



<b>Policy Number:</b>	<b>CS-1001-2013</b>
<b>Policy Title:</b>	<b>Petty Cash Fund Policy</b>
<b>Policy Owner:</b>	<b>Chief Financial Officer</b>
<b>Effective Date:</b>	<b>April 17, 2013</b>
<b>Last Revised:</b>	<b>January 16, 2019</b>

### 1. Purpose

The purpose of Mohawk College’s Petty Cash Fund Policy (“policy”) is to ensure that all petty cash funds established within the College are operated in an approved manner and are protected against loss.

### 2. Application and scope

This policy applies to all employees who hold or use petty cash funds, including the security, disbursement, reimbursement and use of these funds.

### 3. Definitions

“**Designated custodian**” means any full-time College employee, who has been approved by a Financial Manager to safeguard and administer a petty cash fund in accordance with this policy.

“**Financial Manager**” means full-time College employee who is financially responsible for the specific Org(s) requesting the petty cash fund.

“**Petty cash fund**” means a small amount of cash advanced to an authorized College employee (designated custodian) for the purchase or payment of minor items, less than \$50, where a cash transaction is required.

### 4. Principles

- A. Accountability** – Mohawk is accountable for public funds used to purchase goods. All expenses must support business objectives. Since expense accounts can become matters of public record through audit or other means, expenses should be incurred and claimed in a manner that is publicly defensible and will not harm the College’s reputation as a good manager of its resources.
- B. Transparency** – Mohawk is transparent to all of its stakeholders and especially to the members of the Hamilton community who it serves. The rules for the use of petty cash funds are clear, easily understood, and available to the public.
- C. Value for Money** – Mohawk dollars are used prudently and responsibly with the aim of achieving maximum value for the use of public funds.

**D. Fairness** – Expenses incurred during the course of the business of the College are legitimate, authorized and documented.

## **5. Accountability and Compliance**

### **5.1 Accountability Framework**

This policy has been approved by the Senior Leadership Team.

### **5.2 Compliance**

The Chief Financial Officer is authorized to ensure that information within this policy is applied.

## **6. Rules**

### **6.1 Requesting Petty Cash**

Requests for petty cash funds must be approved by the Financial Manager. Refer to procedure P1 in Appendix A.

Petty cash funds may not be deposited to employee's personal bank accounts.

### **6.2 Security of Petty Cash Funds**

Petty cash funds must be stored in a locked cash box during working hours and placed in a locked cabinet, vault or safe for overnight safekeeping

### **6.3 Disbursement of Petty Cash Funds**

Each petty cash transaction must involve College business. Individual purchases should not exceed \$50. Petty cash should not be used for:

- Salaries, wages, honorariums or similar payments
- Purchase of goods and services for personal use of staff
- Payroll advances, travel advances and loans to employees
- Cashing cheques for employees or other individuals
- Reimbursement of entertainment expenditures

All disbursements of petty cash should be supported by original itemized receipts. Credit card or debit card receipts do not qualify as original receipts. Receipts presented to the custodian for reimbursement should be authorized by the Financial Manager and charged to the correct FOAPAL (Fund, Org, Account, Program, Activity and Location). The receipt should clearly indicate the details of the purchase.

At all times, the total of cash on hand plus petty cash receipts must equal the authorized petty cash fund amount. Surplus cash or shortages must be reported immediately in writing, including any relevant details, to the Manager, Accounting Services.

### **6.4 Reimbursement of Petty Cash Funds**

Refer to Procedure P2 in Appendix A.

## **7. Policy revision date**

### **7.1 Revision Date**

January 2024

### **7.2 Responsibility**

The Chief Financial Officer will review this policy every five years or earlier when required.

## **8. Attachments**

Appendix A – Petty Cash Procedures

Appendix B – Petty Cash Request Form

Appendix C – Petty Cash Replenishment Form

## **9. Specific Links**

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## **Appendix A Petty Cash Procedures**

### **P1. Requesting Petty Cash**

A 'Petty Cash Request Form' (located on MyMohawk under the Financial Services Tab and in Appendix B) must be signed by the designated custodian, approved by the Financial Manager and returned to Accounting Services. The request must include the amount required, the purpose of the fund, and the name of custodian of the fund.

The Manager, Accounting Services will investigate the need for a fund and authorize an appropriate amount.

Once approved, an initial petty cash disbursement cheque will be issued. The cheque will be made payable to the custodian. Petty cash funds may not be deposited to personal bank accounts.

The petty cash custodian, or Financial Manager, upon termination of employment or internal job transfer of the custodian, must inform Accounting Services of the name of the new custodian or if the fund will be collapsed and returned to Accounting Services.

A similar written request is required to change the amount of an established fund.

### **P2. Reimbursement of Petty Cash Funds**

To obtain reimbursement, a "Petty Cash Fund Replenishment Form" (located on MyMohawk under the Financial Services Tab) must be completed and forwarded to Accounting Services. The form requires the following:

- Date of purchase
- Reason/type of disbursement
- FOAPAL to be charged
- Amount of disbursement
- Signature of custodian
- Signature of Financial Manager
- Total paid out, cash on hand and total petty cash fund
- Supporting original receipts are to be attached

Reimbursement requests should be submitted on a timely basis to maintain the petty cash fund available balance. All petty cash fund custodians are required to submit a reimbursement claim as instructed per the Year End deadline communications.

REQUISITION DATE: \_\_\_\_\_

REQUISITIONER NAME:  
(PLEASE PRINT) \_\_\_\_\_ EXTENSION # \_\_\_\_\_

FINANCIAL MANAGER  
NAME (PLEASE PRINT): \_\_\_\_\_ EXTENSION # \_\_\_\_\_

FIN. MGR. SIGNATURE: \_\_\_\_\_

REQUISITIONING  
DEPARTMENT/ORG #: \_\_\_\_\_

**DETAILS OF PETTY CASH FUND REQUEST:**

CUSTODIAN NAME: \_\_\_\_\_

SUPERVISOR'S NAME: \_\_\_\_\_

LOCATION OF PETTY CASH FUND: \_\_\_\_\_

AMOUNT REQUIRED: \$ \_\_\_\_\_

FOAPAL TO CHARGE FOR SHORTAGES (IF APPLICABLE): \_\_\_\_\_

PURPOSE OF PETTY CASH FUND:

**APPROVAL:**

\_\_\_\_\_  
CUSTODIAN'S SIGNATURE

\_\_\_\_\_  
DATE

**TO PROCESS APPROVAL, PLEASE SUBMIT COMPLETED REQUEST FORMS TO:  
MANAGER, ACCOUNTING SERVICES, ROOM F104B**

**ACCOUNTING SERVICES USE:**

APPROVED AMOUNT: \$ \_\_\_\_\_

\_\_\_\_\_  
MANAGER, ACCOUNTING SERVICES (SIGNATURE)

\_\_\_\_\_  
DATE

**PETTY CASH REPLENISHMENT FORM**

<b>TOTAL PAID OUT:</b>	\$ _____
<b>CASH ON HAND:</b>	\$ _____
<b>TOTAL PETTY CASH FUND:</b>	\$ _____

<b>REQUISITION DATE:</b>	_____
<b>REQUISITIONER NAME:</b> (PLEASE PRINT)	_____
<b>EXTENSION #:</b>	_____
<b>FINANCIAL MANAGER NAME (PLEASE PRINT):</b>	_____
<b>FIN. MGR. SIGNATURE:</b>	_____
<b>DEPARTMENT:</b>	_____

<b>Custodian Name:</b> _____	<b>Employee ID (9-Digits):</b>
<b>Dept &amp; Room #:</b> _____	
<b>Campus:</b> _____	

DATE OF PURCHASE	DESCRIPTION	ACCOUNT NUMBER						\$ AMOUNT
		F 4 digits	O 4 digits	A 5 digits	P 6 digits	A 2 digits	L 2 digits	
<b>TOTAL \$</b>								<b>0.00</b>

<b>FOR REPLENISHMENT, PLEASE FORWARD APPROVED VOUCHER TO:</b>	_____ <b>ACCOUNTS PAYABLE CLERK</b> ACCOUNTING SERVICES (F104)	_____ DATE
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