University of Reading

Guide to Petty Cash

This guide explains how to operate a petty cash account.

1.   How and where do I keep the cash

There must be an individual identified as being responsible for the petty cash account. That person must ensure that the cash is kept securely and only used for appropriate purposes.

Cash must always be held in a secure container, and locked in a secure cupboard with access tightly controlled.

The container must always contain a value equal to the float amount, either in the form of cash itself or as a mixture of cash and receipts (pending a reimbursement).

2. On what can I spend petty cash

Existing University regulations relating to purchasing and expenses still apply; petty cash simply represents a different method of payment. Relevant policies with which you need to be familiar include:

[Expenses and Hospitality Policy (PDF - 116KB)](#)

[Procurement Policy](#)

Please note a few specific areas:

- purchases for members of staff (e.g. flowers, cards, other gifts) are specifically **NOT** allowed, regardless of the method of payment

- petty cash must **NOT** be used as payment for work done as any such recompense is subject to the various taxation rules and must be administered through the Payroll section

- use of your personal car for business trips may **ONLY** be made as a pence/mile mileage claim on an expenses form

As items are purchased using petty cash, each must be supported by appropriate VAT receipts and recorded on the form. When the point has been reached that the float needs to be restored to its full value, the form and receipts must be taken to the Receipts Office for reimbursement.

Note that the reimbursement cannot exceed the total of the float, and that receipts must always be provided.

3. Claiming the reimbursement

A claim form (in duplicate) must be completed and the corresponding receipts attached before repayment can be made. The amount that you are requesting for reimbursement should be the difference between the cash remaining in your float and the total authorised float. The Authorised Signatory is responsible for checking that:

- there is a receipt against each item claimed

- the items have all been assigned Agresso codes

- the claims are in accordance with the University guidelines

The Receipts Office staff will also check the claim adheres to these rules, as well as ensuring it is signed by an authorised signatory.

Whenever petty cash is spent, a claim can be made to top up the level of the float. Claims should be done on a regular basis, at least monthly, but you can complete more frequent claims if you need to.

If you have any questions about what can be claimed, please direct these to Carol Sheriff in the first instance.

The completed forms must be brought for reimbursement to:-

The Receipts Office, Room G01, Whiteknights House

Opening hours 9am–4.30pm (Monday–Thursday) and 9am- 4pm on Fridays.

4. Where can I find the form?

In order to reclaim petty cash expenditure, you need to complete the Petty Cash Claim Form (Excel - 73KB). Request a copy from the Receipts Office.

5. Filling in the form

The first part of the form needs to be completed as follows:

- Department – enter the name of the department that holds the petty cash float
- Date – enter the date of the claim
- Limit – enter the amount (total) of your float
- Claimed By – enter the name of the person making the claim
- Contact No. – enter the contact number of the person making the claim, in case there are any questions

The second part of the form, details the expenses that have been paid. The form needs to be completed as follows:

- Description – enter a brief description of the expense (this should match the receipt, or provide more information than the receipt)
- Reason – enter a brief description of why the expenditure was incurred (conference, research, etc)
- Supplier – enter the name of the supplier, as shown on the receipt
- Amount – enter the total amount of the expense

The third part of the form, details the analysis for coding the expenditure. The form needs to be completed as follows:

- Account – enter the account code the expense is to be charged to
- Project Code – enter the project code the expense is to be charged to
- Amount – enter the total amount of the expense
- VAT Code – select the correct code from the drop down box (consult the VAT page for further information)

The system will automatically calculate the net and VAT amounts. The system will also check that the expenses total has been fully analysed and Agresso codes provided. If it does not balance, an error message will be returned (Analysis does not balance).

The form will automatically total all expenditure claimed, in the Total Claimed. Enter the amount of the balance of the float (after counting the float) in the Float Balance. The spreadsheet will then check that the amount of the claim plus the float balance add up to the total amount of the float. If it does not, an error message will be returned (Return does not balance).

The form should then be signed by an authorised signatory, who is responsible for checking that:

- there is a receipt against each item claimed,
- the items have all been assigned Agresso codes,
- the claims are in accordance with the University guidelines

6. How do I top it back up after I have spent some?

When you spend money from the petty cash, you must keep the receipt. When you need to top the float back up, you will take a reimbursement request and the receipts to the Receipts Office.

7. Is there a VAT consideration?

All expenditure must be accompanied by a VAT receipt. All expenditure must be coded with an appropriate Tax Code which indicates whether the cost of the item had VAT added to it or not. The project code then distinguishes whether any VAT is recoverable.

If in doubt please contact Karen Beddall on Ext 5441

8. How can I reduce the amount of petty cash my department holds?

In order to decrease the authorised amount of the department's float, please complete a Float Adjustment Request Form (Excel - 10KB), available from Emma Edwards.

9. Do I have to report on my petty cash?

On a day-to-day basis you will record all petty cash usage via the petty cash form, in preparation for the next reimbursement.

At each financial year-end all petty cash accounts must be checked and brought back to full value. There is a petty cash certificate, the template of which is distributed with the annual year-end memo, and this certificate must be completed and signed off appropriately at the end of July. Full details of this are laid out in the year-end memo.

In addition, there are occasional petty cash spot-checks by auditors.

10. How do I see petty cash expenditure items on my cost centre statements?

Petty cash floats are shown on account code 8880, with the appropriate project code. That will always show the float value, not the amount of cash remaining at any one time.

Expenditure items are charged to I&E account codes when you submit the receipts for a reimbursement. Narratives for those entries contain PC (Petty Cash).

11. To cancel the petty cash float

When you no longer require the petty cash account then pay the remaining cash at the Receipts Office.

Credit the full float amount to the petty cash code 8880, which will then be brought to zero. If the amount being paid in is partial, and therefore not sufficient to cover the full float, then there must be receipts for the difference. Charge (debit) the relevant expenditure codes with the receipted amount.

12. Summary of contact names

If you have any queries please contact one of the named contacts below, any of whom will be happy to assist you.

Summary of contact names

Simon Mealor	0118 378 6130	s.e.mealor@reading.ac.uk
Emma Edwards	0118 378 6963	e.j.edwards@reading.ac.uk
Carol Sheriff	0118 378 6964	c.s.sheriff@reading.ac.uk
Karen Beddall (VAT)	0118 378 5441	vat@reading.ac.uk
Malcolm Harding (Cashier)	0118 378 7764	m.i.harding@reading.ac.uk
Management Accounts	0118 378 7107	