

- **Policy Statement:**

This policy establishes the proper uses and administration of petty cash funds. When other disbursement methods cannot be used, petty cash funds can provide cash to operation staff to cover their expenses, such as reimbursement of staff members, road fee, arranging accommodations and petty cash may also be used for human subject payments. SAKNAFTA requires each petty cash fund to have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds.

- **Reason for Policy:**

Petty cash funds provide a convenient way to pay for operation expenses, but keeping cash in any office entails risk of misuse or theft. This policy provides procedures designed to mitigate these risks.

- **Who Must Comply:**

Job supervisor or his deputy, yard supervisor, transportation supervisor & job administrator for long time jobs must comply policy.

- **Understand appropriate uses of petty cash:**

1. Petty Cash is usually the mechanism of last resort to access cash for payments, when other disbursement methods are impractical or cannot be used. Petty cash funds must not to be used as an operating fund, i.e., to pay invoices for goods or services, to pay salaries or wages, or to make advances or loans. Petty cash accounts may be used to make cash payments to human subjects.
2. Divisions should evaluate their business needs and limit the petty cash account to the lowest amount that will meet those needs. SAKNAFTA recommends that the balance of a petty cash account used as limited, petty cash funds used for operation needs may be higher depending on division's specific needs,
3. Each fund must have a Custodian approved by the Division Manager and the Financial Manager or equivalent (or designee). New Custodians and changes of Custodians must be documented on a Petty Cash Form and approved by the Division Manager and the Financial Manager. Custodians must be SAKNATFA employees.
4. The petty cash Custodian is responsible for maintaining a log of expenses on a Petty Cash reconciliation and request for replenishment form.
5. Receipts for each transaction, which may be subject to review by finance department and audit when it required.
6. The petty cash custodian is responsible for replenishing the account when a petty cash fund runs low. If sponsored funds have been used, replenishment must be done if still needed.
7. When petty cash funds are replenished, the total of the replenishment form cannot exceed the full balance of the fund.

- **Responsibilities and Contacts:**

SAKNAFTA financial Manager or is responsible for ensuring that operation units abide by this policy and the accompanying procedures, and for approving Petty Cash Action Forms.

- **Petty Cash Custodians:**

are responsible for ensuring that petty cash expenses are appropriate and in accordance with SAKNAFTA cash from a petty cash account, documenting expenditures and keeping receipts, reconciling the account quarterly (monthly, if sponsored funds are used), replenishing the account, and generally safeguarding the cash.

Amr Farrag
SAKNAFTA Chairman

