FSSU Video Series

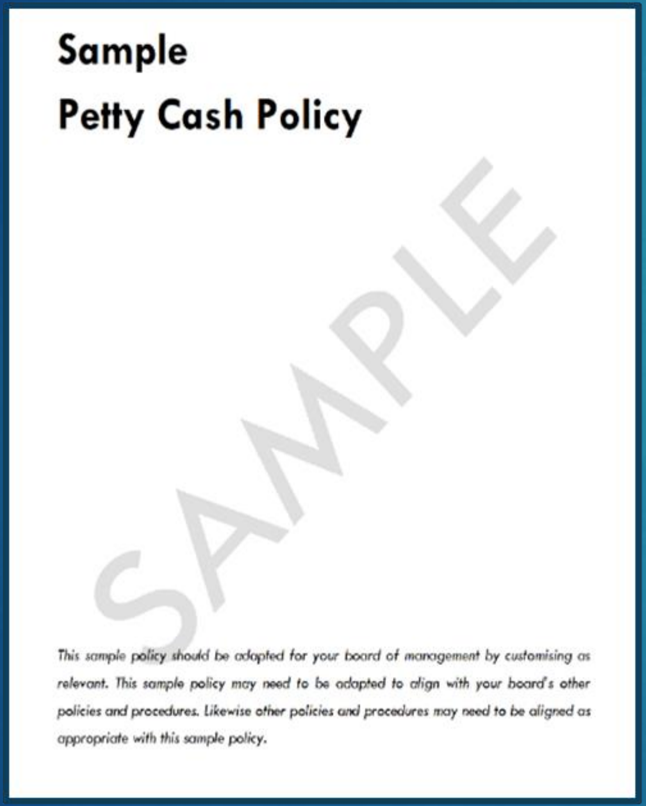
Processing Petty Cash In Sage Accounts

Petty Cash Overview

Petty Cash is used for small payments of goods or services

A good system of **internal controls** and **procedures** are necessary to ensure petty cash is used appropriately and to protect against theft or fraud.

Petty Cash Policy



Sample

Petty Cash Policy

SAMPLE

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.

Petty Cash policy

- ✓ Purpose
- ✓ Limits
- ✓ Access
- ✓ Storage
- ✓ Reconciling
- ✓ Replenishing

Petty Cash Policy - Purpose

Purpose

- Details of use for petty cash
  - ✓ Postage
  - ✓ Petrol for Lawnmower
- Must not be used for:
  - x Borrowing
  - x Payment of wages
  - x Exceed Limits

Petty Cash Policy - Limits

Limits

Maximum Transaction Limit

Maximum Float Limit

Replenish System

Only replenish to the maximum float amount allowed

Example:

Balance in petty cash box -	€ 25
Top up by	€225
Max Float Allowed	€250

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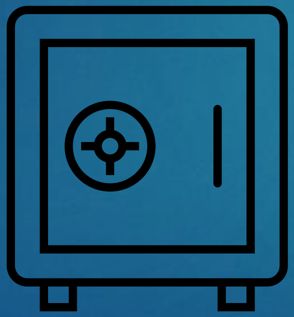
Petty Cash Policy - Access

Access

- One person responsible
- Access restricted
- Minimise the risk of errors, fraud, or unauthorised expenditure occurring

Petty Cash Policy - Storage



Storage

- Lockable petty cash box
- Secure location
- Keys stored securely

Petty Cash Policy - Reconciling

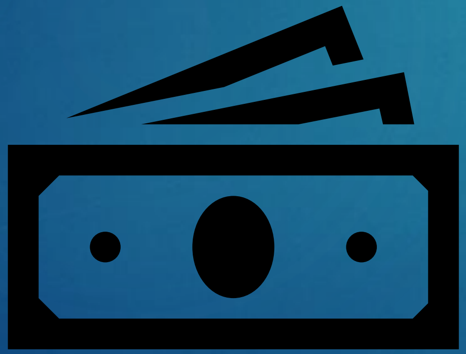
Reconciling

- The cash should be counted weekly
- Agree to the balance in the petty cash book
- Petty cash book must be reconciled month-end
- Approved by the Principal

Petty Cash Policy - Replenishing

Replenishing

- Petty cash top up to the maximum limit approved by the board.
- One cheque per month written (Replenish System)
- School Income should **<u>not</u>** be used. Lodge this to the bank.
- Credit card should **<u>not</u>** be used
- **No Debit Cards Allowed**



Petty Cash Procedures
Recording Petty Cash

- Treat petty cash like a bank account
- Record income
- Record Expenditure
- Reconcile each month

Petty Cash Procedures- Voucher

Petty Cash Voucher Template

Note: Petty cash requests must not exceed €50.00.

Number

Department ____________ **Date** ____________

____________ ____________

Amount Requested ____________ ____________

Change returned ____________

Expense incurred ____________

____

Requested By ____________

Description ____________

____

Approved By ____________ **Signature** ____________

Received By ____________ **Signature** ____________

Paid out By ____________ **Signature** ____________

Please attach invoice/receipt

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Petty Cash Book example

Record all petty cash vouchers

Keeps running total of petty cash balance

At end of the month record summary in accounts system

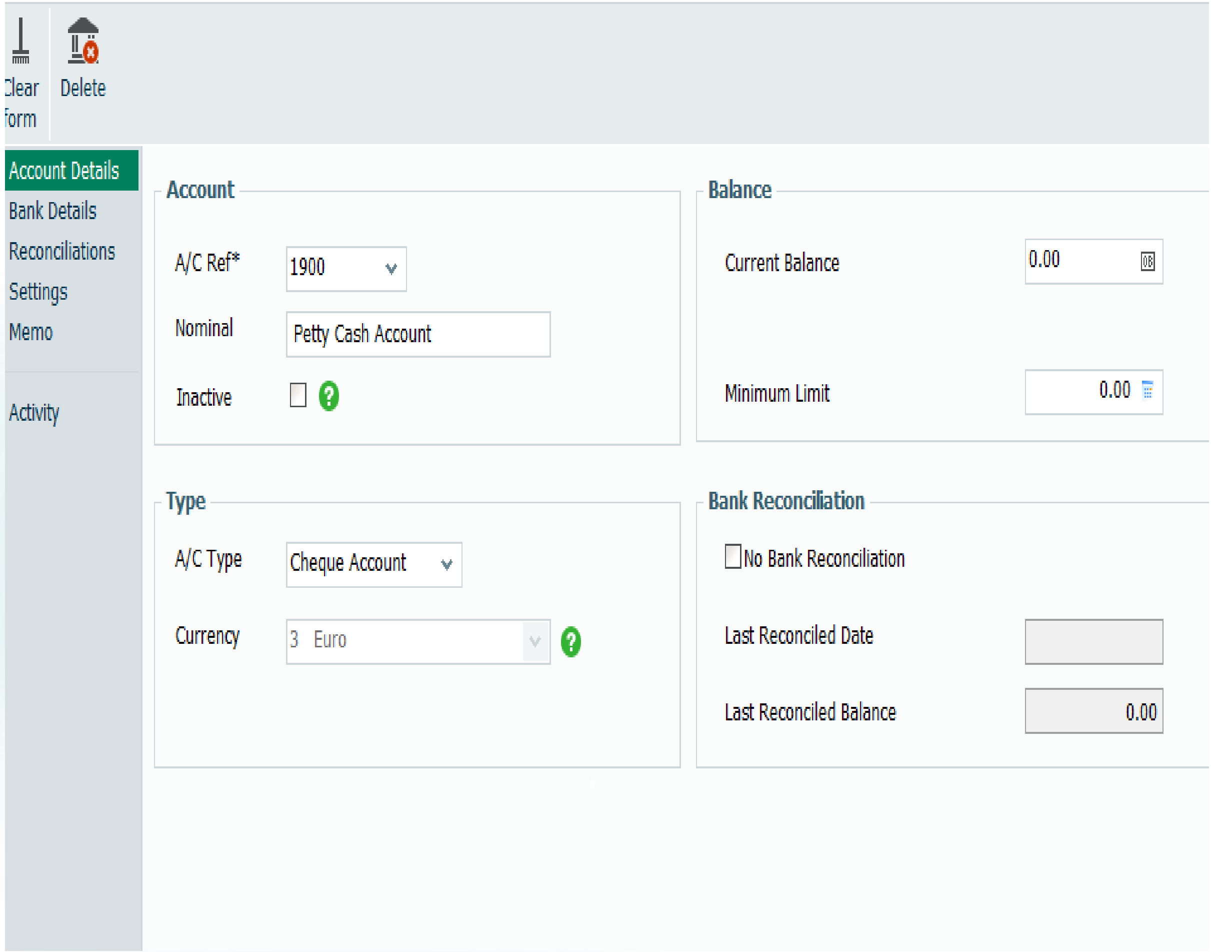
Petty Cash Book September

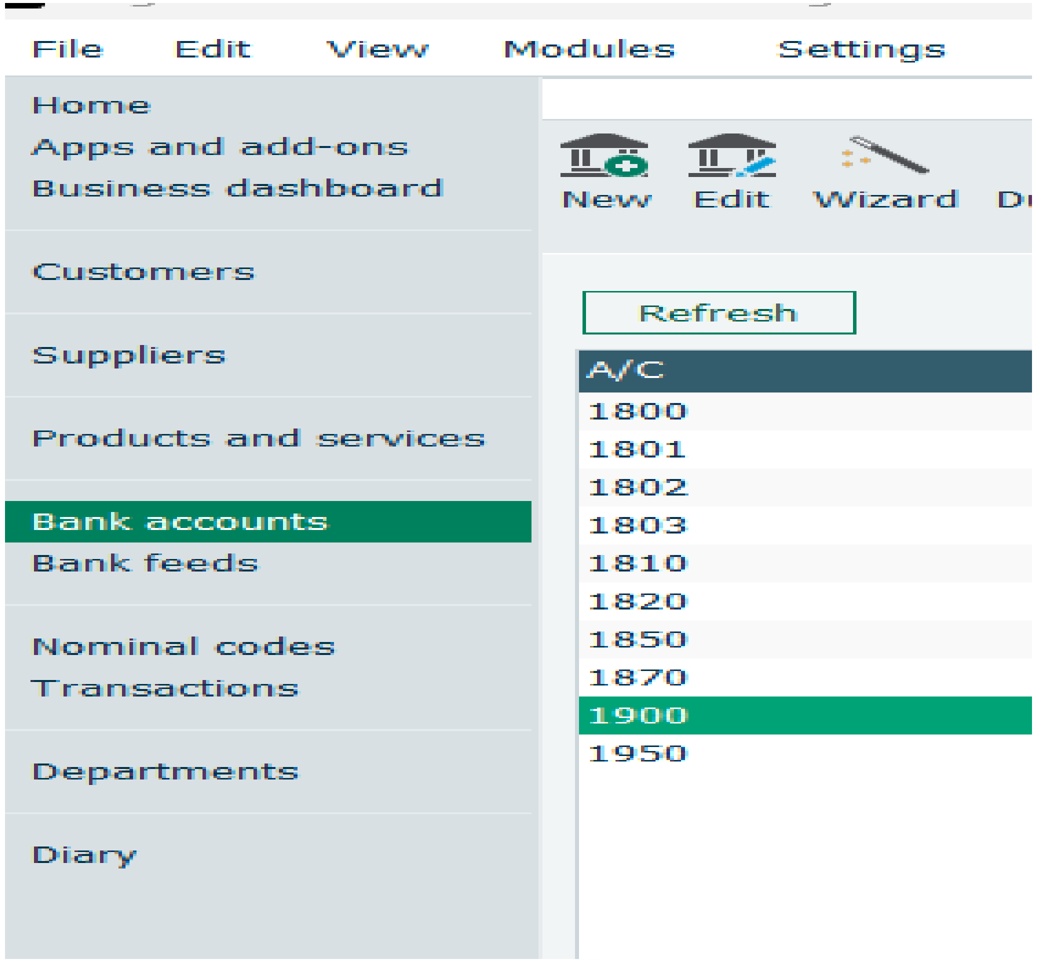
Income		Expenditure											
Description	Amount	Date	Description	Total	Games (excl. travel) Expense	Travel Games Expense	Other Educational Expense	Cleaning Materials Expense	Postage Expense	Printing and Stationery Expense	Staff Room Expenses	Other Repairs and Maintenance Expense
Balance b/f	25.00	01/09/2024	Tesco - Cleaning supplies	5.00				5.00				
Cash in	175.00	10/09/2055	Stamps - an Post	10.00					10.00			
		12/09/2025	Hardware - Screws	10.00								10.00
		17/09/2024	Registered Post	5.00					5.00			
		25/09/2025	Milk	10.00							10.00	
		28/09/2024	Hardware - plumbing	10.00								10.00
				0.00								
				0.00								
				0.00								
				0.00								
				0.00								
				0.00								
			Total	50.00	0.00	0.00	0.00	5.00	15.00	0.00	10.00	20.00
			Balance c/f	150.00								
	200.00			200.00								
Balance B/F	150.00											

September | October | November | December | January | February | March | April | May | June

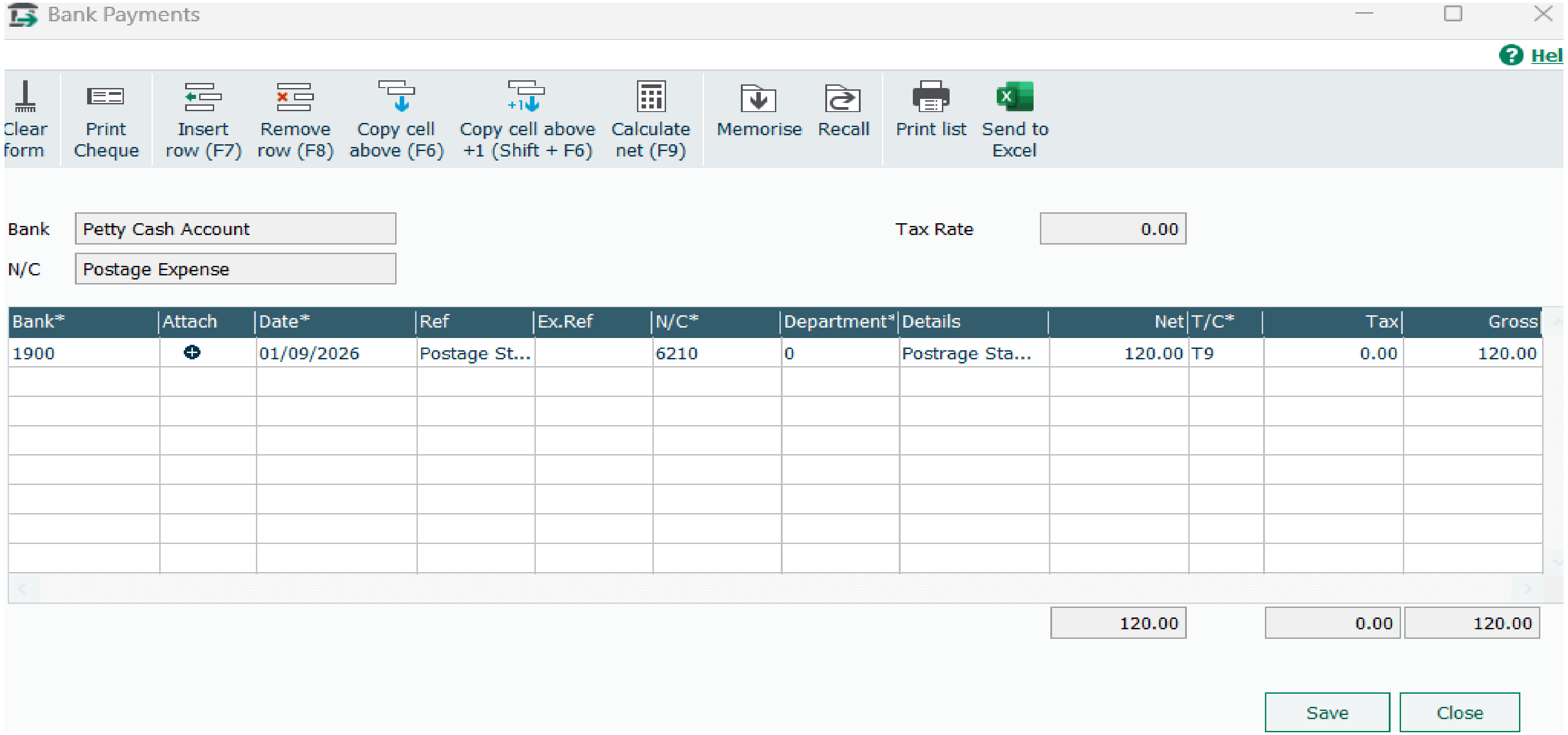
Ready · Accessibility: Good to go · Display Settings

Petty Cash Accounts

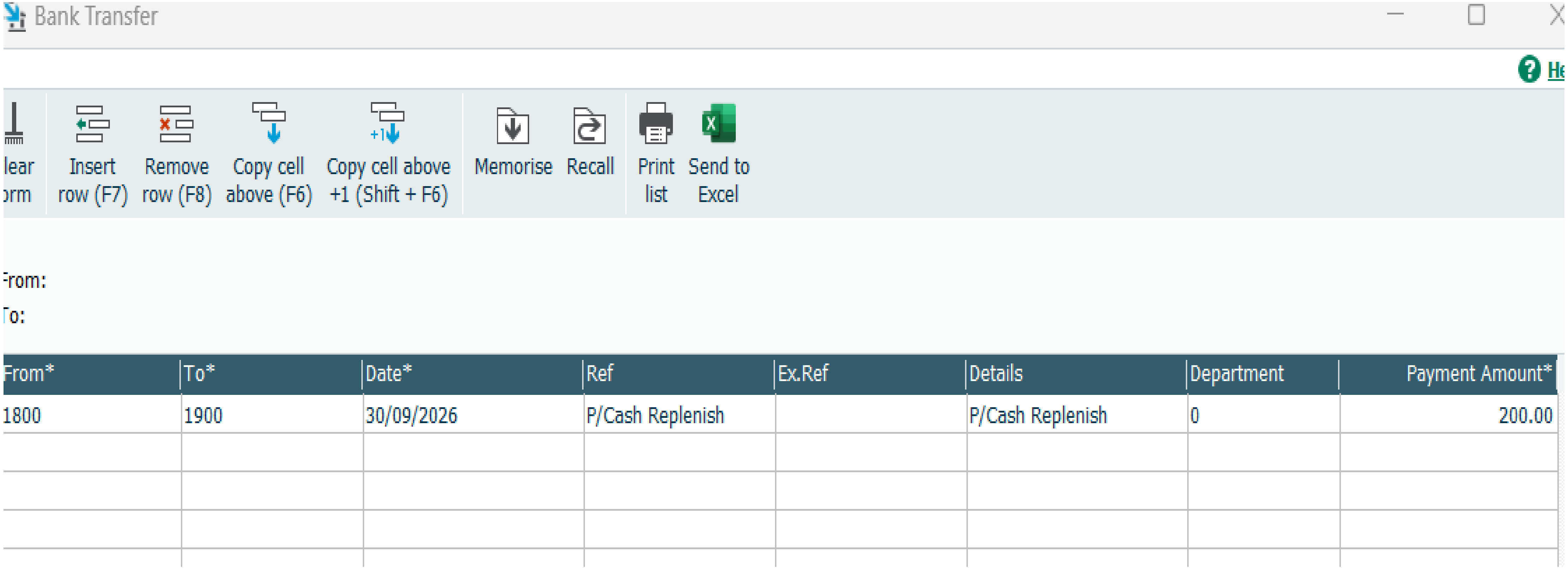




Petty Cash Payment



Petty Cash Replenish



Petty Cash Bank Reconciliation

Bank accounts
Bank feeds
Nominal codes
Transactions

1802	Current Account 3	0.00
1803	DSP School Meal Bank Account	0.00
1810	Deposit Account	0.00
1820	Parents Council/Association Bank Account	0.00
1850	Credit Card Account	0.00
1870	Online Payment Solution Clearing Account	0.00
1900	Petty Cash Account	-140.00

Reconciled balance in the accounts system should agree to the closing balance in the cashbook

Internal Financial Control Manual


FSSU
Financial Support Services Unit

Internal Financial Controls Manual for Schools

Internal Financial Control Manual

3.10 Petty Cash

Petty Cash Checklist	Yes / No / N/A	Comment / Action Required?
a) Is there a petty cash policy in place?		
b) Does the board of management review and ratify the petty cash limit on an annual basis?		
c) Does the petty cash policy outline where and when petty cash payments can be used?		
d) Is petty cash used for small day-to-day expenses on a cash only basis?		
e) Is every effort made to prohibit and/or minimise cash payments?		
f) Has responsibility for the petty cash money being clearly assigned?		
g) Is the nominated person responsible for the petty cash the only person who can access it?		
h) Is petty cash stored in locked box and kept in a safe location?		
i) Are all cash payments made from a petty cash float and not from incoming cash?		
j) Where a request for cash is made, is a petty cash voucher filled out for the exact amount of cash given out and the voucher signed by the person receiving the cash and the person responsible for the petty cash?		
k) Are receipts received and maintained for petty cash expenses?		
l) Are monthly petty cash reconciliations carried out?		
m) Does the Principal sign off on the monthly petty cash reconciliations?		
n) Are details of all payments entered in a petty cash book?		

FSSU Contact Details

Financial Support Services Unit

Phone

01 269 0677

Email

info@fssu.ie

Please contact the FSSU if you need support.

www.fssu.ie

Thank You

FINANCIAL SUPPORT SERVICES UNIT (FSSU)