

8.1 Petty Cash Funds

Policy Statement

This policy describes the purpose of a petty cash fund and the procedures to be followed for establishing and operating such a fund.

Policy Objective

To ensure that the procedures for establishing a petty cash fund are available to those who use petty cash funds.

Policy Directives

RESTRICTIONS

- A petty cash fund is to be used for cash transactions not exceeding \$50.00 in value, provided such transactions comply with the regulations of the Procurement Branch, Department of Transportation and Infrastructure Renewal.
- A fund may be used only to cover government expenses.
- A fund must not be used to settle expenditures previously committed as credit transactions.
- Salaries may not be paid out of petty cash funds under any circumstances.
- Travel expenses, with the exception of reimbursing employees for taxi fare, may not be paid out of petty cash.

ESTABLISHING A FUND

A department or agency may request a petty cash fund by writing to the Director of Financial Services of their respective department or corporate service unit indicating the reason for the request, the dollar amount of the fund required, and the employee or holder to whom the fund will be assigned. (See Appendix 8-A.) The amount of the fund can vary and will depend on the volume of transactions by the department or agency.

Any change in the employee responsible for the petty cash fund must be reported promptly in writing to the Director of Financial Services of their respective department or corporate service unit. (See Appendix 8-B.) This report should contain a signed statement by the new custodian confirming that he/she has received the funds.

OPERATING A FUND

Funds received by a department or agency will be in the form of a cheque. The cheque will be cashed, and the money received will be kept by the employee or holder in a secure location.

Each March 31, and whenever replenishment is required, the employee responsible for the petty cash fund will complete a Statement of Petty Cash Expenditures (See Appendix 8-C) in accordance with the following instructions:

- 1 The sum of the total expenditure receipts and cash on hand must be equivalent to the approved fund level.
- 2 The expenditures listed on the form must have the Details of Expenditure section (date purchased, to whom paid, and item description) properly completed. These details must be accompanied by receipted invoices or other supporting documents in the order of listing.
- 3 The summary of expenditures must account for all the entries listed in the main section of the form.
- 4 The Statement of Petty Cash Expenditures must be properly authorized and approved for payment in accordance with the requirements of the Department of Finance. In the case where the custodian of the fund also has signing authority, the document must also be approved by a separate person having authority. Upon completion of the form, forward the original to the Director of Financial Services of your respective department or corporate service unit. Retain one copy for your file.

Departmental or corporate service unit Financial Services staff will replenish the fund by a cheque payable to the custodian for the expenditure reported.

YEAR-END ACCOUNTING PROCEDURE

In accordance with Section 23(2) of the *Finance Act*:

- 23 (2) An advance to public servants for which an accounting has not been made at the termination of the fiscal year in which it was made must be accounted for or repaid within such time as may be determined by the Minister in any particular case.

In compliance with the above act, an employee responsible for a petty cash fund may be required to confirm the existence of a petty cash fund and sign a statement certifying the cash position at the end of the fiscal year.

Accountability

Financial Services of the department or corporate service unit is responsible for requisitioning the cheques to establish a fund and to replenish the fund as petty cash statements are processed. The members of the government reporting entity using SAP/CFMS to process payments are responsible for compliance to this policy.

Monitoring

Government Accounting will monitor the policy's implementation, performance, and effectiveness.

Enquiries

Accounts Payable Processing, Government Accounting
Department of Finance
(902) 424-6626

Appendices

Appendix 8-A Memorandum to Request Establishment of a Petty Cash Fund or Cash Float

Appendix 8-B Notification of Change of Advance Custodian

Appendix 8-C Statement of Petty Cash Expenditures

Approval date: **January 9, 2003**
Approved by: **Executive Council**

Effective date: **July 5, 2001**
Administrative update: **October 7, 2010**

Appendix 8-A

Memorandum to Request Establishment of a Petty Cash Fund or Cash Float

TO:

FROM:

DATE:

RE: Establish Petty Cash, Cash Float, Operating Fund

The purpose of this memorandum is to confirm that I, _____, agree to accept responsibility as custodian for a petty cash fund or cash float, in the amount of \$ _____ to be established and assigned to me. My vendor code is _____.

If you do not have a vendor code please provide the following information:

Home Address: _____

Postal Code: _____

SIN: _____

Furthermore, I acknowledge having received a photocopy of the Government of Nova Scotia Manual 200, outlining relevant matters with respect to managing a petty cash fund.

Signature: _____

Print Name: _____

<p>Financial Services</p> <p>Approved by:</p> <p>Date:</p>

Appendix 8-B

Notification of Change of Advance Custodian

TO:
 FROM:
 SUBJECT: **Change of Advance Custodian (Petty Cash, Cash Float Operating)**
 DATE:

Please change the custodian for the _____ advance currently held by:

Name:
 Vendor Number:
 Amount:
 Business Area Number:

TO:
 Name:
 Vendor Number:
 Amount:
 Business Area Number:

I, the undersigned, certify that I have received the amount indicated.

Signature: _____ Date: _____

<p>Financial Services</p> <p>Approved by:</p> <p>Date:</p>

Appendix 8-C



Statement of Petty Cash Expenditures

Document #	Reference Doc. #	Sample Doc. #				
Department		Division				
Cheque Payable to: (Name and Mailing address)		Vendor Account		Date		
		Vendor Acct #:				
		Suppcode 50000087				
All Expenditures Must Be Supported By Receipts In Order Of Listing		PETTY CASH FUND:				
		Expenditures on this Statement				
		Cash on Hand				
		Approved Fund Level				
DETAILS OF EXPENDITURES						
Date	To Whom Paid And Item Description	Dept Use	Order	Distribution Cost Centre	G/L	Amount
Total Expenditures						

Authorization and Approval		Summary of Expenditure			
I certify that the above expenditures were incurred on Government Business					
Custodian	Date	Distribution Order Cost Centre GL Acct			Amount
The above expenditures were authorized by me.		HST			
Signed	Date				
Position	Date				
Additions and extensions certified correct					
Initialed	Date				
Summary Total					