

Petty Cash Procedures

(July 2016)

Section 1: Overview

- 1.1 A Petty Cash Fund is intended for minor cash expenditures and is not to be used for frequently purchased items. The Accounting Office will establish a petty cash fund for a faculty, department, or other budgetary unit that requires a small sum of money on hand to pay for minor incidental expenses (maximum request is \$200).
- 1.2 Ineligible disbursements of petty cash funds include but are not limited to the following:
 - 1.2.1 salaries or wages
 - 1.2.2 cashing cheques
 - 1.2.3 emergency student loans
 - 1.2.4 personal loans
 - 1.2.5 parking tickets

Section 2: Departmental Spending Authority Responsibilities

- 2.1 Departmental Spending Authority responsibilities include:
 - 2.1.1 agrees to the need for a petty cash fund
 - 2.1.2 approves a request for a petty cash fund and forwards to the Accounting Office
 - 2.1.3 designates an individual who will act as petty cash custodian
 - 2.1.4 reports missing petty cash
 - 2.1.5 reassigns or replaces the custodian when required
 - 2.1.6 closes the fund when required and returns to the Accounting Office

Section 3: Custodian Roles and Responsibilities

- 3.1 All petty cash funds must have a custodian (the individual responsible for the management and security of the unit or department's petty cash fund).
- 3.2 All custodians must keep the petty cash they are responsible for under lock and key in a cash box. When not in use, the fund's currency must be placed in a safe or a locked receptacle, which is kept in a properly secured area. Missing petty cash funds are the personal responsibility of the custodian if they are not kept within a locked box within a locked desk, filing cabinet or safe.
- 3.3 Normally, petty cash funds should not exceed \$200. Where there is need for a fund that is greater than \$200, a written request giving the reason must be submitted to the

Manager of Financial Services for approval. Maintaining a minimal fund reduces security risk. Any theft is to be reported immediately to Security Services.

- 3.4 A petty cash fund may not be transferred from one custodian to another without the approval of the Manager of Financial Services and the Departmental Spending Authority. If a petty cash custodian terminates or transfers his/her employment, the petty cash fund must be closed out and a new fund opened in the new custodian's name.
- 3.5 Custodian responsibilities include:
 - 3.5.1 verifies that reimbursement requests are appropriate and reasonable
 - 3.5.2 ensures the proper signatures for authorization
 - 3.5.3 reimburses employees from the petty cash fund
 - 3.5.4 reconciles the petty cash fund - ensuring that the amount of cash on hand, plus amount of reimbursements made (receipts/vouchers), equals the original amount of the petty cash fund
 - 3.5.5 submits request to replenish the petty cash to the Accounting Office
 - 3.5.6 reports any significant petty cash over/short to the Department Spending Authority

Section 4: Establishing and Using a Petty Cash Fund

- 4.1 A member of the faculty or department completes and sends a Petty Cash Application Form (PDF) to the dean or department spending authority.
- 4.2 The dean or department spending authority reviews and approves the form and forwards it to the Manager of Financial Services. Once approved Financial Services sets up the petty cash fund and sends a cheque payable to the custodian.
- 4.3 The custodian cashes the cheque, obtaining the denominations of money required to most effectively manage the fund.
- 4.4 A Petty Cash Voucher is used by the custodian to disburse cash from the petty cash fund.

Section 5: Replenishing a Petty Cash Fund

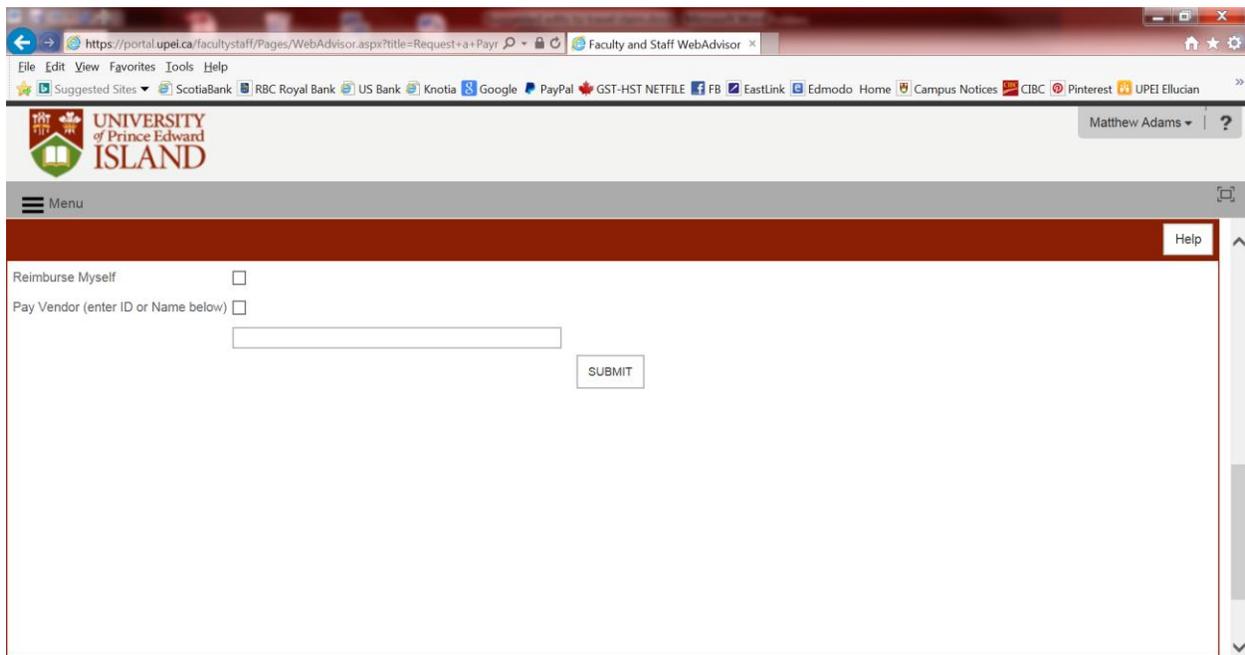
- 5.1 To request reimbursement of petty cash expenditures and to replenish the petty cash fund, a Petty Cash Summary form must be completed and a Request a Payment must be submitted at myUPEI. Instructions for completing a Petty Cash Summary form and Request a Payment are provided in sections 6 and 7.
- 5.2 Petty Cash Summary forms, supporting documentation, and receipts must be scanned and forwarded to Procurement and Payment Services via email to invoices@upe.ca.

Section 6: Completing a Petty Cash Summary Form

- 6.1 The Petty Cash Summary Form is a fillable Excel template and should be completed in Excel wherever possible. Instructions for completing the form as well as a sample form are available on the 2nd and 3rd tabs within the Petty Cash Summary form template.
- 6.2 Petty Cash Summary forms must be signed by the Custodian and the Account Authority.
- 6.3 After completing a Petty Cash Summary form, a Request for Payment must be completed to request payment of expenses. Instructions for completing a Request a Payment at myUPEI are provided in section 7.

Section 7: Completing a Request a Payment at myUPEI

- 7.1 Login in to myUPEI, select Webadvisor for Employees / Financial Information / Request for Payment
- 7.2 To reimburse yourself (if you are the Custodian) select "Reimburse Myself". If you are requesting a payment on behalf of the Custodian, select "Pay Vendor " and a list of potential vendors will be returned based on your search criteria. Select the Custodian from the vendor list and click SUBMIT.

The image is a screenshot of a web browser displaying the myUPEI portal. The browser's address bar shows the URL: https://portal.upei.ca/facultystaff/Pages/WebAdvisor.aspx?title=Request+a+Payr. The page header includes the University of Prince Edward Island logo and the name "Matthew Adams". Below the header is a "Menu" button. The main content area features a form with two radio button options: "Reimburse Myself" and "Pay Vendor (enter ID or Name below)". The "Pay Vendor" option is selected. Below this option is a text input field and a "SUBMIT" button. A "Help" button is located in the top right corner of the form area.

- 7.3 If a vendor is selected from the lookup list, the vendor's information will pre-populate into the Request a Payment form. If the option "Other" is selected, you will need to enter the vendor information into the Request a Payment form.
- 7.4 You will always need to enter the following fields as this information is specific to each payment.

- 7.4.1 Needed By Date: Please enter the date of entry (I.e. today's date)
- 7.4.2 Invoice Number: Please enter "PC" followed by the date in the top section of your Petty Cash Summary form in the format DDMMYY, and the individual's initials. For example "PC220616 JS" means a Petty Cash replenishment request dated June 22, 2016 for John Smith.
- 7.4.3 Comments: Enter "Replenish Petty Cash"

The screenshot shows a web browser window displaying the UPEI WebAdvisor form. The browser address bar shows the URL: https://testportal.colleague.upei.ca/facultystaff/Pages/WebAdvisor.aspx?title=Re... The page header includes the UPEI logo and the name Matthew Adams. The form fields are as follows:

- Request Date*: 29-07-16
- Needed By Date: 20-07-16
- Invoice Number: PC220716 JS
- Invoice Date: 29-07-16
- Confirmation E-Mail Address*: johnsmith@upei.ca
- Vendor ID: 0000378
- Vendor Name*: John Smith
- Street Address/Apartment: (empty)
- City: Charlottetown
- Province: Prince Edward Island
- Postal Code: C1E 2L5
- Country: CA Canada
- AP Type*: AP Accounts Payable
- Comments: Replenish petty cash

7.5 Two Item Descriptions must be entered for each item on the Petty Cash Summary form as the expense categories or tax rates may differ based on the expense. One line item for the pre-tax subtotal of the actual expense and one for the associated tax.

Please DO NOT enter the amount of cash over or short. UPEI Procurement and Payment Services will enter this amount for you, as negative amounts are not able to be entered in Request a Payment.

The process is identified below with a screenshot for reference.

- 7.5.1 Item Description No. 1:
 - (a) Title the description "Subtotal" plus a brief description (I.e. Subtotal-Batteries")
 - (b) Set quantity to "1"
 - (c) Price will be the Subtotal amounts for the individual items on the Petty Cash Summary form
- 7.5.2 Item Description No. 2:

- (a) Title the description “GST/HST” plus a brief description (I.e. GST/HST-Batteries)
- (b) Set quantity to “1”
- (c) Price will be the GST/HST amounts for the individual items on the Petty Cash Summary form

7.5.3 Please choose the appropriate Cost Centre, Object Code, and Project ID (for research projects).

7.5.4 Set Tax Code to “No Tax”. UPEI Finance will enter the appropriate tax rate

Item Description	Quantity	Price	Cost Center	Object Code	Project ID
Subtotal-Batteries	1	5	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	
GST/HST-Batteries	1	0.7	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	
Subtotal-Card	1	7	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	
GST/HST-Card	1	0.98	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	
Subtotal-Pens	1	12.99	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	
GST/HST-Pens	1	1.82	10-1-30-123456-987654 ABC Services	600010 SUPPLIES - GENERAL	

Tax Codes

No Tax

7.6 When you click SUBMIT a voucher number will be assigned.

7.7 Petty Cash Summary forms, supporting documentation, and receipts must be scanned and forwarded to Procurement and Payment Services via email to invoices@upe.ca. Please ensure you reference the myUPEI voucher number in the subject line of your email (e.g. Voucher 1).

7.8 Procurement and Payment Services will begin to complete the payment process upon receipt of the scanned Petty Cash Summary Form, Petty Cash Vouchers, and receipts.

Section 8: Verifying Petty Cash Funds at Year-End

8.1 By April 15, the custodian forwards all vouchers on hand to the Accounting Office to replenish the petty cash fund. (See Section 5, 6, and 7).

8.2 The Accounting Office sends a reimbursement cheque to the custodian before April 30. (This ensures the fund is intact at year-end).

- 8.3 On April 30, the custodian counts the money in the fund and completes the Petty Cash Year-End Report (MS Excel file).
- 8.4 The Departmental Spending Authority verifies the custodian's count and signs the report.
- 8.5 The custodian signs the report and returns it to UPEI Financial Services, ensuring all items paid from petty cash funds before year-end are recorded in the University's financial records.

Section 9: Terminating a Petty Cash Fund

- 9.1 The Departmental Spending Authority who approved the petty cash fund completes the Petty Cash Summary (MS Excel file) form, indicates on the form that the fund is to be closed by writing "close petty cash fund" on the summary sheet.
- 9.2 The faculty or department delivers the remaining cash in the fund, along with the completed Petty Cash Summary form and attachments, to the Accounting Office. (The amount of the invoices, receipts, and cash must total the amount of the fund.) Cash must not be sent through campus mail
- 9.3 The Accounting Office closes the petty cash fund, credits the total value of the returned cash, invoices, and receipts to the fund, and issues a receipt for the cash to the faculty or department.
- 9.4 Petty cash funds charged to a Research account must be closed on or before the end date of a Research grant or contract.

Section 10: Noncompliance

- 10.1 Noncompliance with these procedures will result in termination of the petty cash fund. It could also be a requirement for the custodian to reimburse the fund with personal funds.