




BJS Federation of Schools

Petty Cash Policy

Policy Adopted by Executive Headteacher in: Spring 2023

Signed: 

Ms A. Parker Executive Headteacher

Signed: 

Mr N. Hiley, Chair of Finance, Resources and Personal Committee

1. Purpose

1.1 To implement a petty cash process that complies with the LB Lambeth's Schools Finance Procedure requirements.

2. Scope

2.1 This policy applies to petty cash held by the School that may be utilised by school staff for small purchases at the discretion of the EHT or HoS's.

3. Policy

3.1 Petty cash may be utilised to meet minor payments for school-related purposes other than salary and wages. The limit on any one payment is £25.00.

3.2 Cash must be kept in a secure location at all times, during school hours this will be in the school till, and afterhours in the safe.

4. Cash

Advances

4.1 Schools are permitted to keep a small amount of petty cash on site to cover small school expenses. A petty cash advance should be sufficient to pay the expected expenditure for the month. Only the Admin Finance Officer at the school is the custodian of a petty cash advance and is accountable for it.

4.2 Guidelines for the use of Petty Cash

- all purchases made through petty cash / purchase card must be approved in writing in advance
- check and staple your receipts
- maximum of 5 items per form
- payments over £25 are payable by cheque/bacs
- complete *all* fields especially the costcentre and usercode
- note vat can be reclaimed by the school so indicate if vat has been incurred
- payment cannot be made for incomplete, unauthorised forms or forms without receipts
- no services should be purchased through petty cash regardless of the amount

4.3 The cash on hand must be fully adjusted and re-banked at the end of each school year. During other holiday periods, where small amounts are held, it is not necessary for this action to be taken.

4.4 Transactions should be recorded as close as possible to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified.

4.5 Before petty cash is replenished, a reconciliation must occur to ensure that the total payments made plus the balance of cash on hand are equivalent to the original advance.

4.6 A fresh record of the petty cash payment is to be started after each recoupment of advance.

5. Custodian Responsibility

5.1 The Custodian is responsible for:

- Records are up-to-date.
- Loans are not being taken from the advance.
- Security is being maintained over the advance/receipts/invoices.
- The petty cash float does not exceed the value of £400 approved by the Governors. However, the day to day float should be kept at £200.
- The petty cash float must be kept in a secure location where the room can be locked. The float should be kept in a safe or a lockable cupboard.

- Petty cash must be replenished through the correct bank account and not through income collected at the school. All cash and cheques received on behalf of the school must be banked intact.
- If a receipt is not available, a signed explanatory voucher must be completed, agreed, and countersigned by the Headteacher, before any reimbursement can be made.
- Records must be kept to show the nature of the expenditure for which petty cash has been used. This needs to be coded to the correct Budget and the Ledger code.