



**PROSPER**  
LEARNING TRUST

## **Petty Cash Policy**

<b>Policy reviewed and adopted by Trustees</b>	<b>October 2021</b>
<b>Version</b>	<b>3</b>
<b>Review frequency</b>	<b>Annually</b>
<b>Date of next review</b>	<b>October 2022</b>
<b>Responsible Officer</b>	<b>Director of Finance and Operations</b>

## **Policy Statement**

The policy establishes the proper use and administration of petty cash funds. When other reimbursement methods cannot be used, petty cash can provide cash to reimburse staff members for small expenses, such as taxi fares, postage and supplies, generally not to exceed £20. As with all expenditure prior approval from Senior Management (in most cases this will be the Head of School or Headteacher. Senior Management is to be determined by Head of School, Headteacher or Chief Executive) is required before any spend.

## **Reason for Policy**

Petty cash funds provide a convenient way to pay for small expenses; however, keeping cash in any office can entail risk of misuse and/or theft. This Policy provides procedures designed to mitigate these risks.

## **Who Should Comply**

All Prosper Learning Trust staff, trustees and governors.

## **Appropriate uses of Petty Cash**

1. Petty cash is the mechanism of last resort to access cash for payments, when other reimbursement methods are impractical or cannot be used. Petty cash must not be used as an operating fund, i.e. to pay for invoices for goods and services, salaries or wages, or to make loans. Advances of petty cash to staff prior to incurring pre-approved expenditure are permissible at the discretion of Senior Management.
2. Petty cash may not be used for personal use, loans or the purchase of goods or services unless it is unavoidable.
3. Staff members should evaluate their service needs and limit petty cash to the lowest amount that will meet their needs. Generally, Prosper Learning Trust recommends that each petty cash claim should total no more than £20 and is made within 2 weeks of pre-approved expenditure being incurred
4. Payment of services, rentals, prizes or awards, must be made through purchase order procedures in advance. All staff should be made aware the last minute purchases of the above can in some circumstances can be accepted, subject to approval of Senior Management and the availability of petty cash.
5. Petty cash can be used for perishable items (e.g. milk, only where the regular procurement route is impractical), cash purchases (e.g. bus fares for students going to placements) and emergency supplies. At the discretion of Senior Management it is permissible for petty cash to be advanced prior to pre-approved expenditure being incurred.

6. Sundry amounts needed for extras while on visits should be arranged in advance with a minimum of 5 working days' notice

### **Accessing Petty Cash**

1. To access petty cash Staff must fill out a Petty Cash /Voucher form from the finance office/ Admin Office, then attach all corresponding receipts to the form.
2. At Senior Management discretion petty cash may be advanced prior to expenditure being incurred. Staff must complete the Petty Cash/Voucher recording the receipt of this advance. Staff are responsible for the return of all monies and vouchers to be offset against the advance
3. Staff must ensure that all receipts are present to make a claim. (Petty cash will not be issued without a valid receipt)
4. All expenditure must have receipts (VAT receipts if possible)
5. Receipts must have the following information:
  - a. Supplier Name
  - b. Date
  - c. Item Purchased
6. Staff are to submit the Petty Cash Form/Voucher to the Head of School/Headteacher (or Senior Management Team) for authorisation prior to passing to the finance team for reimbursement

### **Safeguard the Cash**

1. Petty cash must be kept in a secure area such as a locked safe or locked filing cabinet.
2. Ensure segregation of duties; Staff should not self-approve replenishments or other changes to the petty cash account.
3. Petty cash must be reconciled monthly to a supporting spreadsheet maintained by the Lead Admin. The Finance Officer is to then enter these details onto the SAGE accounting system. The Lead Admin is to record all petty cash transactions and upload copies of all receipts to the shared spreadsheet which can be accessed centrally.
4. In the event of theft or loss of petty cash, the Lead Admin must notify their line manager, and the Director of Operations and Finance, immediately.

## **Replenishment of Petty Cash**

1. The Finance Officers are responsible for replenishing the petty cash funds
2. The reimbursement form must be filled in by the Finance Officer and signed by the Director of Operations and Finance, the Finance Officer will arrange for cash to be collected from the bank.
3. When funds are replenished, the total replenishment cannot exceed the schools allocated imprest amount. The imprest amount to be agreed by the Director of Operations and Finance

## **Evaluate Need for Petty Cash**

A least once a year, the finance team will evaluate the amount of petty cash and whether or not each school still has need to use petty cash

The Trust has reduced the amount of Petty Cash funds held by each school. Generally, all staff purchases are now reimbursed by BACS payment, reducing the need for each school to hold cash.

However, in some schools it is likely that we cannot eliminate cash completely, as emergency small purchases are sometimes required for building repairs to make the environment safe.

## **Responsibilities**

Finance Officers are responsible for ensuring that staff observe the petty cash policy accordingly and accompanying procedures.

Staff must ensure that forms are filled out accurately and approved before the reimbursement of their petty cash.

Payments will not be reimbursed from petty cash funds that have not operated in accordance with these procedures.