Petty Cash Policy and Procedure

HiFlex Physio

Policy

HiFlex Physio policy is to minimise the risk in cash movement and handling and to promote the health and safety of all persons by ensuring compliance with the petty cash procedures.

Other methods of payment, for example, cabcharge dockets, credit cards, or direct re-imbursement must be considered and used where possible. Petty cash funds are available where there is no viable alternative, to expedite obtaining of certain supplies and services where minor expenditure is involved; and to improve the efficiency of the payment process. Petty cash claims by staff of HiFlex Physio will not be recognized unless approved policy and procedures have been followed.

Petty cash may be used for individual purchases to a maximum of $100.

Petty cash must not be used for:

- Salaries
- Advertising
- Loans to staff members for any purpose
- Tips related to hospitality expenditure
- Purchases of greater than $100
- Recurrent expenditure

Procedure

HiFlex Physio establishes clear petty cash handling procedures with a commitment to clarity and effective facilitation. Minor items may be purchased using Petty Cash in one of two ways:

1. Staff may purchase goods, then present both the tax invoice/receipt and a correctly completed Petty Cash Reimbursement/Acquittal of Advance Form to their local petty cash custodian and receive a cash reimbursement for the purchase.

2. Staff may present a correctly completed Petty Cash Advance Form to their local petty cash custodian and receive an advance. This form should be retained by the Petty Cash Custodian for follow-up purposes.

The advance should be acquitted using the Petty Cash Reimbursement/Acquittal of Advance Form immediately the purchase has been made, with associated tax invoices/receipts attached to the form.

If the amount of the purchase is less than the advance issued, the change must be returned with the tax invoices/ receipts. If the amount of the purchase is greater than the advance, the additional amount must be shown on the Petty Cash Reimbursement/Acquittal of Advance Form and approved by the Centre Manager. Advances of petty cash are available only from local petty cash custodians.

Completed petty cash reimbursement/acquittal of advance forms must –

- Itemise the goods and date of purchase.
- Be correctly coded with the full GL account code string, which includes Company, Centre, Location, Activity and Natural Account Code.
- Show the total against each GL account code.
- Be authorized by their Manager.
- Have the correct tax invoices/receipts attached. For purchases of $50 and over a tax invoice showing the ABN is required, and for purchases under $50 a tax invoice or receipt is required.

Operating a Petty Cash Float

Establishment

Centres that regularly use petty cash are authorised by the General Manager, Finance to hold a petty cash float, provided no other means of payment are possible. The petty cash float is the responsibility of the Centre Manager who must nominate a petty cash custodian to maintain the float and be accountable for the cash.

The original amount issued is called the accountable amount. Adjustments to the accountable amount may be requested, and will be made on the basis of recorded usage. To maintain the integrity of the float, only one person should have access to the funds at any one time. Centres must also meet the security requirements described in this section in order to be authorised to hold a petty cash float.

Where a petty cash advance has been authorised by the Centre Manager, cash must be maintained separately from other moneys or receipts and be held in a separate locked container. The cash box must be locked when not in use and kept in a locked safe or steel cabinet under the control of the custodian. Compliance with these requirements will be audited.

Temporary floats may be issued for use in managing specific events. These temporary floats require approval at Chief Executive Officer level and must be authorised by the Managing Director Finance. Finance requires 7- days notice to issue these floats. At the completion of the event, these floats must be acquitted in full and returned to Head Office.

Maintaining and Recouping a Petty Cash Float

Petty cash custodians must recoup their floats regularly, and at least monthly, to ensure petty cash claims are not outstanding for long periods and to minimise the amount of cash collected in each recoupment for safety and security reasons. Custodians must keep a record of all recoups submitted to Financial Services Unit.

Procedure for maintaining the float:

1. Use the Petty Cash Recoup Summary template as an excel spreadsheet to keep a running total of cash issued. This template can be downloaded from the Bounce Fitness website. Record the details for each purchase as a separate line. Update the spreadsheet and balance the float daily or whenever cash is issued, if the float is not used daily. Keep the tax invoices/receipts attached behind each associated petty cash approval form. The total of the approval forms must be equal the total of tax invoices/receipts. The float is balanced when the total cash on hand:

Cash on Hand	**(A)**
Petty Cash reimbursements and unacquitted Advances on hand	**+ (B)**
Petty Cash recoups in transit	**+ (C)**
Accountable amount of float	**(D)**

Cash on Hand (A), plus the total of the petty cash reimbursement forms on hand (which must be backed up by tax invoices/receipts) and any unacquitted advances on hand (B) plus the total of any recoups in transit (C) minus the total of the accountable amount of the float (D) equals zero. When a recoup is required (when the float is half depleted is a good guide), print the spreadsheet (Documents/Finance) and attach the petty cash approval forms, including the attached tax invoices/receipts. Ensure the total of tax invoices/receipts exactly matches the amount claimed in recoupment on the spreadsheet and that this amount is fully covered by the approval forms. Only the total amount of the tax invoices/receipts will be reimbursed.

2. Forward the spreadsheet, approval forms and tax invoices/receipts to Finance and arrangements will be made for safe collection/delivery of the cash.

3. If there is a tax invoice/receipt missing or there is a deficiency in the accountable amount, a memo briefly explaining the circumstances should be prepared, approved by the relevant Centre Manager and forwarded to the Financial Bookkeeper. The memo should include relevant details of the purchase and the GL account code. Upon approval in Bounce Fitness, the deficient amounts will be reimbursed to the float. In approving these reimbursements, Bounce Fitness will take into account the circumstances surrounding the loss and the history of management of the float. Floats may be withdrawn if they are not correctly managed.

Handover/Takeover Procedure

Where a petty cash custodian will be absent for a period, or has changed responsibilities, the Petty Cash Handover/ Takeover Form must be completed. The procedure on handover is –

1. Count all cash on hand and record on form (A)

2. Record the total of the petty cash reimbursements forms not recouped and unacquitted advances (B)

3. Record the total amount of recoup claims in transit (C).

4. For the float to be balanced the total of A + B + C - D should equal zero.

5. Both the person handing over and the person taking over must sign the form.

6. If the handover is a long term or permanent change, forward a copy of the Handover/Takeover form to the Managing Director Finance.

Staff taking over Petty Cash floats must notify their Centre Manager or Director and Bounce Fitness if there is any shortfall in the float. Staff must ensure they are aware of the accountable amount of the float.

Year End Procedure – Declaration of Petty Cash Float

As part of the annual of Financial Statements, all cash on hand must be accounted for and reported to Bounce Fitness as at 30 June each year. Petty Cash is accounted for via a Declaration of Petty Cash Float from. Bounce Fitness will not contact all Petty Cash float custodians in early June, supply the appropriate form and request this form be completed at year end.

The Declaration of Petty Cash Float requires the following information

1. Cash on Hand (A)

2. Petty Cash reimbursements and unacquitted Adances on hand (B)

3. Petty Cash recoups in transit (C)

4. Accountable amount of float (D)

When the account is balanced, A + B + C - D equals zero. Discrepancies should be reported to FSU and your Centre Manager/Director immediately.

Enquiries

Further assistance regarding this procedure may be obtained from the Finance Bookkeeper.

Forms

The following forms are applicable to this section

1. Petty Cash Reimbursement/Acquittal of Advance form

2. Petty Cash Advance form

3. Petty Cash Recoup Summary form

4. Petty Cash Handover/Takeover form