

# Expenses Policy (Staff)

<b>Approval Body:</b>	MST Finance Committee (Part of the Financial Procedures Handbook)
<b>Approval Date:</b>	March 2020
<b>Implementation Date:</b>	March 2020
<b>Review Date:</b>	Annually in spring as part of the review of the Financial Procedures Handbook.
<b>Policy Version:</b>	2

Version	Reviewed	Changes since last version
1	March 2019	<ul style="list-style-type: none"><li>• New policy</li></ul>
2	March 2020	<ul style="list-style-type: none"><li>• No changes.</li></ul>

This policy has been adopted by the Mulberry Schools Trust and will be applied to all schools which belong to the Mulberry Schools Trust.

## PETTY CASH

### 1. Purpose and Use

The purpose of petty cash is to enable teachers and other members of staff to pay cash for minor expenditure relating to curriculum purchases, travel and other ad-hoc payments relating to classroom/school expenditure.

It is designed for small, urgent incidental expenses where it is unfeasible or impractical to use normal purchasing means, not as a method to bypass the School's Accounts payable or purchasing systems. There are circumstances where it is not practical to order goods/services via the purchase ordering systems due to the unique nature of the purchase, whilst it is recognised that these need to be considered on an individual basis the general rules concerning petty cash in this section need to be adhered to as much as possible. Any exceptions need to be agreed by the Headteacher, CFO or CEO in **advance** of any purchases.

Schools should keep petty cash use to an absolute minimum.

### 2. General Guidelines

The LGB must agree an appropriate level of cash to be held on a school's premises. The level should be based on the amount likely to be required in a set period and give consideration to the administration of replenishing the float.

Adequate insurance cover must be in place to cover cash held in the school at any time. This includes income, as well as petty cash.

The Headteacher is responsible for nominating a float-holder and deputising officer for managing petty cash. The Headteacher is also responsible for informing the School's Management Team of any changes to the float-holders. The deputising officer will cover the duties of the float-holder during holidays or sickness etc. and can also present or collect the float reimbursement at any time.

A petty cash float is advanced to a nominated float-holder, who is responsible for ensuring that these procedures are followed:

- The petty cash float does not exceed the value approved by the LGB/Trust.
- 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.
- Arrangements for access to the money should be set down in the scheme of delegation, and should ensure that adequate segregation of duties exists.
- The school's insurance policy must cover the level of cash that can be held on site. If the policy stipulates any conditions for holding cash, such as being kept in an adequate safe for the purpose, these conditions should be adhered to.

The following general restrictions apply to the use of the petty cash float:

- Petty cash must not be used to cash personal cheques
- Salaries and wages must not be paid through petty cash
- 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.

Petty cash is to be used only for reimbursing small amounts of necessary expenditure, up to a specified maximum amount, as a guideline, reimbursement of under £25 to be paid in cash and reimbursements of over £25 by cheque up to limit of £100, any amounts over £100 need to be agreed in advance with the Headteacher, CFO or CEO. The School's LGB has the authority to change the limit for petty cash claims only with the agreement of trustees.

All payments from petty cash must be supported by invoices or receipts. If VAT is being paid, the vouchers must meet the VAT requirements. If they do not, the VAT cannot be reclaimed, so the whole amount should be charged to the school.

As a general rule, 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.

The claimant should complete a petty cash reimbursement form, attaching the receipts and obtaining the approval of an Authorised Signatory. The claim should be reimbursed by the float-holder only after it has been approved.

The float holder must ensure that records are kept to show the nature of the expenditure.

See **Appendix 1** for a sample Petty Cash Reimbursement Form.

The total of cash remaining (plus receipts and/or vouchers for reimbursements) must be equal to the total float at all times. Any discrepancies should be investigated and corrected. If this is not possible, the Headteacher needs to be informed in writing.

The Headteacher is responsible for ensuring that the float is checked regularly and that such checks are documented.

See **Appendix 2** for a sample Petty Cash Reconciliation Form.

When replenishing the float, the amount requested must equal the total of the receipts and should bring the float back to its full total.

Petty cash floats must be monitored and replenished regularly, to maintain the level of the float that the School requires.

All petty cash float reimbursements must be reconciled before the float can be replenished. Supporting documents, with claim forms and receipts, must be attached to the control sheet and filed.

See **Appendix 3** for a sample Petty Cash Control Sheet.

It is the duty of the float-holder or deputising officer to present and collect the reimbursement. The float reimbursement will be issued only to one of the named individuals. A letter of authorisation

should be given to the member of staff presenting the reimbursement cheque at the bank which should be signed by an authorised signatory, as per the school's bank mandate.

See **Appendix 4** for a sample Petty Cash Bank Letter.

## **TRAVEL AND SUBSISTENCE**

There are three work related Travel Expenses schemes within the Mulberry Schools Trust, these are in accordance with the schemes set by Tower Hamlets Local Authority. The Essential Car User Allowance and the Travel Allowance schemes have their own job related criteria which need to be met to qualify for the allowance. Staff can only qualify for one of the schemes and, in the case of the Essential Car User Allowance/Oyster Card and Travel Allowance, this will be determined by the job description. The third scheme is the Casual Car User Allowance. The decision will be made and authorisation given by the Head Teacher as to whether one of these allowances is applicable to the post.

### **Essential Car User Allowance**

The criteria for being classified as an essential car user are:-

- Heavy or valuable equipment has to be transported more than once a week and/or
- Work related passengers are carried i.e. clients (service users) are carried more than once a week and/or
- A post that must have a car available at all times for providing an emergency response which requires immediate attendance at an incident and where the use of the public transport would not allow a quick enough response and/or
- As a reasonable adjustment for a disabled employee who requires use of a car to carry out the duties of their post on a weekly basis. This must be supported by a recommendation from Occupational Health.

Staff who are recruited to posts designated as being entitled to Essential Car User Allowance (ECUA) will be able to claim their ECUA from the date they commence employment with the school providing they satisfy the necessary criteria i.e. they hold a current driving licence and have a car available (on provision of the correct documentation i.e. insurance certificate stating insured for business use, car registration document and current M.O.T certificate if the car is more than 3 years old). Payroll will be instructed to pay the ECUA by the Finance Director.

### **Oyster Cards**

In the event of a post attracting an Essential Car User Allowance but where the post holder or person appointed to the post does not hold a valid driving licence or does not have the use of a car, and is therefore unable to fulfil the criteria for claiming the Essential Car User Allowance, the Manager can authorise the purchase of an Oyster Card to enable the post holder to carry out work related travel. For further information please contact your Directorate Central Services Team.

### **Travel Allowances**

Where the Essential Car User criteria do not apply and the following criteria are met, then a travel allowance of £1,472.00 (subject to tax and National Insurance) will be paid towards the cost of an annual travel card for zones 1-3. The figure will increase in line with annual fare increases.

**Travel Allowance Criteria:**

- There is a requirement to undertake site/client visits on a daily basis
- The post holder occupies a position where there are proven recruitment and retention difficulties
- Must not be in receipt of an ECUA

For journeys which happen only on occasion and not on a regular basis staff should incur the cost of their journey themselves and then reclaim the amount, providing the relevant evidence through the petty cash claims process.

**Casual Car User Allowance**

In addition there will be situations where a car will need to be used and when public transport is not a viable alternative. In these circumstances a casual car user allowance will apply subject to the following criteria.

**Casual Car User criteria:**

- the hours at which the post holder must complete journeys e.g. a journey cannot be completed until after the tube and rail networks have closed down;
- there is an occasional need to carry heavy equipment or transport clients e.g. less than once a week;
- a post requiring use of car to provide duty cover on an occasional basis i.e. less than once a week;
- a reasonable adjustment being required for a disabled employee that requires use of a car to carry out the duties of their post less frequently than once a week. This must be supported by a recommendation from Occupational Health; or,
- a need to visit clients outside of London (zones 1,2&3).

**Withdrawal of Allowance**

If for any reason the duties of your post change, e.g. through a restructure or a substantial change in your job description or personal circumstances, the Essential Car User Allowance or Travel Allowance will be withdrawn. You will be notified in advance of this occurrence.

**SUBSISTENCE AND OUT OF POCKET ALLOWANCES**

Where staff are required to travel as part of school business (usually for a whole day or overnight), subsistence, out of pocket and disturbance allowances may be payable with the agreement of the Head Teacher. The following allowances and rates apply, these are based on the Council's rates.

**Subsistence Allowances**

Breakfast	£4.48
Lunch	£6.17
Tea	£2.43
Evening meal	£7.64

**Out of Pocket Allowances (Residential Training Courses)**

Per night     £3.63  
Per week     £14.55

Subsistence allowances only apply where a meal or snack has not been provided as part of the event which the member of staff is attending. In this instance the rates are payable as a contribution towards the meals which have been paid for out of the staff

**Appendix 1 - Sample Petty Cash Reimbursement Form**

School Name

**PETTY CASH REIMBURSEMENT FORM**

Please complete and return with receipts attached

CASH:            PAYMENTS UP TO £25.00

CHEQUE:         PAYMENTS OVER £25.00 up to £100 (over £100 claims only with prior agreement)

NAME OF CLAIMANT: \_\_\_\_\_

Description	Net Amount	VAT	Budget
<i>Description of item, reason for claim, date etc.</i>			

**Total Amount Claimed:**

Signature of Claimant: \_\_\_\_\_

Date:

Claim Approved By:

Payment by: (Please tick as appropriate)


Cash

Cheque

Name .....

Signature: .....

Date: .....

**NO RECEIPT = NO REIMBURSEMENT**

Cash Received by: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/2\_\_\_\_  
(Signature of Requestor)

**Appendix 2- Sample Petty Cash Reconciliation Sheet**

**Petty Cash Reconciliation Sheet**

School Name: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / 2\_

Notes	Quantity	Value (£)
£50.00		
£20.00		

£10.00		
£5.00		
<b>Coins</b>		
£2.00		
£1.00		
50p		
20p		
10p		
5p		
2p		
1p		
<b>Total Cash</b>		
<b>Total Vouchers (list overleaf)</b>		
<b>Total Cheques (list overleaf)</b>		
<b>TOTAL IMPREST</b>		
<b>Petty Cash Float</b>		
<b>Difference</b>		

Important Information

Counted by:

(Print Name)

\_\_\_\_\_

Signature:

\_\_\_\_\_

Witnessed by:

(Print Name)

\_\_\_\_\_



Appendix 3 - Sample Petty Cash Control Sheet

<b>PETTY CASH CONTROL SHEET FOR:</b>							
Update white cells only		Agreed Float:					
		B/fwd. balance:					
		Cheque cashed:					
		C/fwd. balance:					
		Amount claimed:					

  

	Date	Voucher no.	School Budget	CFR Code	Cash Paid Out	Cash Received	Vatable? Y/N	Net	VAT
1									
2									
3									
4									
5									
6									
7									
8									
17									
19									
20									

I certify that the petty cash has been balanced and checked and request a cheque to the value of £0

<b>Custodian</b>	<b>Dated</b>
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<b>Notes:</b>	<b>Cheque Number:</b>
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**Appendix 4 - Sample Petty Cash Bank Letter**

<Date>

Bank

Branch

Address

Address

Postcode

Dear Sir/Madam,

Re: Cash Cheques

I would like to inform you that \_\_\_\_\_ is authorises to cash cheque  
number: \_\_\_\_\_ for the sum total of £\_\_\_\_\_ on behalf of  
(School Name)\_\_\_\_\_.

Should you have any queries regarding this then please contact (Headteacher's name) on 020  
\_\_\_\_\_