

REGULATION 17: PETTY CASH AND FLOATS (CURRENT)

Floats are small amounts of cash maintained on site for the purpose of giving change to customers.

Petty cash accounts (sometimes known as imprest accounts) are small amounts of cash maintained on site to allow employees to make small purchases where the formal ordering process would be considered inefficient in relation to the purchase being made.

Use of petty cash may be by cash advancement or as a reimbursement for expenditure incurred from personal monies, on receipt of an approved voucher.

17.1 PETTY CASH ACCOUNTS AND FLOAT HOLDERS

- 17.1.1 **Provision:** The "Nominated Chief Officer with responsibility for Exchequer functions" shall provide petty cash accounts and floats as considered necessary by the appropriate Director or Chief Officer. They will only be provided where there is a recognised need, without which the service would be highly ineffective or inefficient.
- 17.1.2 Any petty cash or float provided should be operated in accordance with [Financial Regulation Support Document 32](#).
- 17.1.3 **Record of Provision:** The "Nominated Chief Officer with responsibility for Exchequer functions" shall maintain a record of authorised petty cash accounts and floats.
- 17.1.4 **Income Separation:** Income received on behalf of the Council must not be paid into a petty cash account. All floats must be kept separate from personal monies.
- 17.1.5 **Security:** Petty cash and float holders are responsible for the safekeeping of the cash and must keep a record of any money paid into or out of the account. At all times the total of cash in hand and vouchers paid out should balance the value of the petty cash account.
- 17.1.6 **Balancing Accounts:**Accounts and Floats should be balanced on a regular basis and the amount of the float advanced accounted for. Petty Cash accounts should be balanced at least quarterly and floats should be physically verified at least annually. Till floats should be balanced each time the till is cashed up.
- 17.1.7 All balancing and reconciliations should be appropriately documented which includes a signature and date of the person carrying out the reconciliation. A senior officer should be notified of any discrepancy arising and appropriate action taken to remedy any discrepancies arising. Any discrepancies **over £25** should be reported to the Statutory Chief Finance Officer.

- 17.1.8 **Account Top Up:** Reimbursement requests should be made at periods not exceeding **one month** and made on an official Council form.
- 17.1.9 **Statement of Account:** Officers responsible for a petty cash account or a float shall, if so requested, provide the Statutory Chief Finance Officer a certificate of the sum held whether in cash or vouchers.
- 17.1.10 **Leavers:** On leaving the employment of the Council, or otherwise ceasing to hold a petty cash account or float, officers shall account to the Statutory Chief Finance Officer for the amount advanced to them.

17.2 REIMBURSEMENT FROM PETTY CASH

- 17.2.1 **Use of Petty Cash:** Petty cash disbursements shall be limited to minor items of expenditure where payment by other recognised payment methods is inappropriate. Under no circumstances should petty cash be used to circumvent an alternative method of payment e.g. payroll, creditors or internal journal.
- 17.2.2 **Budgetary Provision:** Petty cash is not an additional resource. Budgetary provision must be available before expenditure through petty cash is approved.
- 17.2.3 **Limits on Transactions:** Individual payments from petty cash shall be limited to **£200** per single transaction. The Statutory Chief Finance Officer can raise this limit on specific requests in which case authorisation must be by one of the officers with a higher level of authority (See [Financial Regulations Support Document 3](#)).
- 17.2.4 **Receipts:** All payments must be supported by a receipt and claim form. A VAT receipt should be obtained to enable the Council to reclaim this element of the expenditure, wherever possible. Where a VAT receipt has not been obtained a reason must be recorded on the claim form and approved by the authorising officer.
- 17.2.5 **Authorisation:** Cash advances and reimbursements can only be authorised by an employee whose level of delegated authority is above the total net value of payment.
- 17.2.6 **Authorisation List:** A list of the names of officers authorised to sign petty cash advances and claims on behalf of the Council shall be sent to the Nominated Chief Officer with responsibility for Exchequer functions" together with their specimen signatures and any limits imposed, in accordance with [Financial Regulation 4](#).
- 17.2.7 **Processing Claims:** Care should be taken to ensure that reimbursement of petty cash claims are treated correctly, particularly with regard to VAT as supported by attached receipts.

17.2.8 **Cancelling Receipts:** Upon reimbursement of a petty cash claim, the attached receipt should be crossed through to prevent resubmission.

Other Points of Reference (underline denotes a hyperlink is available)

[Financial Regulation 4: Authorisation Limits](#)

[Financial Regulation 16: Ordering and Paying for Goods and Services](#)

[Financial Regulation 20: Taxation](#)

[Financial Regulations Support Document 3: Expenditure Authorisation Limits](#)

[Financial Regulations Support Document 32: Operation of Petty Cash Floats](#)