

INTERNAL ONLY
ISLHD POLICY
COVER SHEET



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EXECUTIVE SPONSOR or EXECUTIVE CLINICAL SPONSOR	Executive Director Finance
AUTHOR	Director Financial Operations
KEY TERMS	Petty Cash Float, Petty Cash Officer, Delegated Approving Officer
FUNCTIONAL GROUP OR HUB	District Wide
NSQHS STANDARD	Standard
SUMMARY	This policy sets out the procedures for best practice in the use, application and compliance of a petty cash float.

COMPLIANCE WITH THIS DOCUMENT IS MANDATORY

Feedback about this document can be sent to
Corporate Policies: ISLHD-CorporateGovernance@health.nsw.gov.au

Petty Cash Policy

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1. POLICY STATEMENT

This policy sets out the procedures for best practice in the use of a petty cash float which encourages responsibility, accountability and transparency.

2. AIMS

The main aim of this policy is to ensure that procedures are provided for the creation, use, application and compliance of the petty cash system. This includes:

- Establishment of petty cash floats
- Security of petty cash
- Authorised purchases
- Completing a petty cash docket
- Issuing a reimbursement from petty cash float
- Requesting a petty cash float replenishment
- Cashing replenishment cheques
- Reconciliations and confirmation of petty cash floats
- Closure of petty cash floats

3. TARGET AUDIENCE

Petty Cash Officers, Delegated Approving Officer, ISLHD Financial Operations, NIHG SIHG SHG and ICMHPIP Finance Teams, and all ISLHD Employees.

4. RESPONSIBILITIES

Stakeholder	Responsibility
ISLHD Employees	<ul style="list-style-type: none">• Comply with petty cash policy and procedures• Obtain approval from relevant Delegated Approving Officer prior to incurring expenditure for reimbursement• Ensure expenditure is business related• Receive petty cash funds on a reimbursement basis only (ie no petty cash advances)• Complete petty cash docket for reimbursement in timely manner, ensuring appropriate tax invoice/receipts are kept
Petty Cash Officers	<ul style="list-style-type: none">• Comply with petty cash policy and procedures• Arrange suitable training with ISLHD Financial Operations upon establishment of new petty cash float• Ensure petty cash float is adequately secured at all times• When a reimbursement is requested, ensure petty cash docket requests are appropriately completed, authorised by

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	<p>a Delegated Approving Officer and accompanied by appropriate tax invoices or receipts</p> <ul style="list-style-type: none">• Any non-compliant requests are not to be accepted. Non-compliant requests are to be given back to the claimant for follow up• Responsible to reconcile and replenish the petty cash float• Keep the petty cash float and any relevant documentation separate from any other petty cash float or cash change drawer
Delegated Approving Officer	<ul style="list-style-type: none">• Officers with Delegated Authority must comply with the petty cash policy and procedures• Provide pre-approval to ISLHD employees to spend money on work related expenditure• Ensure requests for petty cash reimbursement are compliant with Delegations• Authorise petty cash dockets for employees who fall within their responsibility, ensuring they are completed correctly
NIHG SIHG SHG and ICMHPIP Finance Teams	<ul style="list-style-type: none">• Perform random compliance checks at least once a year for all petty cash floats within their area of responsibility. This includes requesting the petty cash officer to prepare a full reconciliation and undertake a detailed review of current petty cash dockets with supporting tax invoices/receipts• Any issues with the compliance check or other instances of non-compliance with the petty cash policy is to be reported immediately to ISLHD Financial Operations and the appropriate Cost Centre Manager• Co-ordinate with ISLHD Financial Operations appropriate training where necessary for employees responsible for petty cash floats• Assess the need for new petty cash floats as well as the need to increase or decrease a current petty cash float
ISLHD Financial Operations	<ul style="list-style-type: none">• Ensure petty cash processes are followed and in compliance with the policy and procedures• Approve establishment of new petty cash floats or increases to existing floats, including providing training for new petty cash officers• Provide support and advice to petty cash officers and ISLHD employees when required• Coordinate the reconciliation and certification of all petty cash floats in March and June each year

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Term	Definition
Cash Change Drawer	Cash funds held by a cash handling location to provide cash change when due. The balance of the cash in the cash change drawer remains constant, ie should never need replenishing
Delegated Approving Officer	ISLHD employee with delegated authority to authorise petty cash expenditure as per the ISLHD Delegations Manual
GST	Goods and Services Tax, a broad 10% tax levied on most goods and service transactions in Australia
ISLHD	Illawarra Shoalhaven Local Health District
Petty Cash Docket	Form filled in by employee to claim reimbursement from the petty cash float
Petty Cash Float	Cash funds made available to reimburse one off items of expenditure. Maximum reimbursement amount claimable on a single tax invoice and petty cash docket is \$250.00
Petty Cash Officer	ISLHD employee designated to manage a petty cash float

6. PROCEDURES**6.1 Establishment of Petty Cash Floats**

A new petty cash float, or an increase to an existing petty cash float requires an [Internal Briefing Template](#) to be completed by the relevant Cost Centre Manager and submitted to the Director Financial Operations. The Brief must be accompanied by a completed [Request to Create/Increase Petty Cash Form](#).

Once the Request to Create/Increase Petty Cash Form has been approved by the Director Financial Operations and returned to the relevant Cost Centre Manager, the Financial Accountant - Accounts Receivable will be in contact to arrange training for the Petty Cash Officer.

6.2 Security of Petty Cash

The petty cash float, which includes cash on hand, reimbursed petty cash dockets and any reconciliations is to be stored in a secure location at all times. A secure location can

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either be a safe or locked cupboard or filing cabinet. The petty cash officer is the custodian of the keys to the cash tin and where it is secured. The keys are to be stored securely at all times.

6.3 Authorised Purchases

The use of petty cash is a method of obtaining supplies in an emergency or where it is considered impractical or inexpedient to use core purchasing procedures. Core purchasing procedures include using government contracts, existing suppliers and Purchasing Cards (PCards).

The use of petty cash is for:

- Purchases that are 100% work related only
- Purchases made in response to a business need
- Pre-authorised expenditure which is approved by a Delegated Approving Officer in line with the ISLHD Delegations Manual

Petty cash is not to be used for any personal expenses nor expenditure that would not be considered to be appropriate, necessary or required by ISLHD.

Government contracts must be observed at all times. Where a product is available on government contract, purchase and subsequent reimbursement through petty cash is not to occur.

Petty cash transactions should not be made with an existing approved supplier unless it is for an emergency or impractical to use them.

ISLHD employees may spend between \$100.00 to \$250.00 (GST inclusive) per transaction dependent on their level of Delegation and the Delegated Approving Officer as per the ISLHD Delegations Manual.

ISLHD employees must not 'split' a transaction to stay under the maximum transaction limit. Where the maximum transaction limit is exceeded relating to a pre-approved work related expense which requires reimbursement, a Staff Reimbursement Claim through iExpense is to be completed and submitted.

6.4 Completing a Petty Cash Docket and Authorised Approval

Reimbursement to an employee will not occur without a fully completed and approved petty cash docket with original tax invoice/receipt(s) attached. Incomplete petty cash dockets will not be accepted by the petty cash officer.

Employees must obtain a tax invoice/receipt for all purchases, which clearly identifies the GST component of the transaction. In instances where an original tax invoice/receipt is not able to be provided, a NSW Statutory Declaration is to be completed and attached.

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All necessary fields on the petty cash docket must be completed including the amount before GST, GST component and total amount.

Employees cannot approve their own petty cash dockets. Employees must obtain approval from an appropriate Delegated Approving Officer, which would usually be their direct Manager depending on the value of the transaction(s). The Delegated Approving Officer is to sign and date the petty cash docket in the 'Delegated Approver' section.

Refer to Section 16.5 of the Delegations Manual to check relevant financial delegations.

6.5 Issuing Reimbursement from Petty Cash Float

Once the petty cash docket has been completed and all necessary tax invoice/receipt(s) are attached, it is provided to the petty cash officer for reimbursement.

The petty cash officer must check all petty cash dockets presented before reimbursement is made to ensure:

- Tax invoice/receipt(s) are original (refer to section 6.4 if lost)
- Tax invoice/receipt(s) are for work related expenses only
- All necessary fields of the petty cash docket are completed correctly
- Where GST is applicable, GST on the petty cash docket matches the tax invoice/receipt
- Petty cash dockets have been authorised by the appropriate Delegated Approving Officer and as per the Delegations Manual

If the petty cash officer does not recognise the Delegated Approving Officer approving the reimbursement then confirmation is to be made with that officer confirming their approval.

Providing sufficient funds are available the petty cash officer will reimburse the employee incurring the expense. If insufficient funds are available the petty cash officer will advise the claimant and provide reimbursement when funds are available. Petty cash officers are not to retain any petty cash dockets of tax invoice/receipt(s) unless reimbursement occurs.

The employee receiving the reimbursement must sign the petty cash docket as the 'Claimant'. The petty cash officer signs the docket as the 'Certifying Officer'. The tax invoice/receipt(s) and the petty cash docket are stamped or noted 'paid' and dated. The petty cash docket and tax invoice/receipt is then stored with the petty cash float.

Where the petty cash officer requires reimbursement for their own claim, the same reimbursement procedures apply. However, once the expense has been authorised by the Delegated Approving Officer, the petty cash officer will need a third party witness prior to certifying the docket and run through the certification with them. The petty cash officer is to process the reimbursement in the presence of the third party. The petty cash officer is still required to sign as the 'Certifying Officer' and the third party must also sign the petty cash docket confirming they have witnessed the reimbursement.

6.6 Requesting a Petty Cash Float Replenishment

A petty cash float replenishment is to be requested by the petty cash officer once the float balance reaches 50% capacity.

To prepare the petty cash float for replenishment;

- A reconciliation back to the petty cash float balance is required which includes counting current cash in the petty cash tin, completed reimbursed Petty Cash Dockets and any cheques not yet cashed. The [Petty Cash Reconciliation-Certification Form](#) is to be used.
- Once the petty cash float has been reconciled by the petty cash officer, the Cost Centre Manager must also perform a reconciliation to ensure the reconciliation agrees to the petty cash float balance. This is to be recorded and signed by both parties.
- Following reconciliation, the petty cash officer is to complete a [Payment Requisition Form for Oracle R12](#)
- When the payment requisition form is completed, left click on the <<email to AP>> button to generate an automated Outlook message to HS Accounts Payable with the form as an attachment.
- All corresponding supporting documentation (all completed petty cash dockets) is to be scanned and also attached to the email. Once these have been attached, forward the email for processing. If the requisition is not actioned within three business days, contact scn.apayable@hss.health.nsw.gov.au to follow up. This email acts as the petty cash officer's request for replenishment.
- Cost Centre Manager(s) will receive an electronic notification to approve the payment requisition request. Once approved, a cheque will be issued and sent by express post to the location that was quoted on the payment requisition form. The cheque should arrive within two days of being approved. If not received contact HSNSW-scn.ppt@health.nsw.gov.au providing payment requisition details for follow up

6.7 Cashing Replenishment Cheque

As part of the initial petty cash training provided offered by the Financial Accountant - Accounts Receivable, suitable ISLHD employees will be nominated to have 'Authority to Open and Cash Cheques'. This allows ISLHD employees to cash the replenishment cheques at the bank. A minimum of three employees are required to be nominated for each petty cash float. The Financial Accountant - Accounts Receivable will organise a bank form to be filled in, authorised and sent to the bank. Once notification is received from the bank and actioned, the petty cash officer will be notified.

If the petty cash float is newly established, the Financial Accountant - Accounts Receivable will organise the bank forms to request a cheque cashing authority. Once notification is received from the bank, the Financial Accountant - Accounts Receivable will

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notify the petty cash officer. This will set up the selected bank branch and the limit to be cashed.

To cash the replenishment cheque:

- On receipt of the cheque, the petty cash officer will organise two of the ISLHD employees with 'Authority to Open and Cash Cheques' to sign the front of the cheque and write 'Please Pay Cash'.
- On the day the cheque is to be cashed, the petty cash officer must fax the nominated bank branch a 'Coin/Cash Break-Up Request' at least 2 hours prior to presenting to the bank.
- The two ISLHD employees must attend the bank to cash the cheque.
- One of the ISLHD employees must be one of the employees who signed the cheque. The ISLHD employee will be required to provide identification before the bank will hand over the cash.
- Once the cash is received, the cash is to be added to the petty cash float and a reconciliation performed on the petty cash float (including docket).

6.8 Reconciliations

Petty cash officers are to use the Petty Reconciliation-Certification Form when reconciling back to the petty cash float balance. As mentioned in section 4.6 this includes all current cash, completed and reimbursed petty cash dockets and any unrepresented cheques waiting to be cashed.

In addition, reconciliations must be completed at 31 March and at 30 June each year. Completed reconciliations must be provided to ISLHD Financial Operations for audit purposes. All documents to complete this, including instructions will be emailed ISLHD Financial Operations prior to these dates.

Note, further petty cash audits can be requested any time throughout the year.

6.9 Closure of Petty Cash Float

A member of the NIHG SIHG SHG and ICMHPIP Finance Teams along with the appropriate Cost Centre Manager will determine whether the closure of an existing petty cash float is necessary. The request for closure of a petty cash float must be submitted in writing to the Director Financial Operations. Once approved, ISLHD Financial Operations team will coordinate the closure with the petty cash officer.

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7. PROCEDURES

Forms

The following forms can be accessed on the [ISLHD intranet forms and templates page](#):

- Invoice Scanning Payment Requisition Form for Oracle R12
- Request to Create/Increase Petty Cash Float (ISLHD OPS F 328)
- Petty Cash – Reconciliation/ Certification (ISLHD OPS F 499)
- Internal Briefing Template (ISLHD CORP F 111)

Other documentation:

- [ISLHD Delegations Manual](#)
- Petty cash docket – ordered from Stream Solutions (product code SIS2898)

8. AUDIT

A random compliance audit, at least annually will be undertaken by the NIHG SIHG SHG and ICMHPIP Finance Teams to ensure compliance with this Policy.

Potential fraud or corrupt conduct should be reported to the Director Internal Audit.

9. REFERENCES

NSW Department of Health Accounting Manual

10. REVISION & APPROVAL HISTORY

Date	Revision No.	Author and Approval
May 2020	0	Director Financial Operations Approval/Date: Corporate Policy Recommendation committee/ May 2020 Approval/Date: Executive Director Finance / May 2020