



# Cash Control

---

## **PURPOSE/RATIONALE**

To communicate responsibility for the effective use and security of petty cash, to ensure proper and consistent cash handling procedures throughout the Library, and to satisfy financial audit requirements through compliance with established procedures.

## **SCOPE/LIMITS**

- This cash control policy is for use by those sites designated to process cash transactions and/or those sites issued a petty cash float.
- Reference to "cash" in this policy applies to all forms of cash, including, but not limited to, currency, coin, checks, and credit card documents and receipts.

## **CASH RECEIVED**

### **Principles of Internal Control**

- Cash collection sites: Cash should only be collected by the Administration Office/Finance department, circulation staff at each branch location and the Interlibrary Loan department.
- Procedures are documented and implemented at each location designated to process cash transactions to address the following internal controls:
  - Security and access of cash and related financial records
  - Timeliness and frequency of deposits
  - Receipt and handling of cheques (payable to GVPL, restrictively endorsed)
  - Staff training, including having back-up employees
- Procedures will specify that cash received is to be recorded using either a cash register or point-of-sale system.
- Standardized daily cash out routines and reconciliation processes are documented as are instructions for depositing cash.
- Where cash is transported, procedures will ensure that risks are minimized for both staff and assets.



- Under no circumstances is cash received to be used for making loans, advances, or to pay for petty cash purchases.

### **Cash review**

There will be adequate oversight and control and cash handling is adequately supervised. The manager or supervisor of the cash collection site should review the monthly activity and sign off on all deposits. This gives the manager or supervisor an overview of all of the transactions and builds in another cash control.

### **PETTY CASH**

#### **Definitions**

Custodian - The individual to whom the petty cash fund is issued.

Budget Authority - Individual authorized to approve expenditures charged to an account(s) in accordance with Library policy and procedures.

#### **General**

- A petty cash fund is intended for eligible cash expenditures of less than \$100 per transaction for which it would not be cost effective or expedient to issue a cheque. The amount of the petty cash fund shall normally not exceed \$250. Where there is need for a fund that is greater than \$250, a written request giving the reason must be submitted to the Finance Manager for approval. Maintaining a minimal fund reduces security risk.
- Receipts and cash on hand must always total the amount of the initial petty cash advance. Revenues, expense recoveries and other cash receipts should not be combined with the petty cash fund. Such amounts must be promptly deposited through the appropriate Library cash collection site crediting the appropriate accounts.

#### **Custodian's Responsibilities**

The custodian is responsible for control of a petty cash fund, together with the supporting documentation. Specifically the custodian is responsible for the following:

- Safekeeping of petty cash funds. The fund (including cash, receipts and vouchers) must be kept secured in a locked box, cash drawer or safe. Only the custodian is to have access to and disburse petty cash. Handling of petty cash should only take place in secure locations.

- 
- Collect the required information to support a claim. A petty cash voucher is required in order to collect the following information:
    - Date
    - Amount
    - Purpose
    - Account to be charged
    - Signature of person who disbursed the petty cash
    - Signature of the person receiving the petty cash
  - Disburse petty cash only upon submission of an original vendor receipt (credit card receipts are not acceptable).
  - Maintain a record of petty cash expenses. To minimize the risk of fraud and provide evidence of the missing amounts in the event of loss of funds, this record of expenses is to be stored separately from the petty cash funds and in a secure location (i.e. locked desk or filing cabinet).
  - Report cash shortages or excess cash immediately to the budget authority.
  - Immediately report to the Finance Manager any thefts or attempted thefts.
  - Return the petty cash fund (money, receipts and petty cash vouchers) to the Finance department upon termination of employment or transfer to another position within the Library.

### **Budget Authority's Responsibility**

The budget authority is responsible to count the petty cash fund monthly to ensure the custodian has the correct total of petty cash and reimbursement vouchers. A record of these counts must be kept on file.

### **Approvals**

The approval of the budget authority is required to establish, close, change the amount of, or replenish a petty cash fund.

### **Petty Cash Transactions**

- Petty cash expenditures must comply with Library purchasing policies.
- A petty cash fund is intended for minor cash expenditures and is not to be used for frequently purchased items. The Purchasing Advisor is to be contacted if such purchases cannot otherwise be accomplished through a purchase request form, cheque requisition, employee purchase card or an expense claim reimbursement process.
- Ineligible disbursements of petty cash funds include but are not limited to personal loans, fines, parking tickets, salaries, and cashing of cheques.



---

## **GENERAL**

### **Year End Procedures**

- Year end procedures will ensure that all cash sites process any outstanding cash transactions including deposit to the bank, count and balance their cash floats and petty cash and secure cash prior to holiday closure.
- The Finance department will request written verification of cash floats and petty cash balances at year-end.

### **Cash audit**

In order to ensure that controls are in place and properly executed, the Finance department or the Library's external auditors will periodically perform unannounced audits of selected funds (cash floats and petty cash funds).

<p><b>Approved by the Greater Victoria Public Library Board: November 18, 2008</b> <b>Reviewed by the Policy &amp; Program Development Committee: November 12, 2008</b> <b>Amended by the Greater Victoria Public Library Board:</b></p>
--