

# NCG Petty Cash Policy



<b><u>Policy Title</u></b>	<b>NCG Petty Cash Policy</b>	
<b><u>Policy Category</u></b>	Cascade	
<b><u>Owner</u></b>	Senior Group Finance Assistant	
<b><u>Group Executive Lead</u></b>	Chief Financial Officer	
<b><u>Date Written</u></b>	October 2023	
<b><u>Considered By</u></b>	Policy Review Council	
<b><u>Approved By</u></b>	Executive Board	
<b><u>Date Approved</u></b>	November 2023	
<b><u>Equality Impact Assessment</u></b>	The implementation of this policy is not considered to have a negative impact on protected characteristics	
<b><u>Freedom of Information</u></b>	This document will be publicly available through the Groups Publication Scheme.	
<b><u>Review Date</u></b>	November 2026	
<b><u>Policy Summary</u></b>	The purpose of the NCG Petty Cash policy is to provide guidance to staff who handle petty cash.	
<b><u>Applicability of Policy</u></b>	<b><u>Consultation Undertaken</u></b>	<b><u>Applicable To</u></b>
Newcastle	Yes	Yes
Newcastle 6th Form	Yes	Yes
Carlisle	Yes	Yes
Kidderminster	Yes	Yes
Lewisham Southwick	Yes	Yes
Southwark	Yes	Yes
West Lancashire	Yes	Yes
Professional Services	Yes	Yes

<b><u>Changes to Earlier Versions</u></b>	
<b><u>Previous Approval Date</u></b>	<b><u>Summarise Changes Made Here</u></b>
March 2022	1st Edition of Document – to provide framework for existing local policies.
March 2022 – reviewed October 2023	Date references updated.

<b><u>Linked Documents</u></b>	
<b><u>Document Title</u></b>	<b><u>Relevance</u></b>
Financial Regulations	This policy is in place to provide a framework for the relevant controls for petty cash as outlined in the financial regulations.
Cash Handling Policy	All cash must be handled in accordance with the Cash Handling Policy
Travel & Subsistence/ Expenses Policy	To be referred to for the reclaiming of staff expenses

**Equality Impact Assessment**

	<b>Judgement</b>
<b>EIA 1 - Does the proposed policy/procedure align with the intention of the NCG Mission and EDIB Intent Statement in Section 2?</b>	Yes
<b>EIA 2 - Does the proposed policy/procedure in any way impact unfairly on any protected characteristics below?</b>	
<b>Age</b>	No
<b>Disability / Difficulty</b>	No
<b>Gender Reassignment</b>	No
<b>Marriage and Civil Partnership</b>	No
<b>Race</b>	No
<b>Religion or Belief</b>	No
<b>Sex</b>	No
<b>Sexual Orientation</b>	No
<b>EIA3 - Does the proposed policy/processes contain any language/terms/references/ phrasing that could cause offence to any specific groups of people or individuals?</b>	No
<b>EIA4 - Does the policy/process discriminate or victimise any groups or individuals?</b>	No
<b>EIA 5 - Does this policy/process positively discriminate against any group of people, or individuals?</b>	No
<b>EIA 5 - Does this policy/process include any positive action to support underrepresented groups of people, or individuals?</b>	No – This Policy applies to all employees of NCG.
<b>EIA 6 - How do you know that the above is correct?</b>	This policy has been reviewed by different finance teams within the Group prior to completion.

### 1. Purpose

The purpose of the NCG Petty Cash policy is to provide guidance to staff who handle petty cash.

Our overall objective is to reduce the number of physical cash transactions, with a view to becoming cashless.

### 2. Scope

This policy applies to staff involved in the handling and recording of petty cash and in receipt of a cash advance. The policy sets out the procedures to be followed when managing petty cash, including recording and reconciliation of cash.

Staff handling cash must ensure that policies and procedures are complied with at all times.

### 3. Key Principles

Electronic payments are the preferred method of payment for all supplier and learner payments.

Petty cash is only to be used for the following:

- Emergency student travel funds.
- Emergency student bursary payments.
- Student hardship payments.
- Advances to staff for emergency curriculum needs where cash is the only option available.

Petty cash must **not** be used for reclaiming of staff expenses. Staff requiring reimbursement for expenditure incurred on behalf of NCG must do so via the electronic expenses claim form in iTrent. For details of allowable expenditure staff must refer to the Travel & Subsistence/ Expenses Policy.

In addition:

- All cash must be handled in accordance with the cash handling policy
- Petty Cash can only be handled by the below as per register maintained by Group Finance:
  - Local college finance staff
  - An authorised petty cash float holder
  - An authorised petty cash administrator
- Petty Cash floats can be issued to college school/administration offices to cover emergency learner payments but must be held securely as per section 4 below.

- Petty Cash floats must be fully reconciled weekly, and are to include:
  - A full count of cash remaining.
  - Scanned receipts to support all expenditure paid out.
  - Checked and authorised by Float Holder.
- Cash office floats must also be reconciled weekly unless there are no transactions in which case this should be notified to the senior group finance assistant.
- Petty Cash float reimbursements are to be arranged via College Finance teams, as per local procedure, by either of the following methods:
  - Collection from cash or finance office.
  - Cash drop from Security Firm.
- Where a Petty Cash float is no longer required, any remaining funds should be paid into the local cash office immediately with a supporting full reconciliation. This is the responsibility of the float holder.
- Group Finance must be informed of any changes to the authorised petty cash float holders or administrators.
- If the authorised petty cash float holder/administrator leaves the business or changes role Group Finance must be informed and the following steps completed:
  - A petty cash float reconciliation must be completed and submitted to Group Finance to confirm all cash and documentation has been accounted for.
  - Cash box or safe keys must be handed in to local office.
  - Safe combination to be changed, if in use.

#### 4. Petty Cash Floats

- If a petty cash float is required then a request may be made to College Finance teams or Group Finance. The request is to include:
  - Details of why the float is required and type of expenditure it will be used for/reason why electronic methods are not suitable.
  - Total amount of cash required.
  - How will the float be stored, either in a locked cash box and/or safe.
  - Names of key holders and details of where the keys will be stored.
  - Location of where the float will be stored.

- Name of nominated petty cash float holder and administrators.
- If the float is £250 or less, the petty cash will be held locked in a cash box, in a locked cupboard or drawer. The cupboard or drawer is to be located in a secure office where access is restricted. The key to the cupboard or drawer must be kept on the petty cash holder or administrator when not in use.
- If the float is more than £250, the petty cash box will be kept in a safe. The safe will be located in a secure area or lockable room where access is restricted. The location of safe keys and knowledge of safe combinations should be restricted to key staff involved in cash handling (as per NCG Cash Handling Policy).
- When not in use the petty cash must be stored in a locked drawer or safe at all times (i.e.float is only taken out when access is needed and immediately returned to secure place after use). Floats must still be reconciled weekly even if no expenditure has occurred.
- Only authorised float holders/administrators should have keys to the petty cash box and lockable drawer.

### 5. Petty cash advances

In the event that petty cash is required for emergency business expenditure, which cannot be claimed for via the electronic claim process, and where there is no alternative, a petty cash advance can be issued. This will be paid by either cash or electronic transfer depending on need/ requirements.

A request may be made to College Finance teams and should include:

- Details of why the advance is required and type of expenditure it will be used for.
- Reason why electronic methods are not suitable.
- Total amount of cash required.

The request must be sent to the Senior Group Finance Assistant for approval and processing.

### 6. Expenditure

All petty cash expenditure should have the following supporting evidence:

- A cash log should be maintained to track all cash paid out from a float and should include:
  - Name of recipient.
  - Amount.

- Date.
- Type of expense (e.g. travel or lunch funds).
- Receipt obtained (Yes/ No).

### 7. Reconciliations

Petty Cash floats should be reconciled weekly, as a minimum, and must be submitted to the local finance team via email prior to reimbursement.

- The Petty Administrator should complete a 'Petty Cash Reconciliation' template which will be provided by Group Finance in Microsoft Excel.
- The reconciliation template includes the following information:
  - Cash Summary totalling the cash remaining per denomination.
  - Expenditure Summary detailing the amounts paid out (cash log).
  - The total amount of cash remaining plus the total amount of expenditure/receipts entered should agree to the value of your total float held.
- The authorised petty cash float holder, or line manager/finance team in their absence, shall check the form is completed correctly and all receipts and cash are accounted for and authorise via email to College finance teams or Group Finance.
- If there is a discrepancy it is the responsibility of the authorised petty cash float holder to commence an investigation to rectify (Section 9. Reporting Discrepancies).

Petty Cash floats are subject to audit by College or Group Finance at any time.

All floats must be counted and reconciled at the 31 July each year, even if it is not the normal reconciliation day, to comply with audit requirements.

### 8. Petty Cash Float Reimbursements

Reimbursements are to be arranged locally for the top up of floats via College Finance teams, as per local procedures. Weekly reimbursements should be arranged alongside submissions of reconciliations, using either of the following methods:

- Collection from local cash or finance office.
- Cash drop from Security Firm using an approved group contract supplier.
  - Security Plus – Newcastle College/ West Lancs College/ Carlisle College/ Kidderminster College.

- G4S – Lewisham College/ Southwark College.

### 9. Reporting Discrepancies

- Any discrepancies **must** be reported to the authorised float holder immediately.
- Any discrepancy **must** be investigated and if possible corrected. Any outstanding discrepancy following investigation should be reported to the Senior Group Finance Assistant.
- Discrepancies of over £100 **must** be reported to the Senior Group Finance Assistant.
- Discrepancies of over £250 **must** be reported to the Senior Group Finance Assistant and escalated to the internal audit team.
- Any suspicion of theft or fraud should be reported in line with the NCG whistleblowing Policy.
- Senior Group Finance Assistant **must** be informed of any unresolved issues or concerns immediately.