



# Red Cliffs Secondary College & FLO Connect Policy



## PETTY CASH & FLOATS POLICY

### PURPOSE

This document provides the parameters under which petty cash and other floats can be established and used. It is to be read in conjunction with Department guidelines, other relevant documents (noted below) to promote effective controls and consistency whilst safeguarding staff and minimising risk.

### SCOPE

The Petty Cash & Floats Policy applies to all employees of the Red Cliffs Secondary College and encompasses petty cash, used for payment of low value expenses, ongoing cash floats and short-term event and other floats required throughout the year.

### POLICY

#### Responsibilities

**School Council:** Must approve and minute the approval of the Petty Cash & Floats Policy and required petty cash and float and amounts.

**Business Manager:** Will recommend to School Council an annual review of the Petty Cash & Floats Policy, list related requirements and their amounts.

**Custodian:** For each float, a staff member will be appointed to take responsibility for:

- Ensuring the float is always secure
- Retaining acceptable supporting documentation
- Monitoring and reconciling the float
- Reporting the loss of funds to the Principal as soon as any loss is discovered

**Employees:** when utilising floats, must complete appropriate documentation.

#### Establishing a Petty Cash Float

Petty Cash Floats for daily use of minor expenses will be established by the Business Manager, after council approval, at the beginning of the calendar year. These float amounts should be enough to pay the expected expenditure for the month.

For short-term event floats, event approval via the Operations Committee is required. Staff should then request the establishment of a new cash float by raising a purchase order on Compass.

Floats are to be limited to a maximum of \$400.

In all cases, the Business Manager must review the appropriateness of each request based on documentation provided at the time of the request.

#### Usage

Petty cash may be utilised for school-related minor expenses in place of school's normal purchasing means only when necessary and cannot be utilised for salary and wages.

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On collection from the Main Reception of a float, the custodian needs to sign the school's Float Collection Authorisation Form and acknowledge they have read both the Petty Cash & Float Policy and Cash Handling Policy.

Cash must always be kept in a secure location, kept in a lockable cash drawer or box under the control of the custodian. All cash is to be returned to the Main Reception immediately after use or as soon as practical.

All expenses incurred using petty cash funds must have acceptable supporting documentation to substantiate the expenses.

- Any one payment through petty cash is limited to \$50
- Custodians must ensure all advances and expenses are recorded on a Petty Cash run sheet.
- A tax invoice must be obtained for all purchases, otherwise a statutory declaration is required.
- Documentation should be kept with the float in a secure location, until submitted for replenishment or closed.

Transactions should be recorded in the month of occurrence, so that accounting records reflect the actual financial situation and can be verified.

## Replenishment

Before a petty cash expenditure float is replenished, the custodian must complete a reconciliation to ensure that the total transactions (payments or receipts) made together with the balance of cash on hand are equivalent to the original advance. Reconciliation is to be completed on the Petty Cash run sheet.

Reconciliation and supporting documentation are to be submitted to Accounts Payable to request replenishment.

## Closing Floats

Floats should be reconciled, closed and funds banked as soon as the purpose for which the float was established has been completed.

All Floats must be reconciled at the end of each calendar year and the reconciled cash on hand must be banked. During other holiday periods, where small amounts are held, it is not necessary for this action to be taken.

## Internal checking system

The principal, or an officer appointed by the principal, must carry out checks (at least two per year) where they monitor the petty cash balances without having given 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 floats
- security is being maintained over the advance and supporting documentation

The custodian must be present at all times during the check.

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## FURTHER INFORMATION AND RESOURCES

- School Policy and Advisory Guide: [Payment of Accounts](#)
- [Financial Manual for Victorian Government Schools](#) Section 11 – Expenditure Management
- [Cash Handling resources](#)
- Cash Handling Policy

## REVIEW CYCLE AND EVALUATION

This policy was last updated on May 7<sup>th</sup>, 2020 and is scheduled for review in August 2021. It was ratified at College Council on May 12<sup>th</sup>, 2020.