cash float.
- 2.20 Upon request, a petty cash holder will make available the petty cash float for auditing without first examining its contents and without delay.
- 2.21 Petty cash holders should be present during a petty cash audit to ensure security of the petty cash float and associated documentation.

3 Related forms

- Petty Cash Claim Form (Standard)
- Petty Cash Claim Form (Meals)
- Petty Cash Reconciliation Template