

Living Sky School Division No. 202

Administrative Procedure (AP) Manual



Procedure Name: Petty Cash Funds

Procedure Type:	Business Administration	Implementation Date:	JUL 8, 2025
Procedure Number:	7.11	Last Revision Date:	OCT 8, 2025
AP Owner:	Superintendent of Business	Last Review Date:	OCT 8, 2025
Legal Reference(s):	<i>The Education Act, 1995, s. 85, 87, 175</i>		

Background

Petty cash funds are established and used to expedite the purchase of small items needed to ensure the effectiveness and efficiency of operations.

Scope

This administrative procedure applies to all schools and departments within the Division that establish and maintain petty cash funds. It governs the authorization, use, custody, replenishment, and reporting of petty cash to ensure funds are managed securely and used solely for approved purposes.

This procedure applies to principals, the accounting/payroll specialist, petty cash custodians, and any staff authorized to make purchases using petty cash.

Petty cash funds are intended only for minor, incidental expenses where other purchasing methods are impractical. This procedure does not apply to the purchase of equipment, staff hospitality, travel advances, or other expenditures explicitly excluded under this policy.

Definitions

Petty cash fund is a small amount of cash kept on hand to pay for minor, incidental expenses where using cheques or electronic payments would be impractical or inefficient.

Petty cash custodian is an employee designated to safeguard the petty cash fund. This employee is responsible for securely storing the funds, maintaining accurate records of all transactions, obtaining receipts for purchases, reconciling the fund, and ensuring that petty cash is used in compliance with the administrative procedure.

Roles & Responsibilities

Superintendent of Business

- provides overall oversight of petty cash processes across the Division to ensure consistency, accountability, and compliance with this administrative procedure
- establishes and reviews petty cash limits, controls, and reporting requirements
- initiates internal audits as necessary
- reviews audit findings and directs any necessary follow-up actions related to petty cash management

Service Lead

- May maintain a petty cash fund for their department
- is responsible for safeguarding the funds, ensuring proper use in accordance with this administrative procedure



Accounting/Payroll Specialist

- is responsible for petty cash funds at Central Services

School Principal

- is responsible for petty cash funds at the school

Procedures

1. The school principal and the accounting/payroll specialist will designate a petty cash custodian to safeguard the funds, maintain accurate transaction records, and ensure compliance with this administrative procedure.
2. Petty cash funds are to be used solely for payment of postage, minor office supplies, consumables, and other incidentals as necessary.
3. Petty cash funds shall not be used for personal expenses, staff hospitality, travel advances, gifts, or the purchase of equipment.
4. Expenses may be paid from petty cash up to \$75. Exceptions to this limit include postage or courier charges only.
5. Purchases must not be split into multiple smaller transactions to circumvent the \$75 limit.
6. Petty cash funds are available to a maximum of \$500. Upon written request to the accounting/payroll specialist, the school principal may request an increase up to \$1000.
7. Petty cash funds must be kept in a secure, locked location at all times.
8. All purchases must be supported by appropriate receipts and invoices.
9. Petty cash funds are to be replenished as needed to maintain sufficient funds for ongoing operations, upon receipt of a properly executed requisition with all required invoices and receipts attached.
10. Petty cash funds must be counted and reconciled at least quarterly on NOV 30, FEB 28, MAY 31, and AUG 31. Any shortages or overages must be reported to the accounting specialist immediately.
11. Petty cash funds are subject to audit at any time at the discretion of the superintendent of business.

Related

AP 7.05 Payments

School Generated Funds (*in development*)

Petty Cash Protocol (*internal document*)