

Section:	Finance (FN)
Subject:	Expenses
Legislation:	
Effective:	November 1, 2007
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APPROVED: _____
President and CEO

POLICY

The policy of the Board of Governors is to pay expenses necessarily incurred by employees and Board members in the performance of their employment or Board duties.

PROCEDURE

GOVERNING PRINCIPLES

1. Petty cash is used to reimburse the cost of miscellaneous and infrequently purchased items that meet all of the following criteria:
 - a) The cost, including GST, is less than \$25 per transaction;
 - b) The item cannot be purchased with a corporate credit card or P-card; and
 - c) The item is not required to be submitted on an expense claim (such as meal, travel and hosting expenses).
2. Corporate Reporting section, Finance department:
 - a) Conducts random and unannounced verifications of petty cash funds.
 - b) Maintains the account list of all existing petty cash funds and custodians.

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PROCEDURE

A. General Considerations

1. Procedure [FN.11.1.1 Expenses Overview](#) must be reviewed and used in conjunction with this procedure. Unless otherwise specified, all of the provisions in procedure [FN.11.1.1 Expenses Overview](#) apply.
2. Petty cash cannot be paid out before the expense has been incurred.
3. Petty cash cannot be used for any of the following:
 - a) Cashing cheques.
 - b) Hosting or meal expenses.
 - c) Travel expenses (except for local transportation expenses, such as bus tickets, taxi, or parking).
 - d) Visitor parking at SAIT (please provide the visitor with a prepaid parking ticket).
3. Custodians may cash a cheque at Apex Credit Union upon the presentation of one piece of picture identification. Corporate Reporting is responsible for providing Apex with the most current list of custodians.

B. Establishing the Petty Cash Fund

1. Only deans and directors have the authority to submit a request for establishing a petty cash fund.
2. The petty cash custodian must be a permanent SAIT employee.
3. The maximum fund amount allowed is \$300.
4. The school/department sends a completed EX 50 Petty Cash Fund Form to the supervisor of Corporate Reporting. The Accounts Payable section, Finance department, processes the request. The cheque is issued to the custodian identified on the Petty Cash Fund form.
5. To obtain the cheque from Accounts Payable, the custodian completes the Permanent Custody form.

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C. Safeguarding the Petty Cash

1. The custodian is responsible for safeguarding the petty cash, which includes the cash, receipts and vouchers. The custodian must keep it in a locked container and store it in a locked location (cabinet or safe).
2. Only the custodian may have the key for access to the fund in the container. The custodian's supervisor should keep a back-up key.
3. Petty cash may be handled only in a secure location, away from areas open to public viewing.
4. The custodian is responsible for notifying Security if theft of the fund occurs. A request to replenish the petty cash fund (refer to Section D and Section E of this procedure) must be completed within three business days of the theft. Accounts Payable will forward a copy of the Reimbursement and Reconciliation form to Corporate Reporting.

D. Reimbursing Expenses

1. An original receipt attached to a Petty Cash Voucher is required to make a claim for reimbursement from petty cash. The custodian cannot reimburse the claimant from petty cash without both a receipt and petty cash voucher.
2. The claimant completes a Petty Cash Voucher and attaches the receipt.
3. The signing authority approves and codes the Petty Cash. Please note that the claimant cannot be the signing authority.
4. The custodian is responsible for ensuring the Petty Cash Voucher is complete and for verifying the signing authority's signature. The claimant signs the voucher to acknowledge receipt of money from the custodian. The custodian signs the voucher to verify the transaction has been completed.
5. The custodian completes an entry on an electronic version of the Reimbursement and Reconciliation form for each reimbursement. The vouchers are stored securely but separately from the petty cash fund container.

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E. Replenishing the Petty Cash Fund

1. The custodian is responsible for monitoring the fund and replenishing it in the month following each quarter end or when the fund is reduced to one third of its original amount, whichever occurs first.
2. The custodian is responsible for ensuring that the petty cash fund is reconciled at all times. Using the Reimbursement and Reconciliation form, the custodian verifies that the cash on hand plus the amount of the Petty Cash Vouchers equals the amount of the original petty cash fund.
3. To request replenishment, the custodian completes the Reimbursement and Reconciliation form and forwards it to Accounts Payable for processing. Accounts Payable issues the cheque to the custodian.
4. When any over or short amounts are identified on the Reimbursement and Reconciliation form, Accounts Payable forwards a copy of the form to Corporate Reporting. Corporate Reporting monitors the frequency of occurrences, the amounts and the explanations provided to determine if action is required as per Section H of this procedure.

F. Changes to the Petty Cash Fund

1. Only deans and directors have the authority to approve a request for increasing, decreasing or closing a petty cash fund. The school/department must complete the required sections of the Petty Cash Fund form.

G. Change of Custodians

1. The petty cash funds are transferred to a new custodian when the current custodian is unable to administer the fund. Please refer to Section B of this procedure.
2. During the custodian's temporary absence, whether expected (such as vacation) or unexpected (such as sick time), the school/department determines if a change in custody is required or if reimbursement transactions can be deferred until the custodian returns. If access to petty cash is required, the school/department is responsible for administering the process outlined in Section 2 of the Permanent Custody form. Finance does not require submission of this information.

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3. When the change of custodian is permanent, the school/department must complete Section 2 of the Permanent Custody form and submit to Corporate Reporting.

H. Required Closing or Change of Custody

1. Finance reserves the right to close the Petty Cash Fund or to change the custodian if there is a lack of compliance with this procedure.
2. If mismanagement of the fund is considered serious, Finance will refer the matter to the Internal Audit department.

POLICY/PROCEDURE REFERENCE

FN.11.1	Expenses policy
FN.11.1.1	Expenses Overview procedure
FN.11.1.2	Meal and Travel Expenses procedure
FN.11.1.3	Hosting Expenses procedure

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