



Petty Cash

Policy & Rules

A petty cash float is provided to Departments to cover minor items of expenditure (e.g. postage) where the creation of a purchase order would be impractical. Petty Cash must be used exclusively for expenditure directly relating to University business. A float is normally up to a maximum of £100, (unless written permission is given by the Director of Finance to increase the limit).

Departments are responsible for the security of the float and for ensuring that all expenditure is properly supported and authorised. Under no circumstances must petty cash be used:

- To make payments to individuals (e.g. payments to visiting lecturers to defray expenses).
- To make payments to external suppliers for services rendered.
- For the regular purchase of items that could be obtained through iProcurement (e.g. the monthly replenishment of consumables such as tea and coffee, cleaning materials or light bulbs).
- To reimburse mileage or travel costs other than local bus fares between sites in Cambridge. In these cases University Expense forms should be used.
- For personal expenditure even if the intention is to reimburse the float later.
- For internal business transactions within the University i.e. between departments (this includes the University Centre). In these circumstances, Internal Trading procedures via the UFS must be used.

Departments are required to certify their petty cash at half year and the financial year-end.

Payments from petty cash are limited to items of expenditure **below the cost of £25** unless the Director of Finance has given written dispensation to increase the limit, and must be supported by a receipted voucher and the claimant receiving reimbursement must sign for receipt of monies. The member of staff responsible for the petty cash float must ensure that records are always up to date, including disbursements being entered into CUFS.

Departmental petty cash floats should be replenished at least once a month if any activity has occurred. Departments should ensure petty cash is kept in either a suitable safe or a locked drawer within the department and access is given to the petty cash controller and the deputy.

Documentation Required

Payments out of petty cash must be supported by a receipt or voucher.

The voucher must be authorised by the person claiming the money and the petty cash controller, and have had permission to incur the expense in the first place.

Each payment from petty cash must be entered on an imprest form, with the code that the expenditure is to be charged to and a notation in block capitals, detailing what the expenditure is for.



Expenditure from petty cash for research grants can be entered on a separate form. All forms can be found on the UFS web page at:

<http://www.finance.admin.cam.ac.uk/staff-and-departmental-services/forms>

Procedure

When the imprest form has been filled up, or if the amount left in petty cash is low, the form(s) should be completed.

- Any grant related expenditure should be totalled and entered onto the grants petty cash form. The remaining expenditure is entered onto the standard imprest form. The total from the grants form should then be transferred to the bottom of the imprest form.

Note the following:

- The sum of the entries on the form will total the amount that has been paid out of petty cash and which needs to be reimbursed from the Finance Division cashier.
- The amount remaining in petty cash should be counted and entered on the form as being the balance in hand, which, when added to the amount to be reimbursed should equal the total petty cash the Department is authorised to hold.

General Ledger journal within CUFS/Authorisation

Once the imprest form has been completed, the petty cash expenditure will need to be recorded in CUFS.

A departmental GL user will enter and post a journal into the General Ledger, using the imprest form as the source for the journal. The journal category should be Petty Cash. The journal should be posted into CUFS prior to the reimbursement of cash.

Any Research Grant petty cash amounts **must** be entered as a journal in the Grants Module using the grants form as backup to the entries.

Once the imprest form (either standard or grants petty cash) has been posted in CUFS, it will need to be signed by an authorised signatory and taken to the cashier for reimbursement.

Obtaining petty cash

The replenishment of petty cash floats must be arranged through the Cash Management team for collection direct from the bank, unless otherwise arranged in advance by the Finance Division. Supporting documentation should be retained in the Department and attached to a copy of the imprest form for filing.

If a Department wishes to hold petty cash or increase its amount of petty cash, an application should be made in writing to the Director of Finance.



Detailed information on petty cash can be found in the Financial Procedures Manual, chapter 6, section 7 as well as in the Financial Regulations.

