



Petty Cash Funds

Category:	Operations
Number:	
Audience:	All University Personnel
Last Revised:	January 29, 2017
Owner:	Director of Finance
Approved by:	Board of Governors
Contact:	Director of Finance (306) 790-5950 ext. 2405

Introduction

This policy sets out the University's policy on petty cash funds.

Departments that require petty cash infrequently should **not** establish their own petty cash fund as Finance maintains a fund that may be accessed by other departments when required.

Definitions

"Custodian" - A person who is responsible for and safeguards a petty cash fund;

"Incidental expenditure" - any allowable expenditure incurred in an amount of \$75 or less;

"Petty cash fund" - a fixed sum of money utilized by a department for small incidental expenditures where at all times ***the cash on hand in the fund plus the vouchers or invoices representing amounts paid from the fund must equal the value of the fund;***

Policy

The University will authorize petty cash funds to be established in those departments having an ongoing need for cash to cover allowable incidental expenditures incurred by the department.

All petty cash funds must have a custodian, and all custodians must keep the petty cash they are responsible for under lock and key in a cash box. The custodian is responsible for safeguarding, maintaining and accounting for the fund and for all fund transactions.

Petty cash **may** be used for purchases of \$75 or less with the following specific requirements:

- Every purchase must be chargeable to a University account and be supported by a paid invoice or receipt;

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- An authorized person must have approved any amount that is chargeable to a research grant, special project account or against the budget of a faculty or administrative department;
- Petty cash may be used to pay honorariums of less than \$75 to a non-employee. A description of the honorarium and the signature of the person receiving the payment must be obtained. (Please note that all other honorariums must be paid through Payroll so that the appropriate T4A is generated).

Petty cash **may not** be used for the following:

- Payment of salaries, wages or honorariums greater than \$75;
- Cash cheques;
- Provide loans;
- Cover Tri-Agency research expenses;
- Clear parking tickets; and
- Represent a gift.

A petty cash fund may not be transferred from one custodian to another without the approval of the Director of Finance and department head.

All petty cash funds will be verified at year-end.

Consequences for Noncompliance

Failure to comply with this policy could result in the termination of the petty cash fund and / or a requirement for the custodian to reimburse the fund from personal resources.

Related Information

- [Petty Cash Funds – Procedure Statement](#)