

Petty cash floats

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Owner: **Assistant Director, Finance**
Responsible work team: **Policy Team**

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1 Petty cash floats

- 1.1 A petty cash float is maintained at some Brigade establishments for the reimbursement of authorised claims. Although it is the responsibility of the base establishment, payment from the float is not limited to claims arising from that establishment. However, if the claim does not relate to expenditure at the base establishment an account code must be included on the claim form to enable the correct budget to be charged.
- 1.2 The amount of each petty cash float is to be determined by the finance and administration manager, in consultation with the head of section. The head of sections should regularly review the amount of the float and ensure it is appropriate for the normal level of expenditure. Abnormal levels of expenditure can be accommodated by temporary advances. Ultimate responsibility for petty cash floats lies with the Director of Corporate Services.
- 1.3 Requests for changes in the level of floats/temporary advances should be emailed/posted to the Disbursements Officer, Cashier Services, Finance Department, 2nd Floor, 169 Union Street, London SE1 0LL.
- 1.4 Floats will be maintained by means of cheques made payable to the Brigade establishment.
- 1.5 Throughout this policy, the term 'officer-in-charge' (OIC) refers to the senior employee with delegation to authorise and validate claims, this will usually be either a sub/station officer, deputising leading firefighter or head of section (normally an FRSD or above) unless specifically stated otherwise.
- 1.6 All petty cash floats will be subject to periodic audit checks.
- 1.7 Failure to comply with this policy could lead to disciplinary action being taken against you, under the Brigade's disciplinary procedures, which could result in action up to and including your dismissal. Some actions may also be a criminal offence.

2 Responsibility for floats

- 2.1 The OIC holding the petty cash float at the time will be personally responsible for the safe custody of the total float either in the form of cash and/or paid vouchers and for ensuring that the terms of this policy are observed.
- 2.2 A suitable officer (FRS D or above and, if possible, a different officer to the head of section in paragraph 1.5 above)
- 2.3 When not in use, all money, reimbursement cheques, and the encashment card are to be kept in a locked cash box within the safe. Paid vouchers are to be kept securely.
- 2.4 When presented with a claim, the OIC is responsible for checking that the claim is valid and has been properly authorised and additionally authorised where appropriate (e.g. expenditure over £30), and updating the petty cash book and FN/PC1 form at the time of payment. Exceptional claims from petty cash over £30 must also be endorsed by the Borough Commander. Receipts must be attached to claims where appropriate.
- 2.5 Under no circumstances are personal cheques, postal orders or other negotiable instruments to be cashed out of the petty cash float.
- 2.6 Reimbursement cheques can only be cashed at the nominated bank, if presented with the appropriate encashment card and the officer's Brigade ID card. Authorised officers are to be escorted to and from the bank at all times when carrying in excess of £100.

- 2.7 When an appliance is taken 'on the run' to collect cash from a bank, the OIC should send a radio message taking the appliance 'off the run' immediately on arrival at the bank. The appliance should not be booked 'on the run' again until the officer collecting the money has returned to the station.

3 Petty cash payments

- 3.1 The following forms should be used for making petty cash payments:

(Please note that the option to use manual pads FN/PC1 is now withdrawn and the electronic version of form FN/PC1 must be used.)

Petty cash claims FN/PC1

The electronic version of the FN/PC1 form is available under Forms (Start>New Office Document>Stations>Finance>FNPC1 Petty Cash Template). A copy of the return must be retained for stations/sections records.

- 3.2 All payments and money received for reimbursement of the float are to be entered in the petty cash book and electronic FN/PC1 form. Attention is drawn to the following points relating to the completion of the cash book and FN/PC1 form.
- 3.3 All items are to be entered as and when payment is made.
- 3.4 All payments entered in the petty cash book and FN/PC1 forms must be authorised and supported by receipted vouchers as appropriate. Vouchers must be stamped with the 'PAID FROM PETTY CASH' stamp (if stamp unavailable, please endorse manually) when payment is made and given a voucher number for identification in the box provided.
- 3.5 The FN/PC1 form is to be reconciled every four weeks. The reconciliation dates will be notified by the disbursements officer in Cashiers Services. The form is to be completed as follows:
- (a) At the end of each petty cash period, the FN/PC1 form is to be totalled. The total claim (i.e., total expenditure), cash, cheques and any outstanding vouchers should add up to the agreed petty disbursement float for the establishment. If the two do not reconcile, the disbursements officer must be notified immediately. Once completed and reconciled, the certified copy of the form is to be sent to the disbursements officer in Cashiers Services (Finance Department, 2ndFloor BHQ, 169 Union Street, London, SE1 0LL), with the vouchers firmly attached for reimbursement. A copy of the FN/PC1 should be retained for reference purposes at all times.
 - (b) Should the officer in charge be unable to complete the task due to discrepancies they should report this to the disbursements officer who will offer assistance where possible. For contact details, see paragraph 10 below.
 - (c) The right is reserved for any claim to be disallowed or reduced. The OIC will be notified on a memorandum of any such items and is responsible for recovering any disallowed payments. If in any doubt as to whether a claim is properly payable, the officer should refer the matter to the disbursements officer before payment is made.
 - (d) Following satisfactory checking of the claim, a cheque for the amount claimed (subject to any disallowances), will be sent to the OIC.
 - (e) The authorising officers should satisfy themselves as to the validity and authenticity of all claims and that all expenditure is incurred for official business purposes.

4 General expenses claims form (FN/PC2)

4.1 Form FN/PC2 is to be used for the reimbursement of items detailed below:

Note: Value Added Tax (VAT) may be reclaimed by the London Fire Commissioner (LFC) on petty disbursements provided the expenditure is supported by a 'tax invoice'.

- (a) A 'tax invoice' can be obtained only from a supplier registered for the purpose of VAT.
- (b) For items purchased under £50 (including VAT), a till receipt is acceptable as a tax invoice provided it shows:
 - (i) Supplier's name and address and VAT registration number.
 - (ii) Date of supply.
- (c) Where till receipts do not meet the above requirements, a valid invoice should be obtained from the supplier.

4.2 **Dry cleaning** - The Brigade maintains a corporate contract for dry cleaning requirements and a repair service. In view of the advantageous contract prices negotiated by the Brigade, group commanders and station commanders are reminded that the corporate contract facility should always be used when appropriate dry cleaning requirements are identified and that the allowances below are applied in exceptional circumstances only. Full details of this expenditure are contained in Policy number 533 – Uniform and personal protective equipment.

4.3 Private dry cleaning of undress uniforms and raincoats may be reimbursed from petty cash floats in accordance with Policy number 533 – Uniform and personal protective equipment up to the maximum rates provided by HRM on hotwire:

- Expense rates

4.4 **Local purchases** - All items should normally be purchased through the Brigade's SAP finance and purchasing system (SAP). However, items required urgently for managerial or operational needs may be purchased locally with the authority of the station commander. Items so purchased will be charged against station expenditure which will be monitored to ensure reasonable use is made of these arrangements.

4.5 All claims made under the provisions detailed above must be accompanied by a valid receipt.

4.6 **Refreshments at meetings** - Full details of the hospitality and refreshments at meetings policy are contained in Policy number 637 – Hospitality and refreshments at meetings. Approved costs for refreshments at meetings held outside of Brigade headquarters that comply with Policy number 637 - Hospitality and refreshments at meetings can be claimed from petty cash in accordance with the rates provided by HRM on hotwire:

- Expense rates

4.7 **Additional cost of meals on stand-by duties** - Full details are available in the station mess and stand-by food related allowances Policy number 354 - Station mess and stand-by food related allowances.

4.8 **LGV medical expenses** - LGV medicals are now performed by the Brigade's Occupational Health Service (OHS). Claims should only be made in exceptional circumstances. Where it is necessary to pass a medical prior to obtaining a provisional LGV licence, the cost may be reclaimed provided a receipt from the doctor or practice is attached. An advance payment for LGV medical examination fees can also be claimed by completing an FN/PC8 form. Authorisation must be by the Borough Commander.

- 4.9 **Training fees and materials** - Where an employee is sponsored by the Brigade to undertake a course of study, form FN/PC2 may be used to reclaim examination and registration fees, and up to 75% of reasonable expenditure over the training period on the purchase of text books, maps, drawing instruments, thesis material, etc. Receipts, as appropriate, must be attached to the claim and all such claims must be approved by the employees manager (station commander, borough commander if over £30, FRS D or above).

5 Travelling/subsistence claims (policy number 514)

- 5.1 Travel and subsistence claims should be submitted via the e-expense system – Policy number 514 – Expenses: Subsistence, public transport and professional body memberships policy.

6 Full/provisional driving licence claims (form FN/PC4)

- 6.1 The cost of obtaining a provisional licence or renewing of an existing driving licence may be reimbursed using form FN/PC4. The Borough Commander is responsible for authorisation.

7 Travelling expenses and payments to station mess in respect of on-shift stand-by duties (form 146)

- 7.1 Claims relating to direct and on shift standbys are not reimbursed through petty cash, please see Policy number 916 – Standby policy. Travelling expenses incurred when attending an official medical examination from a station, may be claimed on form 146. Authorisation must be by the OIC.
- 7.2 Where a standby includes reimbursement for the congestion charge, Policy number 484 - Congestion charging policy refers, the entry must be made on form 146C and vehicle registration and congestion license number must be completed. Failure to complete all parts of the form will result in the claim being disallowed. Staff who are registered for auto pay will need to provide a copy of the congestion charge statement as provided by Transport for London, as evidentiary proof of actual congestion charges incurred by individuals for auditing purposes. This is to be attached to form F146C. Reimbursements are not permitted without a statement.
- 7.3 The amount (if any) due to the station mess as a result of stand-by duties as detailed in Policy number 354 - Station mess and stand-by food related allowances may be paid using form 146, or form 146C if claiming congestion charge.
- 7.4 When the form is full, or at the end of a petty cash period, it should be totalled and the amount entered in the FN/PC1. Original forms should be sent with the claim with a copy being kept at the station for reference.

8 Spoiled meals claims (form FN/PC7)

- 8.1 Where a breakfast, lunch or dinner meal is spoiled as a result of attendance at an operational incident, an allowance is payable to fire station messes in accordance with the Policy number 354 - Station mess and stand-by food related allowances.
- 8.2 Spoilt food e.g. where a freezer becomes defective is not covered by this policy. Details of how to claim for spoilt food are detailed in Policy number 354 - Station mess and stand-by food related allowances.

9 Cash and safe key transfer

9.1 A cash and safe key transfer record book (petty cash book) is to be maintained with each petty cash float. The book should be ruled and headed as follows:

(1) Date and time	(2) Cash balance	(3) Signature of officer handing over cash balance and safe keys	(4) Signature of officer receiving cash balance and safe keys
£			
17/12 09.30 H/O	400.00	Signature	Signature
09.40 Voucher 7			-13.00
10.00 Voucher 8			-20.50
15.00 PC Cheque no. 123456			+200.00
17.45 Voucher 9			-35.00
20.00 Hand over	531.50	Signature	Signature

9.2 On those rare occasions where money is taken as an advance from the petty cash box, this can only be for official purposes e.g. local purchases in accordance with this policy. On all occasions a LFB memo is to be completed detailing the amount, to whom it was issued and the purpose. The LFB memo is to be signed by the OIC and counter signed by the officer receiving the money. It is to be retained in the cash box and treated as part of the cash balance until the money is returned or replaced by an authorised claim, when it can be disposed of. The amount of any reimbursement cheque awaiting encashment should also be included in the cash balance, and the cheque number written on the income side of the FN/PC1.

9.3 Whenever responsibility for the petty cash and the safe key is handed over from one person to another, the balance of the petty cash money is to be checked separately by the off-going officer in the presence of a witness, shortly before his/her tour of duty finishes to confirm that the balance being handed over equals the float signed for on-coming on duty less any payments/ cash received and the appropriate entries made in columns (1), (2) and (3) of the cash and safe key transfer book by that officer. The on-coming officer, shortly after his/her tour of duty commences, will check the cash balance in the presence of a witness, and sign against the entry in column (4), if correct. In respect of petty cash, if the cash balance is different from the entry in column (2), a check is to be made of the petty cash vouchers, and if there is still a discrepancy the finance and administration manager is to be notified immediately by the in-coming officer. If the discrepancy is discovered outside of office hours, the finance and administration manager should be notified by e-mail. The actual cash balance should be written in column (2) and signed against in column (4) by the on-coming officer.

9.4 It should be noted that the OIC is responsible for the petty cash and safe key only, not other monies that may be kept in the safe from time to time.

10 Contact details

10.1 For questions relating to petty cash the following contacts are available:

- Finance disbursement officer - extension 31399 – General petty cash queries.
- Finance manager - extension 31390 – Requests for training on petty cash/float increases/general issues.
- Finance and administration manager - extension 31353 – Notification of cash discrepancies.
- HR helpdesk - extension 89100 – Policy queries.

Appendix 1 - 'How to' guide - for petty cash

Contents

Fares

What fares can be claimed and what can't

How to calculate a fare

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Mess Payments

What can be claimed and what can't

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What can be claimed

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Common Problems

Reconciliation won't add up to the float

Formulas on the form aren't working

I have more vouchers than will fit on the claim

We are running out of money

Contact Details

Fares**What fares can be claimed and what can't**

Most Fares, including those for Direct and On shift standbys, topping up, and all forms of Training, cannot be claimed through Petty Cash. Fares for approved medical appointments may be claimed.

How to calculate a fare

To work out the route for a journey please use TfL Journey Planner (www.journeyplanner.org)

Enter in the station name for start (e.g. 'East Greenwich Fire Station') and the address of the medical appointment for finish.

Select the most expedient route shown

To work out the cost of a route: Add together the cost of each leg of the journey, prices are available in different areas

National Rail: www.nationalrail.co.uk

London Underground/DLR/Overground: <https://www.tfl.gov.uk/fares-and-payments/fares/single-fare-finder>

Bus/Tram: Price is £1.50 per leg capped at £4.50 per day (2018 prices). A second leg taken within an hour of the first is free and therefore should not be claimed.

Please note that changing from line to line on the London Underground, National Rail or DLR does not require a further ticket. (Example: To get from Southwark Tube to Hammersmith, route would be Jubilee Line to Westminster then District Line to Hammersmith – this is one ticket).

Changing between London Underground and DLR also does not require a further ticket.

Claims should only be made for amounts actually incurred in the course of business.

How to claim for a fare

Fare claims must be input onto form 146 or 146C. It should be signed for by the person claiming and authorised by an officer at least one grade above.

Under no circumstances is anyone of any grade allowed to authorise their own claims.

Penalty Fares

Staff are responsible for ensuring that they have a valid ticket or pass for the journey they are undertaking. Petty Cash should not be used for paying out penalty fares.

Mess Payments**What can be claimed and what can't**

You cannot claim a mess payment for Direct Standby, Topping-Up or for any other out-duty. This includes (but not limited to) Training Courses, Meetings and Medical Appointments.

Congestion Charges**What can be claimed and what can't**

For full details, please see policy number 484 - congestion charging policy.

Local Purchases**What to do**

Local purchases should only be made in exceptional circumstances, SAP should be used in the first instance.

When circumstances arise that require a Local Purchase receipts MUST be obtained. Please fill out an FNPC2 form describing the item purchased to enable Finance to charge the cost appropriately.

FNPC2 forms must be authorised by a Station Commander usually, unless the purchase was made by the Station Commander themselves, then authorisation must be made by someone at least a grade above.

Subsistence**What can be claimed**

Subsistence should be claimed through (EXPENSES SYSTEM) and not petty cash

Policy number 354 provides details of what can be claimed

In the event of a mess being off the run, staff on the mess are entitled to claim £4.14 per person. This is a taxable amount and should be claimed through HR (See Policy 354). This cannot be claimed through Petty Cash.

Disallowed amounts**What are disallowed amounts?**

If items have been claimed and reached Finance they may deduct this sum from the reimbursement. This will likely be due to contravention of policy, due to incorrect claiming (e.g. claiming through Petty Cash when not permitted), claims without receipts or authorisation or claims that may be considered excessive.

How to record disallowed amounts

Finance will send back a memo with reimbursement explaining the reasons for any disallowed amounts, please keep this memo safe. A copy may also be sent to the Station Commander for information.

If you disagree with the disallowed amount or believe an error has been made, please contact Finance on the numbers below.

Whilst this amount is outstanding, it should be recorded on the FNPC1 as an Outstanding Amount. For ease of reference for other staff, please describe the issue on the FNPC1.

Reclaiming disallowed amounts

Once the amount has been put back into the cash tin, the outstanding amount should be deleted as the issue is considered resolved.

Contact Details

Finance disbursement officer – extension 31399

Finance manager – extension 31390

HR Helpdesk – extension 89100

Appendix 2 - FNPC1 (filled out sample)

STATION	Madeupton Fire Station	FLOAT	£ 600.00
DATE	23rd February 2015	CLAIM AMOUNT	£ 206.93

Details of Claim - Fares

Voucher Reference		Amount Fares	Amount for Mess
1)	White Watch - Fares and Mess	£ 22.40	£ 2.88
2)	Blue Watch - Fares and Mess	£ 83.60	£ 5.96
3)	Green Watch - Fares and Mess	£ 8.80	£ 0.96
4)	Red Watch - Fares and Mess	£ 42.00	£ 3.84
Total - Fares and Mess:		£ 156.80	£ 13.64

Other Items Please provide any details known

	Amount	
5) Local Purchase - Key Cutting	£ 9.99	
6) Refreshments for CS Event	£ 26.50	
7)	£ -	
8)	£ -	
9)	£ -	
10)	£ -	
Total - Other Items		£ 36.49

Reconciliation

Claim being made today	£ 206.93
Cash in tin today	£ 301.85
Cheques held that are uncashed	£ 82.32
Outstanding vouchers	£ 8.90
	£ 600.00

For Finance Use

Cheque No: _____
Date: _____

Declarations

<p>Person submitting claim</p> <p>I certify, to the best of my knowledge that the above claim is correct and that all vouchers have been completed by authorised officers.</p> <p>Signed: <i>[Signature]</i></p> <p>Name & Rank: SO Smith</p>	<p>Approving Party</p> <p>I have checked the above claim and it is approved for payment</p> <p>Signed: <i>[Signature]</i></p> <p>Name & Rank: SC Jones</p>
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Outstanding Vouchers

Description (E.g. FFAN Other, owed from November claim)

Description	Value
FF Joe Bloggs - Paid incorrectly in January	£ 8.90
Total Outstanding	£ 8.90

How to complete this form

Insert details of the claim into the bold boxes. Those that are shaded are automatically filled and do not need to be amended.

Station:The station or department that you are claiming on behalf of.

Date:The date of the claim. This is most likely to be today's date.

Float:This is the float of the station or department, including any additions or deductions recently made.

Input the amounts for each watch in terms of fares and mess. You only need to input the total.

Input the description and the amount for any other items such as Local Purchases. Detail can be provided in the box or added on a separate sheet if required.

Complete the reconciliation. The claim amount is automatically included, the cash amount and uncashed cheques is the sum that is in your tin at the time of completing this form.

Outstanding vouchers are any other items that may affect your float. This could include any disallowed items that haven't been repaid or any claims submitted to finance that haven't been received. Please list these items on this side.

Please attach proof of each item claimed to this form.

For Fares and Mess Payments, this will be form 146 and/or 146C - please ensure each journey is signed by the claimant (the person making the journey) and the authoriser.

For any other items please attach the appropriate form and ensure that the receipt is stapled securely to it. All claims should have a valid receipt attached and be signed by an SC.

If any claim is for above £30 a GC approval is required.

Please note that in no circumstances can someone approve their own payment. Approval MUST come from a party at least one grade above.

Sign the form as the person who completed it and pass to a Station Commander for signature and despatch to Finance.

Any difficulties with this form, please call Cashiers on extension 31399 or 31390.

Document history

Assessments

An equality, sustainability or health, safety and welfare impact assessment and/or a risk assessment was last completed on:

EIA	17/08/09	SDIA	L - 17/08/09	HSWIA	05/02/19	RA	NA
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Audit trail

Listed below is a brief audit trail, detailing amendments made to this policy/procedure.

Page/para nos.	Brief description of change	Date
Throughout	This policy has been reviewed as current with major changes made. Please re-read to familiarise yourself with the content.	01/02/2019
Throughout	Rank to role changes.	15/10/2019
Page 4, para 4.1	Reference to Authority updated to London Fire Commissioner (LFC).	27/06/2022
Page 5	Title and hyperlink updated for PN514.	06/05/2026

Subject list

You can find this policy under the following subjects.

Finance	Pay
Petty cash	Reimbursement
Expenses	

Freedom of Information Act exemptions

This policy/procedure has been securely marked due to:

Considered by: (responsible work team)	FOIA exemption	Security marking classification