



# **Angmering Community Land Trust**

## **POLICY**

## **PETTY CASH**

## **POLICIES & PROCEDURES**

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## **1.1 Introduction**

The use of Petty Cash can be the most practical payment method where the amount involved is small and either the supplier is not used regularly / requires payment by cash or the claimant is a member of Angmering Community Land Trust (ACLT) requiring reasonable reimbursement for expenses incurred.

ACLT wishes to minimise the amount spent via Petty Cash. However, it recognises that it is not always possible or indeed practical for all items of expenditure reasonably incurred to be invoiced and subsequently paid via the purchase ledger.

This policy and procedures gives guidance on the situations where it will be appropriate to pay for goods and occasionally (services) via Petty Cash and the procedures to be followed when processing Petty Cash.

## **1.2 Policy**

This policy will establish a Petty Cash float in order that claims for minor purchases or expenses reasonably incurred when directly relating to ACLT business can be reimbursed. The float will be managed appropriately to the risks involved and will be consistent with the need to safeguard the organisation's funds.

## **1.3 Responsibilities**

The Board shall approve this Petty Cash policy and delegate responsibility for its safekeeping and administration together with appropriate oversight.

It shall be the responsibility of the Treasurer to safeguard and document monies received and paid out. This responsibility shall not be further delegated except on a short-term basis i.e. planned holidays, sickness etc. where the Treasurer may be unavailable. In these circumstances the authority of the ACLT Chairman shall be sought who in turn will advise the Treasurer who will ensure a proper handover takes place with both parties reconciling the Petty Cash available.

It shall be the responsibility of the Treasurer to satisfy himself as to recording procedures required and to approve each claim for reimbursement.

Under normal circumstances, before any expense is incurred, the advice of the Treasurer should be sought.

#### **1.4 Petty Cash Limit**

The amount of the Petty Cash float shall be limited to £200.

Requests by the Treasurer for the float to be 'topped up' to this limit will be made to the Chairman who will determine that the request is reasonable and authorise a cheque to be issued.

Replenishments should be sought when insufficient funds remain for five business days of expected use.

#### **1.5 Petty Cash Use**

The Petty Cash is intended to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, or required by a supplier, to use normal purchasing methods such as purchase orders or invoices etc. This will include sundry items such as paper, ink cartridges etc. but is not intended for equipment or other assets.

Any expense that is predictable, regular and significant should be dealt with through normal procurement / accounting procedures.

The Petty Cash limit shall not be evaded through splitting of items into smaller amounts to avoid proper invoicing or other claims procedures.

The Treasurer shall require an original readable receipt that establishes the nature of the expenditure for all expense claims incurred before reimbursing the claim.

The Treasurer shall record each transaction and cross-reference and retain the expense claim receipt or other acceptable supporting documentation for subsequent audit.

Petty Cash should be held under lock and key and kept securely.

The Treasurer shall report the loss of any Petty Cash to the Chairman as soon as the loss is discovered.

Any request to increase the limit of the float must be made to the Board.

## **1.6 Petty Cash Advances**

On occasion, Petty Cash may be required in advance of making a purchase. The Board / Staff member concerned must contact the Treasurer to obtain the advance for which they must sign a Petty Cash voucher or other record kept which details the amount advanced and the nature of the expenditure.

Any change together with the **original receipt**<sup>1</sup> for the expense must be returned to the Treasurer as soon as is practical after the purchase but no later than 3 working days after the advance was given.

The original Petty Cash voucher completed when the advance was given should then be amended to reflect the actual amount spent.

If after 3 days no receipt and change has been received, the Treasurer will follow up with the person who received the advance and, if necessary, the Chairman.

## **1.7 Local Audits**

The Treasurer will ensure that Petty Cash income / expenditure is recorded on the ACLT accounting system.

The Treasurer shall report a summary of Petty Cash transactions at each Board meeting.

## **1.8 Reviews**

This policy will be reviewed as necessary by the Treasurer and recommendations made to the Board.

## **1.9 Related documents:**

This policy should be read in conjunction with the Rules of Angmering Community Land Trust D23 (1-4) inclusive.

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<sup>1</sup> In every situation including re travel claims, credit/debit card payment slips are not suitable receipts as no details of the goods/service purchased is detailed on the slip.