

Petty Cash Procedure

Section 1 - Introduction

(1) This procedure meets the University of Newcastle's (University) requirements for probity and accountability in the handling of petty cash and forms part of the supporting documentation for the [Purchasing, Companion Card and Petty Cash Policy](#).

(2) This procedure is designed to ensure that provision of petty cash is a last resort payment option and approved only in exceptional circumstances.

Section 2 - Intent

(3) To ensure that the University minimises the use of physical cash as a form of payment.

(4) That petty cash is only used where required to meet a specific operational need that cannot be met through use of a corporate card, cash reimbursement, or direct debit.

(5) If petty cash is provided, that it is managed appropriately.

Section 3 - Purpose

(6) Petty cash is provided to facilitate University activities where access to physical cash is required for equity of participation and the successful execution of the related work activity.

(7) The establishment of a petty cash float is restricted to justified usage. Examples of justified usage include, but is not limited to:

- a. payments to research participants where confidentiality is required;
- b. one-off payments to performers on the day of an ad-hoc concert when cash is the only acceptable form of payment;
- c. to support the receipt of payments relating to events held on the University campus to facilitate equity of access to all participants.

(8) Petty cash is not provided for the reimbursement of cash expenses by staff. If a transaction is made by a staff member on the University's behalf where a Purchase Order or Corporate Card could not be used the staff member must claim reimbursement through the Expense Management System.

Section 4 - Petty Cash Procedures

Establish a Petty Cash Float

(9) A staff or college member, with the approval of an appropriate delegate, can request the establishment of a petty cash float by submitting a general finance enquiry through [ServiceNOW](#).

(10) As a general rule, the limit of a float should be between \$100 and \$500, however, this may be varied by agreement with the Chief Financial Officer, if a valid business need exists and alternative payment methods are unavailable to support the specific activity.

Petty Cash Custodian

Appointment

(11) The College / Division must appoint a custodian to be responsible for:

- a. the security of petty cash and the Petty Cash Card;
- b. management and ongoing monitoring of petty cash use to comply with University policies;
- c. petty cash replenishment;
- d. reconciliation of transactions; and
- e. acquittals of petty cash expenses in the Expense Management System.

(12) The custodian must be an ongoing member of University staff ie cannot be a casual or fixed term staff member.

(13) Appointment of the Custodian should be endorsed by the Pro Vice-Chancellor or Deputy Vice-Chancellor as applicable, and approved by the Chief Financial Officer.

(14) A custodian cannot assign their responsibilities to another staff member.

Responsibilities

(15) The petty cash custodian is responsible for:

- a. enforcing all University policies in relation to the operation and handling of petty cash;
- b. ensuring that:
 - i. petty cash is secured at all times;
 - ii. the University petty cash card is secured at all times;
 - iii. the University petty cash card PIN is not disclosed;
 - iv. petty cash is used to cover reimbursements for which it is not possible or feasible to use normal purchasing methods such as a purchase order, Purchasing Card or staff expense reimbursement;
 - v. petty cash is used in a manner consistent with the approval of the establishment of the float;
- c. acquitting all transactions in the University's Expense Management System;
- d. advising the University's Card Services team in Financial Services of any intended change in custodian;
- e. reporting the loss of any petty cash to Card Services and the Associate Director, Corporate Accounting and Treasury as soon as the loss is discovered;
- f. retaining acceptable supporting documentation such as receipts, tax invoices, invoices, copies of registers or statutory declarations; and
- g. complying with this procedure for the purposes of replenishment of petty cash and estimation of need for petty cash.

Required Documentation for Use of Petty Cash

(16) All petty cash expenses must be fully acquitted through the University's Expense Management System each month.

(17) All expenses incurred using petty cash must have acceptable supporting documentation to substantiate the expense. Appropriate documentation may include invoices for goods and services, a register of gift cards, or signed

acceptance from research participants.

(18) A tax invoice must be obtained for all purchases exceeding \$82.50 (GST inclusive) and supporting documentation is required for all purchases up to \$82.50.

Transaction Approval

(19) Each petty cash transaction or expense claim will be approved using the approval rules defined in the University's Expense Management System within the mandated timeline.

Petty Cash Float Balance

(20) At the beginning of each calendar year the custodian will be required to estimate the total need for petty cash for the year. Financial Services will review Petty Cash usage and Petty Cash Card limits on an annual basis to ensure petty cash usage is not excessive.

(21) Care should be taken not to withdraw cash that exceeds the business unit's immediate business requirements. Petty cash should be managed so that the Custodian only replenishes the amount spent, and not a fixed amount every time. The Custodian can withdraw funds to replenish the petty cash float up to the agreed float level using the unit's Petty Cash Card.

(22) The Head of School or Director must approve any request for additional funds within the year. A separate request to increase the Petty Cash Card limit must be made by submitting a general finance enquiry through ServiceUON. It will be reviewed and approved in line with the University's Delegations of Authority.

(23) The custodian is responsible for replenishing the float to ensure the balance is sufficient to meet the business needs of the unit.

(24) The custodian is responsible for reconciling the petty cash float back to zero, at least 10 business days prior to the Christmas shutdown each year.

Closing a Petty Cash Account

(25) The petty cash account should be closed with Financial Services when the purpose for which the account was established has been completed, as determined by the Petty Cash Custodian, Head of College/Division or Financial Services.

(26) The custodian must reconcile the float back to zero and arrange for the return of the Petty Cash Card to Card Services.

(27) The custodian is responsible for ensuring all petty cash expenses are fully acquitted in the Expense Management System.

Review of Petty Cash Usage

(28) To ensure petty cash controls are operating effectively, Financial Services may conduct unannounced petty cash counts. Each area should retain supporting documents for all petty cash expenditure. The custodian is responsible for ensuring that, at all times, cash on hand plus supporting receipts add up to the total petty cash float amount.

(29) Financial Services reserves the right to conduct periodic usage reviews and, based on the results, may recommend closure or reduction of the account.

Status and Details

Status	Current
Effective Date	8th August 2022
Review Date	8th August 2025
Approval Authority	Chief Financial Officer
Approval Date	1st August 2022
Expiry Date	Not Applicable
Responsible Executive	David Toll Chief Financial Officer
Enquiries Contact	David Toll Chief Financial Officer

Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Campus" - means any place or premises owned or controlled by the University, but may also specifically refer to a designated operating location such as the Callaghan Campus.

"Research" - As defined in the Australian Code for the Responsible Conduct of Research, or any replacing Code or document.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

"College" - An organisational unit established within the University by the Council.

"Delegate" - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.