What is best practice for the management of Petty Cash?

Frequently Asked Questions

Uniting Church SA ABN 25 068 897 781

Organisations generally keep small amounts of cash to meet small miscellaneous payments such as office supplies, postage and stationery costs. Such payments are generally handled by a petty cash imprest system whereby an amount of 'Float' is fixed. This is the maximum amount of cash that can be held at any time. Each time the cash level runs low, the petty cash imprest is replenished by drawing a cheque. The amount of the cheque is equal to the amount of expenses that have been paid through petty cash since the time of last reimbursement. The reimbursement should bring the petty cash balance back to the approved level of the float.

Every time a payment is made through petty cash, it is recorded in the petty cash register by the person responsible for managing petty cash. When the person responsible for managing petty cash requests reimbursement of petty cash, they create a petty cash requisition detailing the payments made through petty cash during the period since the last reimbursement, along with any supporting invoices acting as documentary evidence for the claim. The authorised signatory (e.g. treasurer) draws a cheque equal to the amount of expenses detailed in the petty cash requisition.

The petty cash balance in the organisation's balance sheet will always be shown as the approved amount of float or imprest. Amounts spent would be recorded against the relevant expense accounts at the time the reimbursement cheque is drawn.

The following controls should be applied over petty cash:

- Petty cash must be kept at a secure place (e.g. a cash box).
- Petty cash should be locked away in a safe when not in use.
- The person responsible for managing petty cash must keep supporting invoices in respect of payments made through petty cash.
- A limit of $80 per individual purchase should be set. Amounts higher than this should be paid by cheque or EFT, and not using petty cash.
- Unscheduled cash counts should be conducted by another person from time to time to ensure the accuracy of the cash balance stated in the petty cash register.
- The amount spent, and the remaining cash in the tin should be reconciled back to the approved float or imprest amount each time reimbursement is requested (a worked example is provided on the following pages).
- The amount of petty cash float should not be set too high. For most organisations $200 should be more than sufficient.

Staff contact details

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Level 2, 212 Pirie St, Adelaide

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Uniting Church in Australia – Presbytery and Synod of South Australia

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PETTY CASH REQUISITION (Example)

In this example, the approved Petty Cash Float imprest amount is $100.
$74.05 has been spent since the last reimbursement and there is $25.95 left in the tin.

Date_____ 5/11/2014

Description	Amount	Account
Hand towels for bathroom	7.35	6-5660 Restroom supplies
Tea & coffee	15.95	6-1404 Church kitchen
Printer paper	5.75	6-1020 Administration
Lawn mowing	45.00	6-5540 Grounds maintenance
(note: receipts for each of the items listed above would be attached to this form)		
TOTAL	$ 74.05	

PETTY CASH RECONCILIATION (Example)

Date_____ 5/11/2014

Make Cheque Payable to Cash

Description of Transaction Petty Cash Recoup

Applicants Name A Member Sign A Member

Bank Account Authorisation

Treasurer C Chairperson

Petty Cash Recoup reconciliation

Total of receipts Attached				$ 74.05
Cash Held				
Notes				
$100				
50				
20				
10		10.00		
5		10.00	$ 20.00	
Coin				
2		4.00		
1		1.00		
0.50		0.50		
0.20				
.10/.05		0.45	$ 5.95	
	Total Cash on hand			$ 25.95
Total Cash plus Receipts (should always equal approved petty cash imprest)				$ 100.00

Cheque No 135105 Amount $ 74.05

(equals total receipts attached)

Blank forms for congregational use are provided here, or you may contact cbu@sa.uca.org.au to request the linked excel spreadsheet that automatically calculates the totals and reconciling balance.

PETTY CASH REQUISITION

Date_____

Description	Amount	Account
TOTAL		

PETTY CASH RECONCILIATION

Date_____

Make Cheque Payable to Cash

Description of Transaction Petty Cash Recoup

Applicants Name _____ Signat _____

Bank Account Authorisation (cheque signatories)

_____ _____

Petty Cash Recoup reconciliation

	Total of receipts Attached		$ -
Cash Held			
	Notes		
	$100		
	50		
	20		
	10		
	5	$ -	
	Coin		
	2		
	1		
	0.50		
	0.20		
	.10/.05	$ -	
	Total Cash on hand		$ -
	Total Cash plus Receipts		$ -
	(should always equal approved petty cash imprest)		

Cheque No _____ Amount $ -

(equals total receipts attached)