



## Petty Cash Policy

<b>Lead/owner</b>	CEO
<b>Date of approval</b>	14/03/2024
<b>Author/reviewer</b>	CEO
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<b>Related policies</b>	Code of conduct, disciplinary policy
<b>Level of approval</b>	Board of Trustees

### 1. PURPOSE

The purpose of this policy is to provide consistency in procedures and standards in petty cash handling across all Compassionate Inverclyde (CI) and services to ensure CI fulfils its financial obligations and service delivery.

### 2. SCOPE

This Policy applies to all CI including individuals under contract, for those involved with the handling of cash at designated sites and any persons authorised to use petty cash.

### 3. POLICY STATEMENT

All money received by CI is fully accounted for and receipted and deposited to Compassionate Inverclyde's bank account, maintaining accountability for the flow of cash through CI so that the correct and proper use of petty cash occurs.

### 4. POLICY DETAIL

#### 4.1

Petty cash should only be used where a reasonable incidental or urgent purchase is required and/or the amount involved does not warrant normal purchasing procedure. Only minor expenditures of less than £50 should be met from a petty cash advance.

#### **4.2 Issuing of Petty Cash Floats**

- a) Application to have a petty cash float available by a CI project will be approved by the CEO and in conjunction with the CI treasurer.
- b) Petty cash floats will be advanced from the appropriate budget number (general ledger) and recorded on a register.
- c) The re-banking of petty cash advances will be receipted to the same account.

#### **4.3 The following transactions are excluded from petty cash reimbursement:**

- a) Cashing of cheques;
- b) Temporary loans to any person;
- c) Payment of expenses exceeding £50;
- d) Payment of creditors' accounts;
- e) Payments for expenses not related to CI business i.e. personal expenses; and/or
- f) Payment of any personal remuneration to any person or organisation, whether for salaries, wages, or for any other reason.

#### **4.4 Monetary Limit**

- a) The maximum petty cash reimbursement will be no more than £200 per calendar month per individual project. Should this amount be exceeded, then the relevant Director is to be notified and alternative procurement methods for procurement of the items are to be implemented.
- b) Exceptions to this requirement may only be approved by the CEO in consultation with the CI treasurer.
- c) Payment for items of a higher value should be made through normal procurement processes and invoice processing or by means of corporate debit card.

#### **4.5 Segregation of Duties**

- a) The officer who controls the petty cash float must not be the claimant, unless they have another CI staff member certify the claim.
- b) The claimant must not be the supplier of the goods / services that the petty cash claim relates to.

#### **4.6 Reconciliation of Petty Cash Funds**

- a) The petty cash float should be reconciled by the CI administration officer at the end of each month or when the float falls below £50, whichever occurs first.
- b) A receipt is to be issued for all transactions, in accordance with the receipting procedure at each site, using the approved CI system or official receipt books. Each receipt for petty cash must be dated and numbered in sequential order;
- c) All claim dockets and original receipts should be attached to the petty cash reconciliation with associated cost account details and provided to the CI administration officer and CI treasurer to review and approve to allow replenishment of the petty cash float.

**5. ROLES AND RESPONSIBILITIES**

- a) All staff and volunteers have a responsibility to:
  - Comply with CI policy and the related procedures; and
  - Report breaches of this policy and suspected fraudulent or corrupt behaviour in accordance with CI’s Internal Reporting Policy.
- b) The CEO will ensure that adequate training is provided to relevant staff and volunteers to ensure that they are aware of their obligations under this Policy.
- c) The CEO and CI treasurer are responsible for monitoring the use and appropriateness of petty cash reimbursement.
- d) Relevant staff will be notified of any changes or updates to this policy by the CEO.

**6. COMPLIANCE WITH POLICY**

- a) Sanctions for the breach of this policy will be determined in accordance with the provisions applied under the CI’s Code of Conduct.
- b) Staff members in breach of this policy will be subject to disciplinary procedures as provided under the CI’s disciplinary policy

**7. REVIEW AND ENDORSEMENT**

- a) Review of this policy will be every three years.
- b) The CEO in conjunction with the CI treasurer is authorised to approve variations to this policy to comply with legislative requirements. Any variation made will be reported to the CI board for approval.

Document version control

Version number	Change or update	Author or owner	Date
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1.0	First version	CEO	14/03/2024