

PETTY CASH PROCEDURES

POLICY/PROCEDURE NUMBER	FP02/01
VERSION NUMBER	3
KEY CHANGES FROM PREVIOUS VERSION	3 year review, no significant changes
AUTHOR	Head of Financial Accounts
CONSULTATION GROUPS	Audit Committee Senior Finance Staff
IMPLEMENTATION DATE	April 2017
AMENDMENT DATE(S)	April 2017, November 2017, November 2020
LAST REVIEW DATE	November 2020
NEXT REVIEW DATE	November 2023
APPROVAL BY AUDIT COMMITTEE	19 November 2020
RATIFICATION BY	N/A
COPYRIGHT	2017-2021
POLICY SUMMARY	
<p>This procedure outlines the process for requesting a new petty cash float and for requesting changes to an existing float. In addition, the process for obtaining reimbursement is detailed.</p>	
<p>The Trust monitors the implementation of and compliance with this policy in the following ways:</p>	
<p>Internal Audit</p>	

Services	Applicable	Comments
Trustwide	✓	
Essex MH & LD		
CHS		

**The Director responsible for monitoring and reviewing this policy is
Executive Chief Finance Officer**

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PETTY CASH PROCEDURES

CONTENTS

THIS IS AN INTERACTIVE CONTENTS LIST – PLEASE CLICK ON THE SECTION HEADINGS TO GO TO THE SECTIONS

- 1.0 INTRODUCTION**
- 2.0 REQUESTS FOR PETTY CASH FLOAT / AMENDMENT TO EXISTING FLOAT**
- 3.0 PAYMENTS FROM PETTY CASH**
- 4.0 REIMBURSEMENT**
- 5.0 MAKING REIMBURSEMENTS**
- 6.0 SECURITY OF CASH**

APPENDICES

APPENDIX 1 – REQUEST FOR A NEW PETTY CASH FLOAT

APPENDIX 2 – AMENDMENT TO PETTY CASH HOLDER OF NAMED INDIVIDUAL

APPENDIX 3 – PETTY CASH EXPENSE FORM

APPENDIX 4 – PETTY CASH CLAIM

APPENDIX 5 – PETTY CASH DO'S AND DON'TS

APPENDIX 6 – CASH DEPOT FORM

APPENDIX 7 - HANDOVER PETTY CASH FORM

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PETTY CASH PROCEDURES

1.0 INTRODUCTION

1.1 Definition of Terms:

a) Petty Cash Float

A relatively small sum of money, held in a separate account for receipts and payments. It is usually kept under separate control by a 'petty cash imprest holder', involving the holding and disbursements of small cash amounts.

b) Petty Cash Voucher

A document showing expenditure of petty cash, usually requiring the attachment of receipted invoices, with authorising and receiving signatures.

c) Petty Cash Imprest System

When the petty cash float has been reduced by disbursements, it is restored to its original level.

d) Petty Cash Imprest Holder

The person authorised by the Service Manager to hold a petty cash float for a given location/department.

1.2 All petty cash imprest holders are required to be familiar with these procedures. Advice and help may be sought from the Finance Department.

1.3 For avoidance of doubt, this procedure refers to a number of key staff within the Finance Department for a completion of a range of tasks. In the absence of these key members of staff, the task will be undertaken by the covering member of staff. In the event there are no suitable staff to cover the identified task, the decision will be referred to either the Deputy Chief Finance Officer or the Head of Financial Accounts / Financial Management.

2.0 REQUESTS FOR PETTY CASH FLOAT / AMENDMENT TO EXISTING FLOAT

2.1 If a new petty cash float is required, the Budget Holder should complete appendix 1 and forward to the Cash and Controls team within the finance department. This should clearly state the reason for the float, the value requested (subject to approval by finance) and the names of two staff members who will be responsible for cashing the reimbursement cheque.

FP02/01 – PETTY CASH PROCEDURE

- 2.2 If an amendment to an existing petty cash float is required, appendix 2 should be completed and signed by the Budget Holder prior to the form being returned to the Cash and Controls team. This form should be used for all proposed increases or decreases to the float value and are subject to the consideration by the finance department. Increases to float value will only be approved where timely requests for reimbursements are made by the service.
- 2.3 The Cash and Controls team should maintain a list of all petty cash imprest holders and the imprest values.

3.0 PAYMENTS FROM PETTY CASH

- 3.1 Imprest Holders can make payments from petty cash only against a signed petty cash voucher (attached at Appendix 3). This needs to be duly signed by an authorised officer of the Trust with the receipt attached.
- 3.2 No individual receipt or claim should exceed the delegated limit stated in the Detailed Scheme of Delegation, and all reimbursements should be made within 2 months of incurring the expenditure.
- 3.3 Exceptions to the limit stated in the Detailed Scheme of Delegation can be made only in extraordinary circumstances in accordance with the approval given by the Executive Chief Finance Officer or the Deputy Chief Finance Officer.
- 3.4 The Petty Cash Voucher should be signed by the person receiving payment.
- 3.5 Where practical, the petty cash claim and supporting vouchers should be signed by three different people. For example, it is not acceptable for the same individual to authorise a petty cash voucher and to receive the cash. In the event that the size of the service does not allow for three different signatures, this should be discussed in advance of submitting a claim with the Cash and Controls team.
- 3.6 Each payment made out of petty cash needs to be entered on the Petty Cash Imprest Account Claim Form (Appendix 4) and the line number written on all relevant supporting vouchers.
- 3.7 Appendix 5 shows gives a guide of what petty cash should and shouldn't be used for. The advice of the finance department should be sought where necessary.
- 3.8 The Imprest Holder must record each item of expenditure in the appropriate column of the Petty Cash Imprest Account Form, and code to the relevant budget.
- 3.9 Holders of sub floats should follow the same procedures stated above.
- 3.10 Imprest listings of sub floats, when submitted to the main Imprest Holder are then entered onto the main petty cash imprest account form.

FP02/01 – PETTY CASH PROCEDURE

- 3.11 In no circumstances may cash from one float be loaned to another float. In addition, any income received into the service should not be added to the float but instead banked on an income sheet.
- 3.12 Advances of petty cash prior to expenditure being incurred, should be avoided where possible. However, in the event this is necessary, the member of staff receiving the petty cash advance is required to ensure all receipts are returned to the float holder, together with any residual funds and a completed voucher within one week of issue.

4.0 REIMBURSEMENT

- 4.1 All holders of petty cash floats or sub floats should submit their Petty Cash Imprest Account claim forms for reimbursement, together with the supporting vouchers when half the float has been used or weekly if preferred, but at least monthly.
- 4.2 Requests for reimbursements should reach the Finance Department by Friday for a cheque to be drawn on the agreed payment run day of the following week.
- 4.3 Any Petty Cash Imprest Forms submitted must show:
- a) The original cash float held inclusive of sub floats.
 - b) A list of all payments made fully coded.
 - c) The total of all payments made.
 - d) The remaining cash float held.
 - e) Signature of the imprest holder.
 - f) Certified by authorised petty cash manager.
- 4.4 Holders of sub floats are reimbursed by the main Imprest Holder in cash, for which, a receipt should be obtained.
- 4.5 By including the sub-float claims within the main Imprest, the main Imprest Holder will in turn be reimbursed.
- 4.6 The completed Petty Cash Imprest Claim Forms should be put together into an envelope together with all supporting vouchers and sent or handed over to the Financial Accounts Department. Alternatively, and where more practical, scanned copies of the claim and receipts will be accepted in agreement with finance.
- 4.7 The Imprest Holder should retain a copy of the Imprest form for his/her records.

5.0 MAKING REIMBURSEMENTS**5.1 Payment in cash by a Cash Transit company:**

- a) Some sites may receive petty cash reimbursements in cash via a Cash Transit company. This incurs a cost to the Trust, and therefore requests for this service will need to be considered individually by finance and the budget holder.
- b) The Imprest Holders at the agreed locations need to e-mail the Cash and Controls Department with a breakdown by denomination of notes and coins required for the reimbursement.
- c) The Cash and Controls team will record the denominations required for the reimbursements onto a break down form (attached at Appendix 6).
- d) When the cash breakdowns for the site have been received they are checked to ensure that they agree with the amount claimed on the Imprest Form.
- e) A copy is taken of the Imprest Claim Form and the backup documents are attached to this copy, which are then filed in the imprest files held by the Cash and Controls Team within the Finance Department.
- f) The original Imprest Claim Form doubles up a 'financial accounts journal' and is input into the Finance Ledger system.
- g) On receipt of cash from the Cash Transit company the cash should be checked by two officers (if the Cash Transit Guard is not able to be present). In the event of an error, the Cash Transit company and the Cash and Controls Team should be notified immediately.
- h) The Cash Transit company is reimbursed by the Trust from the current account held with Lloyds Bank plc by automatic transfer. The total amount requested from the Cash Transit company should not exceed the total imprest values.

5.2 Payment by Crossed Cheque

- a) All Petty Cash Imprest Holders are reimbursed by a crossed cheque drawn by the automated payment run and payable to a named representative of the Trust. The authorisation to make the payment is the original verified Imprest Claim Form. A list of current payees is held by the Finance Department.
- b) The representatives will be required to provide specimen signatures. The bank will be notified of the Trust representative by a Lloyds Open Credit Facility form. Any changes to representatives will be notified to the bank via a Lloyds Open Credit Facility form which is to be completed by the Cash and Controls team. (Payees will be nominated by the Service Manager or Director).

FP02/01 – PETTY CASH PROCEDURE

- c) The Cash and Controls Team should ensure that the Trust's bankers are provided with specimen signatures for the agreed number of representatives at each site, in case of absence.
- d) The original Imprest Claim Form is passed to the Accounts Payable section for input to the finance ledger system.

6.0 SECURITY OF CASH:

- 6.1 Cash must be put in a locked cash box which must be kept out of sight at all times.
- 6.2 The cash box must be kept overnight in a safe or locked away safely in a filing cabinet.
- 6.3 A reconciliation of vouchers and cash held should be performed daily, if possible, but must be done at least weekly, or when there is a change of Imprest Holder.
- 6.4 The weekly reconciliation or when the petty cash imprest is being handed over, should be recorded on the Petty Cash Handover Form attached at Appendix 7. The form should be signed by the officer responsible for making the count.
- 6.5 The officer taking over Petty Cash responsibilities should be present when the count is made and, therefore, sign to confirm the correctness of the record.
- 6.6 Any losses or shortfalls must be investigated and reported to the line manager immediately and to the Cash and Controls Team within the Finance Department.
- 6.7 All cash holdings must be available at all times during normal office hours for checking immediately by Audit, Finance staff and the Service Manager.
- 6.8 The officers named in paragraph 6.7 may ask for cash holdings to be made available without notice.
- 6.9 The Petty Cash Imprest Holder or their line manager will be required to issue a signed certificate confirming the balances held at the end of each financial year.

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