**Sample**

**Petty Cash Policy**

This sample policy should be adapted for your board of management by customising as relevant. This sample policy may need to be adapted to align with your board’s other policies and procedures. Likewise other policies and procedures may need to be aligned as appropriate with this sample policy.

(School Name)

Petty Cash Policy

Approved by Board of Management: [Date Approved]

Next policy review date: [+12 Months]

**1. Introduction**

The board of management approve the use of a petty cash system. This document will lay out the controls and limits around the of use of petty cash.

**2. Use of petty cash**

Petty cash should be used for small payments of goods or services where the school has no formal account.

**3. Payment limits**

The board of management set a limit of [e.g.€50] maximum for each transaction and a monthly maximum of [e.g.€200].

These limits will be reviewed annually.

**4. Petty cash controls**

i. One person should be responsible for petty cash.

ii. All petty cash payments must be made from money in the petty cash box and on no account should cash received from students or other cash receipts be used to make petty cash payments.

iii. A petty cash docket/voucher is recorded and signed for each petty cash transaction by the person responsible for maintaining petty cash and person making the claim (and not by the person maintaining the petty cash).

iv. All cash receipts should be lodged intact to the school’s main bank account.

v. All petty cash transactions must be recorded in a petty cash book which is balanced off at the end of each month and signed by the Treasurer.

vi. A separate, lockable box for petty cash should be kept safely.

vii. Petty cash should not be withdrawn using the school credit card.

viii. Access to the petty cash box should be restricted, with responsibility for the money being clearly assigned. This is to minimize the risk of errors or unauthorized expenditure occurring.

**5. Inappropriate use of petty cash**

Petty cash should not be used for the following:

i. Borrowing cash from the petty cash.

ii. Paying wages out of petty cash.

iii. Cash expenditure exceeding the limit set by the board. For any larger items of expenditure pay by cheque/electronic transfer. Keep these items separate from the petty cash system.

**6. Petty cash procedures**

i. The school should draw one petty cash cheque per month to replenish the petty cash funds and the petty cash book, along with the vouchers and receipts, should be presented to the Treasurer for signing off at this time.

ii. The cheque is then cashed at the bank and the money is put into the petty cash box.

iii. When a request for cash is made, a petty cash voucher is filled out for the exact amount of cash given out and the voucher should be signed by person responsible for maintaining the petty cash and the person receiving the cash.

iv. When the item is purchased, the receipt and any change is handed into the office. The change is recorded on the petty cash voucher, the receipt is attached to the petty cash voucher and both are placed in the petty cash box.

v. The petty cash vouchers are entered into the petty cash book in numeric sequence on a weekly basis.

vi. The cash is counted on a monthly basis and agreed to the balance in the petty cash book.

**7. Policy Review:**

This policy will be reviewed annually and updated where necessary.

Adopted by board of management on [date]

Signed by the Treasurer on behalf of the board of Management

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Note:

This document is issued by the FSSU to encourage and facilitate the better administration and management of schools. This guidance is published as part of a suite of guidance, intended to provide support to boards of management, by putting in place systems, processes and policies which ensure schools are managed in an effective, efficient, accountable and transparent way.

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