

Petty Cash Policy & Guidelines

Category: Operational

Date Established: Nov 14, 2016

Policy Number:

Date Last Revised:

Responsible Director: Treasurer

Related Documents: Petty Cash Request Form

Petty Cash Reimbursement Form

Summary

Petty cash is a small amount of cash entrusted to the PAL (55+) Administrative Assistant to facilitate the reimbursement of small, purely incidental, non-recurring PAL (55+) related expenditures in a timely and efficient manner.

Policy

DEFINITIONS

The following definitions are intended to provide clarity to terms used within the body of the Financial Policies of PAL (55+).

Personnel

“Executive Director” – responsible to the Board of Directors for the leadership, management and coordination of the mission and vision of Pembina Active Living (55+).

“Treasurer” – responsible to monitor, advise and report on all matters of financial significance to the Board. Also to develop, review and recommend financial policies and procedures for the organization.

“Financial Manager” – responsible to provide support to the Treasurer in their duties and to record and report financial transactions of organization including budgets, expenditures and revenues.

“Administrative Assistant” – responsible for the day-to-day management and security of the PAL (55+) office at Grace Christian Church as well as assisting various Committees as needed. The Administrative Assistant reports to the Executive Director.

“Committee Chair” – responsible for the leadership of the portfolio and work of the Committee he/she has been appointed to.

“Contractor” – “instructor” responsible for sharing expertise in the delivery of PAL (55+) programs.

“Convener” – responsible for collecting fees for drop in sessions and clubs.

Terms

A policy is a statement that outlines the principles and views of PAL (55+) on each topic covered.

A policy may need a supporting procedure. Procedures are clear and concise instructions on how to abide by the policy. They detail the sequence of activities that are required to complete tasks and should include the 'how to' guidelines to achieve the necessary results.

Petty cash: A small amount of **cash** on hand that is used for paying small amounts owed, rather than writing a cheque.

Petty cash is also referred to as a **petty cash** fund. The person responsible for the **petty cash** is known as the **petty cash** custodian.

Cash float: An amount of cash put into the **cash** box when appropriate to allow change to be given to customers. The balance of the cash float must always be equal to the opening balance.

PURPOSE

1. Establish circumstances in which petty cash may be provided;
2. Define allowable uses of petty cash; and
3. Establish responsibility for safeguarding petty cash.

SCOPE

All Board of Directors, clubs, PAL (55+) employees and committee members should be aware of proper procedures to establish and maintain a petty cash.

GUIDELINES

1. Petty cash should be used as a convenient method to pay small claims and is not intended for larger payments or frequent payments, which should be paid through Accounts Payable.
2. To establish a petty cash, complete a Petty Cash Request Form with details of the purpose and amount of petty cash and submit to the Executive Director for approval.
3. The approved form is submitted to the Financial Manager for payment processing.
4. The maximum authorized amount of petty cash is \$150. Exceptions are allowed with the approval of the Board of Directors.
5. No payment greater than \$25.00 may be allocated through petty cash.
6. The petty cash must at all times contain the authorized amount in cash and/or paid receipts.
7. All receipts must be dated within the current fiscal year.
8. All receipts must be signed by of the appropriate Committee chair for volunteers or Executive Director for employees. The budget category must be indicated so the expense can be recorded.

9. The funds may not be used for personal loans, cashing cheques, or for salaries.
(Note that item 10 & 11 were interchanged)
10. Petty cash should be replenished as needed and at year end.
11. To replenish the petty cash, a Petty Cash Reimbursement Form must be completed
12. Funds received from any source must not be added to the petty cash, but must be processed per the procedures for cash handling.
13. The Financial Manager will ensure that all petty cash accounts are accounted for and audited on a regular basis.
14. The petty cash must be kept in a safe or locked cabinet under the control of the Administrative Assistant.
15. Only the Administrative Assistant may have access to the petty cash.