

# Murrayville Community College Council Petty Cash Policy

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## Rationale

To implement a petty cash process that complies with the Department's policy requirements.

## Aim

This policy applies to petty cash held by Murrayville Community College and applies to the payment of incidental postage only.

## Implementation

- Petty cash must be kept in a secure location at all times.
- Only one staff member must be the custodian of a petty cash advance and is accountable for it (***the advance holder***).
- Advances must be adjusted at the end of each school year by either the:
  - repayment of cash equal to the advance
  - production of receipts/invoices equal to the advance
  - production of cash and receipts/invoices equal to the advance.
- The cash on hand must be fully adjusted and re-banked at the end of each school year. During other holiday periods, where small amounts are held, it is not necessary for this action to be taken.
- Transactions should be recorded as close as possible to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified.
- Before petty cash is replenished, a reconciliation must occur to ensure that the total payments made plus the balance of cash on hand are equivalent to the original advance.
- A fresh record of the petty cash payment is to be started after each recoupment of advance.

### Internal checking system

The principal, or an officer appointed by the principal, must check the petty cash balance twice a year, without giving advance notice of the check. The check should not be at the end of a reimbursement period and is intended to ensure that:

- records are up-to-date
- loans are not being taken from the advance
- security is being maintained over the advance and receipts/invoices.

The custodian must be present at all times during the check.

The principal is to be advised in writing of the results of the check in a signed and dated report from the checking officer and the advance custodian. If the Principal is the checking officer they will produce the report in conjunction with the advance custodian.

## FURTHER INFORMATION AND RESOURCES

- School Policy and Advisory Guide: [Payment of Accounts](#)
- [Financial Manual for Victorian Government Schools](#) Section 11 – Expenditure Management
- [Cash Handling resources](#)

## Review Cycle

When First Approved: 25<sup>th</sup> February 2019

Scheduled for Review: February 2020