



**Ann Horruzey, RCM**  
Senior Manager  
DEL Property Management Inc.

How do managers handle petty cash. Here are some tips to help you control this cash fund. ➤

# Petty Cash

## How Are You Tracking?

As managers, we are responsible for many aspects of the corporation's affairs including its financial health. Operating budgets alone run in the millions, which we must oversee to the last penny.

Petty cash funds are very handy to have but put a burden on managers and administrators to monitor and control. The standard petty cash fund now is approximately \$500 and doesn't take long for management to run through, as we are always taking money out to buy this and giving money to the superintendent to buy that. What a vicious cycle this is. So what do we do to control this? How do we manage the money?

### Establish a Petty Cash Policy

Each management firm has its own policy to follow but a good rule of thumb is to keep accurate records at all times. Print out petty cash vouchers and issue one every time money goes out and to whom it goes; we have so much on our minds that we can easily forget who we gave the money to and why. Make sure if you issue petty cash to your superintendent or cleaner, or even to a board member, that they sign

a petty cash voucher which clearly shows how much cash was given to them and that they return all receipts and any extra cash; one can never be too careful. Every time either the cash or receipt comes back to you record it right away on a running disbursement sheet showing the general ledger code you want it allocated to, where the money was spent and how much, record the date and amount. This makes it easier for when you have to reconcile your petty cash for reimbursement at a later date. Try not to let the petty cash fund run too low because the minute you do is the minute you need to run out and buy something for the AGM. And next thing you know it's coming out of your own pocket, as there is no money or not enough to get what you need when you need it.

I like to make sure the petty cash box is locked at all times and stored away in the safe. However if you don't have a safe ask your board of directors to let you purchase one. Not only should you have a secured location for the petty cash box but also you need to ensure the master keys are locked away in a safe place. Filing cabinets are easily broken into.

Whenever I take over a site, whether it's from a colleague with the same firm or a new site from a different management firm, I always ensure they reconcile the petty cash and we both sign off on an agreed liability form. This way you know you have the right amount of cash to balance against the right amount of receipts. Once transferred into your name have that particular petty cash account closed and reopened in a new petty cash account so that at audit time, if there is a discrepancy, it can be traced to the proper person responsible for the discrepancy. No one wants to be responsible for someone else's error, especially when funds are involved.

As managers, we are responsible for the financial health of the corporation and having the responsibility of handling the petty cash is very important. Keep accurate records at all times, and keep your eyes on the funds and be careful not to lose any receipts. ■

**Ann Horruzey, RCM** is a senior manager with DEL Property Management Inc. [www.delpropertymanagement.com](http://www.delpropertymanagement.com)

