FSSU Video Series

Processing Petty Cash In Brightbooks

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

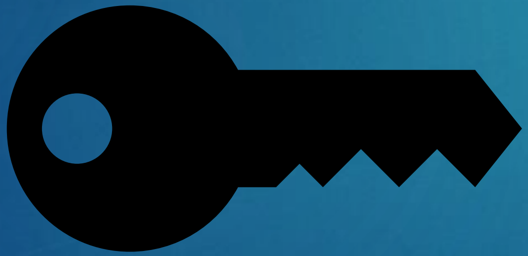
Petty Cash Policy - Limits

Example:

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

- **Limits**
- **Maximum Transaction Limit**
- **Maximum Float Limit**
- **Replenish System**
- **Only replenish to the maximum float amount allowed**

Petty Cash Policy - Access



Access

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

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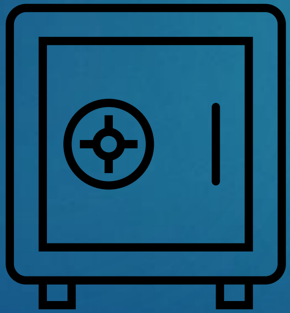
Petty Cash Policy - Storage



Storage

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

Petty Cash Policy - Reconciling

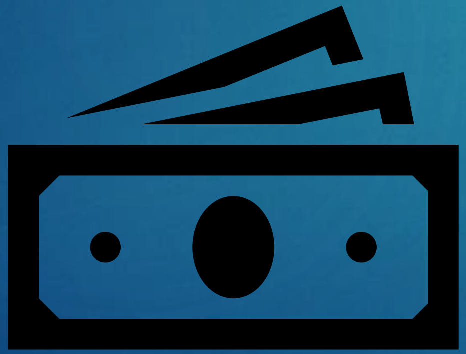
Reconciling

- 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

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

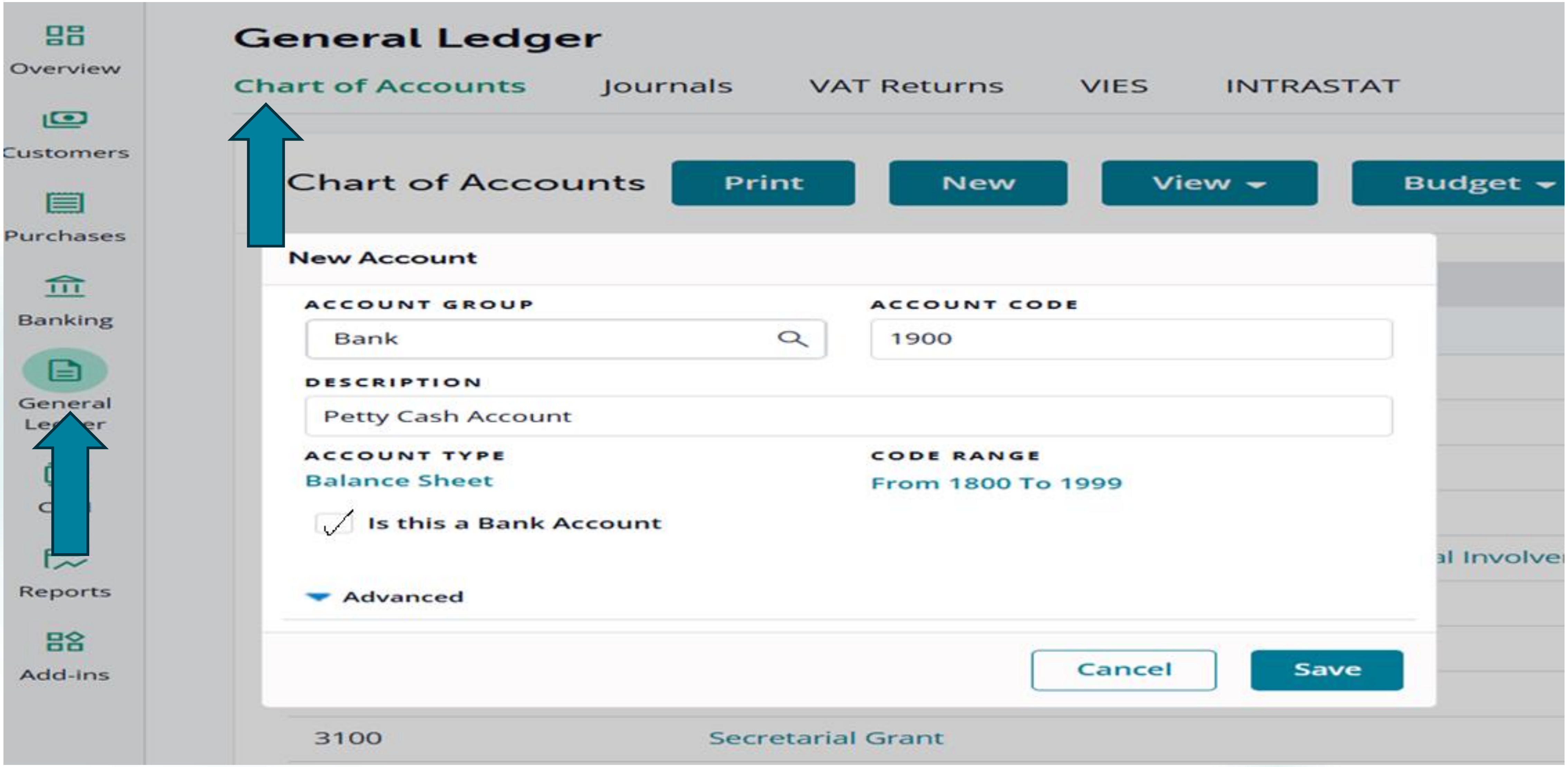
Petty Cash Book September

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

Quick Payment

BANK ACCOUNT

1900 Petty Cash Account

Date	Payment Type	DEP	Ref. No.	Supplier	Payee	Notes/Narrative	Amount	VAT Code	VAT	Nom. Code
01/09/20.	Cash	AOD				Postage Stamps	120	Z 0.00% (Zero)	0.00	6210

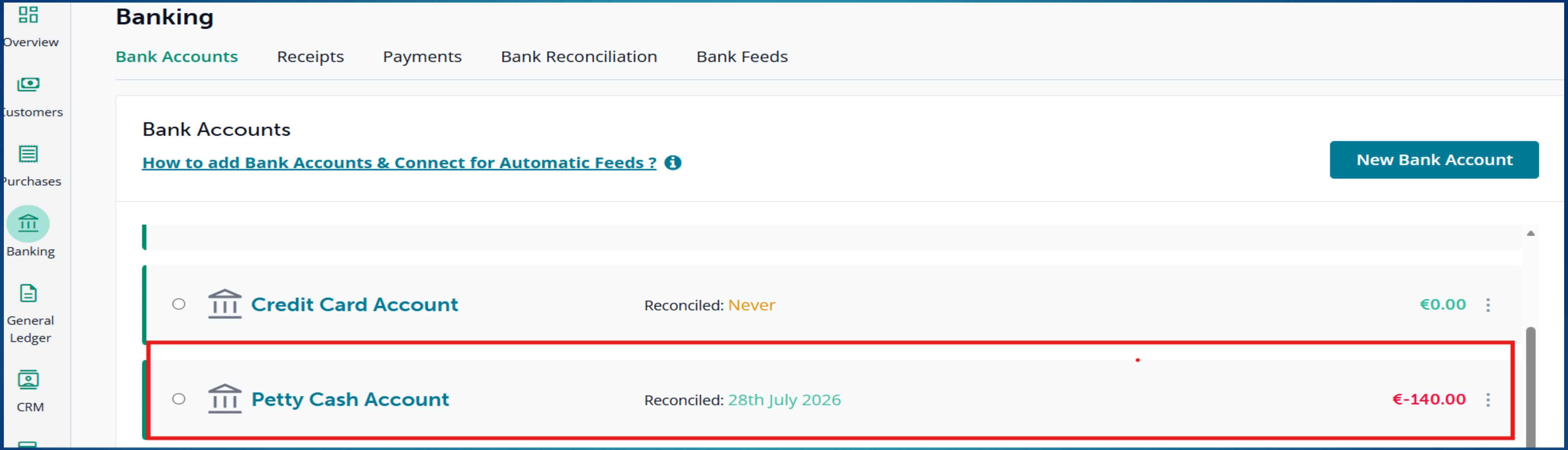
Petty Cash Replenish

BANK ACCOUNT

1800 Current Account

Date	Payment Type	DEP	SDP	Ref. No.	Supplier	Notes/Payee	Amount	VAT Code	VAT	Nom. Code
30/09/20xx	Cheque	AOD	AOD	501102		Petty cash	200	Z 0.00% (Zero)	0.00	1900

Petty Cash Bank Reconciliation



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)