

<p>BARNSLEY CLINICAL COMMISSIONING GROUP</p> <p>PETTY CASH PROCEDURE</p>
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Approved By:	Audit Committee
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Name of responsible committee/ individual:	Audit Committee
Name of executive lead:	Roxanna Naylor
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Target Audience:	Employees, contractors, employees of other organisations engaged to work on the premises such as Governing Body Members, volunteers, visitors and patients at the point of service delivery.

BARNSELY CLINICAL COMMISSIONING GROUP'S POLICY FOR PETTY CASH PROCEDURE

Document control

Version No	Type of Change	Date	Description of change
V.1		July 2014	Policy written and approved
V.2	Review	Nov 2017	Document reviewed and updated

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1. Introduction

- 1.1. The purpose of this document is to detail the steps taken within Barnsley CCG to effectively and efficiently manage petty cash.
- 1.2. This policy has been developed in accordance with the CCG's Policy on Policies – the development and Management of Procedural Documents.
- 1.3. This policy should be read in conjunction with the following policies/procedures:
 - Barnsley CCG Prime Financial Policies
 - Barnsley CCG Finance Local Work Instructions
 - Records Management Policy
 - ISFE user guide : <https://nww.sbs.nhs.uk/training-zone/home>
 - Fraud, Corruption and Bribery Policy
- 1.4. Further support in the understanding and use of this policy can be obtained from Barnsley CCG Finance Department.

2. Purpose

- 2.1 The purpose of this policy and procedure is to ensure that all employees are aware of when and how petty cash can be used in the activities of the organisation and full compliance is maintained.
- 2.2 The aim of this procedure is to ensure that all staff are fully informed of the guidelines as to how petty cash will be used and administered.

3. The Risks of not having this policy in place

- 3.1 The CCG may not achieve good practice as set out in the CCG Code of Governance and the requirements of the CCG's Assurance Framework.

4. Definitions

ISFE - Integrated Single Financial Environment (financial package used by NHS England)

NHS SBS - NHS Shared Business Service (it provides the 'back office' finance and accounting services, including the ISFE Ledger)

5. Roles and Responsibilities

- 5.1 The Chief Finance Officer and the Finance department has overall responsibility to ensure full compliance with the petty cash policy and procedures.
- 5.2 All individuals that handle petty cash will sign the declaration form, to confirm that they understand the petty cash procedure. (Appendix E)

6. Procedure

- 6.1 The responsible officer shall ensure that the petty cash procedure as detailed below is followed.

7. Monitoring the compliance and effectiveness of this policy

- 7.1 The Chief Finance Officer will monitor compliance of this policy.
- 7.2 The Head of Governance and Assurance as part of overall policy compliance may test the policy on a sample basis.

8. References

<https://nww.sbs.nhs.uk/training-zone/home> - Guidance documents for petty cash – 1. Cash Receipting guide and 2. Petty Cash guide.

9. Review of this policy

- 9.1 This policy shall be reviewed 2 years from the date of approval or sooner if there is a requirement to meet legal, statutory or good practice standards.

10. Petty cash expenditure and reimbursement

- 10.1 This procedure applies to the reimbursement of petty cash expenditure made by employees of Barnsley CCG from approved petty cash floats. The procedure operates in accordance with the organisation's Scheme of Delegation.
- 10.2 Petty cash purchases should be restricted to those items that are necessary for the performance of official duties for which it is either:
- unreasonable or impractical to purchase via the requisition route; or
 - poor value for money if invoiced (e.g. where there is a minimum order value for credit terms); or
 - a case of genuine emergency.
- 10.3 Petty cash floats must **not** be used to avoid raising a requisition: because of failure to plan the work properly; or to avoid the authorisation process.

This is to ensure that:

- there is adequate internal control and segregation of duties
 - purchases are recorded against any existing contracts or orders
 - Budget Holders authorise expenditure in advance and are aware of all commitments against their budget
 - there is a record in the Purchase Ledger to support future negotiations with suppliers.
- 10.4 As such, the use of petty cash must be restricted to ensure that there are adequate internal controls and that expenditure is authorised as per the Scheme of Delegation.

11. Claiming Reimbursement via Petty Cash

- 11.1 The petty cash float must be held securely by the Float Holder and reimbursements should only be made by the Float Holder or the nominated Float Holder Deputy(s).
- 11.2 Anyone requesting reimbursement via petty cash must obtain a Petty Cash Voucher from the Float Holder. A copy of the voucher is shown in Appendix A. The reason(s) for not raising a requisition and alternative methods of obtaining the goods or services will be discussed before a Petty Cash Voucher is issued.
- 11.3 Petty cash may only be used to claim reimbursement of small incidental items of expenditure.
- 11.4 Any large or regular ordering of goods /services must be done through e-procurement.
- 11.5 The maximum amount that may be claimed in respect of any single item of expenditure through the petty cash system is £100.
- 11.6 It is the responsibility of the staff member making the purchase to ensure that the Budget Holder is aware of the intention to seek reimbursement via petty cash before the expenditure is incurred.
- 11.7 Petty Cash Voucher must be approved in line with the CCG Scheme of Delegation
- 11.8 Staff should not automatically assume that they will be reimbursed for expenditure incurred without the prior approval of the Budget Holder.
- 11.9 Petty Cash Expenditure Voucher must be properly completed. It should be signed by both the person giving the cash and the person receiving it.
- 11.10 Valid receipts are required prior to reimbursement. All expenditure must be supported by an original, written receipt which shows the supplier, date, amount paid and a description of the item(s). Photocopies of receipts will not be accepted - in the event of a receipt being lost, an explanatory memo must be signed by the authorising officer.
- 11.11 If the Authorised Budget Holder is claiming the petty cash, they cannot approve the Petty Cash voucher themselves.
- 11.12 Advances of petty cash will only be made in exceptional circumstances.
- 11.13 The authorising officer should ensure that the correct financial code is quoted on the Petty Cash Voucher before authorising it.

12. Claiming Reimbursement via Petty Cash – Exclusions

- 12.1 The following items cannot be reimbursed via petty cash:
 - Staff advances

- Staff travel/parking/petrol (this should be submitted to payroll on appropriate “Payroll Expense Claim Form”)
- Catering supplies, food or beverages (unless below £100) excluding tea/coffee/milk
- Publications
- Uniforms
- Subscriptions

13. Replenishment of petty cash float

13.1 The Petty Cash Float will be at £200. The Petty Cash Vouchers will be checked and balanced at least monthly by the Float Holder. Replenishment of the petty cash float will occur each time the balance held drops below the defined limit of £100.

13.2 Imprest Claims are checked by a member of the Accounts Payable team. They are checked for:

- the correct opening float
- correct additions
- completeness and correctness of supporting vouchers
- the imprest holders signature
- the imprest form is then initialled.

13.3 The details of each claim are logged in the Petty Cash File. Imprest number, date received, amount, cheque payee and float are recorded.

13.4 The cash breakdown forms (copies of those submitted when ordering cash) are checked to ensure that they agree with the imprest form.

13.5 When Petty Cash is claimed, the cash reimbursed should be entered on the PETTY CASH SUMMARY SHEET. Copy attached in Appendix B.

13.6 On a monthly basis the following process is followed:

- Add up all reimbursements; fill in the top right hand side of the sheet – Amount Spent. Then enter what money is left in the Petty Cash Tin – Cash IN Hand. When added together these should all add up to the total imprest of the petty cash total balance.

Cash in Hand: _____

Stamps in Hand: _____

Sub Floats: _____

Reimbursement Claimed: _____

Total Imprest: _____

Amount Spent: _____

Cash in Hand: _____

Stamps in Hand: _____

Sub Floats: _____

Total Imprest: _____

- Fill in a new Petty Cash Summary Sheet for the new week, entering the above information on the left hand side of the sheet.

- Collate any pre-ordered cash requests and, along with the Petty Cash Reimbursement Sheet, enter all these on the Petty Cash Order Sheet. This needs to be authorised by the Head of Finance, Deputy Chief Finance Officer or Chief Finance Officer and once authorised, the cash can then be ordered from the appointed Security Carrier – See Appendix C.
- Once all these processes have been completed manually, the corresponding transactions need entering and accounted for on the Ledger.

14. Setting up a petty cash float in Oracle

- 14.1 To set up a petty cash float in Oracle, the steps detailed in the NHS SBS ISFE A12 Cash Receipting User Guide should be followed.
<https://nww.sbs.nhs.uk/training-zone/home>

15. Check balance of the petty cash float

- 15.1 Before receipting any Petty Cash, the float needs to have been set up.
- 15.2 To check if this has been done, the steps detailed in the NHS SBS ISFE A12 Cash Receipting User Guide should be followed.

16. Receipting petty cash into Oracle

- 16.1 Before petty cash is receipted you will need to complete the Petty Cash receipt naming convention – See Appendix D.
- 16.2 All Petty Cash transactions are treated as '**Miscellaneous**' receipts and the payments are entered as **negative** amounts.
- 16.3 To receipt petty cash in Oracle, the steps detailed in the NHS SBS ISFE A12 Cash Receipting User Guide will be followed.

17. Reimbursing the petty cash float

- 17.1 The Petty Cash Float can be replenished at any time.
- 17.2 Whenever the petty cash float is replenished this should be recorded in Oracle. The detailed steps included in the NHS SBS ISFE Cash Receipting User Guide should be followed.

Appendix B

Barnsley CCG

Sheet No

001

PETTY CASH DISBURSEMENTS

ANALYSIS OF PETTY CASH IMPREST

End of Previous Period		£	p	End of Current Period		£	p
Cash in Hand				Reimbursement Claimed		-	
Stamps in Hand				Stamps in Hand			
Cash repaid to Bank		-		Sub Floats		-	
Reimbursement Claimed				Cash in Hand			
Total Imprest				Total Imprest			

Line No	Date	Details	Code	Signature	Amount
001					
002					
003					
004					
005					
006					
007					
008					

Appendix C

Cash Ordering from a Security Courier

Once it has been decided how much cash and denominations is needed:

- 1 Call the Security Courier
- 2 Provide our unique site reference number
- 3 Stating the purpose of your call, i.e. to order cash
- 4 Provide the total amount to be delivered and the denominations required

Appendix E

Declaration form to confirm understanding of the petty cash procedure.

I can confirm that I have received, read and understood the petty cash procedure.

Procedure version number _____

Name _____

Signature _____

Date _____/_____/_____