

AVON MAITLAND DISTRICT SCHOOL BOARD

ADMINISTRATIVE PROCEDURE

NO. 509

SUBJECT: PETTY CASH

Legal References: *Education Act Section 265 Duties of Principal: Care of Property; Section 286
Duties of Supervisory Officers: Supervise Business*

Related References: *Administrative Procedure 321 Fund-raising (Students); AP 513 Accounts: School
Generated Funds; AP 514 Money Left in Schools*

1. Petty Cash

From time to time, it is necessary to make minor purchases in order to ensure that the day-to-day business of the district and school continues without interruption.

2. Administrative Procedures

- 2.1 Each school may choose to have a petty cash allotment, which is designated to be in the care and custody of the principal. The standard maximum allowed for a petty cash fund is \$500.00 for elementary schools and \$750.00 for secondary schools. Any request to change the existing amount should be sent to the accounting department. Specific circumstances may give rise to a need in excess of the above amounts, the resolution of which must be negotiated with the Finance Department.
- 2.2 The petty cash fund is an imprest fund whereby the total of cash and receipts on hand must equal the total of the fund. Regular monthly reconciliation of the account shall be completed by the school secretary.

Regarding Cash Based Transactions effective February 4, 2013:
In February 2013, the Government of Canada began “phasing out the penny”. This initiative results in the rounding of cash-based transactions as the penny is removed from circulation in Canada. It is the board’s intent to reimburse employees for 100% of their out-of-pocket, allowable expenses.

The submission for cash-based transactions can reflect the actual amount paid by the employee, providing the employee notes on the original, detailed receipt the actual amount paid to the retailer. The submission for credit/debit/cheque transactions must be rounded up to the nearest \$0.05, with the actual amount reimbursed noted on the original, detailed receipt. The actual amount paid to the employee should then be recorded in the petty cash reimbursement form, as opposed to the un-rounded receipt totals. This applies to all transactions, and is expected to result in differences of no greater than 4 cents per transaction.

- 2.3 The use of the school’s petty cash fund shall be limited to those purchases of a minor and unexpected nature, which cannot be handled by purchase order or statement of expense.
- 2.4 In no case shall an individual purchase amount exceed \$100.00.

- 2.5 Receipts shall be coded, summarized and reconciled on a petty cash claim form. The principal is responsible for reviewing the petty cash statement and authorizing the expenditure prior to submission to the Finance Department for reimbursement.
- 2.6 Teachers and other staff members are asked to pay for the purchase of approved items and obtain a receipt for petty cash payment rather than charging items, which constitutes an unauthorized extension of the board's credit.
- 2.7 When a principal change takes place, the outgoing principal will give to the incoming principal:
 - a) A statement indicating the current amount of the petty cash on hand, and the total invoices on hand; and
 - b) All petty cash and invoices.

The total of the above amounts should equal the total allotment for that school.