

COMMUNITY LIVING DURHAM NORTH

PETTY CASH

Policy No. A-15 (Finance)

Effective Date: May 1, 2007

Last Revision/Review: May 28, 2012

Rationale:

To enable managers and program sites to conveniently make small cash purchases, when it is necessary to do so, while ensuring that such transactions follow thoughtful procedures, and are monitored.

Policy Statement:

Petty cash funds will be established when they are necessary to facilitate the effective functioning of a program or administrative operation. Management will establish clear guidelines and processes to ensure accountability and to safeguard agency funds.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
For the Board of Directors

## COMMUNITY LIVING DURHAM NORTH

### PETTY CASH

Procedure No. A-15-1

**Establishment of a Petty Cash Fund**

Effective Date: May 1, 2007

Last Revision/Review: May 28, 2012

- Our method of purchasing groceries and household cleaning supplies means that very few program sites require a general purpose petty cash fund. However, the process for establishing a fund will begin with a written request submitted by the location/department, or its Manager, that shall include:
  - the reason the fund is required;
  - the proposed level of the fund;
  - a plan for safe-keeping the petty cash funds;
  - the name of the employee who will assume responsibility for the petty cash fund.
- The request will be reviewed, and approved or denied, by the Director responsible for the location/department.
- The Director of Administrative Services will cause to be kept a log of all active petty cash funds which shall include each fund's maximum level and the staff responsible.

Procedure No. A-15-2

**Security Measures and Disbursements from PC**

Effective Date: May 28, 2012

Last Revision/Review:

- Typically, funds will not exceed \$50.00. The maximum fund, in place at the administrative office, is \$140.00 (see A-15-4 below).
- Funds are to be used for small purchases when it would be inefficient to charge the item or requisition a cheque. In general, and excepting emergency situations, individual withdrawals should not exceed \$25.00.
- Petty cash cannot be used for salary or wage payments and cannot be the source of personal loans or advances to employees.
- The Manager is responsible for the security of the petty cash but may delegate actual custodianship to another employee. All petty cash funds will be kept in a locked box, and the custody of each fund will reside in a single employee.
- Printed vouchers available at the administrative office (and not scraps of paper) must be kept with each petty cash fund and used for all transactions.

- Every withdrawal must be replaced by a voucher that is signed by the custodian of the petty cash fund and by the person receiving the cash. Initially, the voucher will also be dated and it will show the amount and purpose of the withdrawal. Subsequent to the purchase, the receipt will be attached to the voucher and a final entry will be made on the voucher detailing the actual cost and the amount of change returned.
- At all times, the cash on hand and the value represented by receipts and vouchers must be equal to the total petty cash allocation.

Procedure No. <u>A-15-3</u>	Effective Date: <u>July 2, 2009</u>
<b>Replenishment and Audit of Petty Cash funds</b>	Last Revision/Review: <u>May 28, 2012</u>

- At month end, or when the fund falls below the 50% level, the petty cash fund will be reconciled by the Program Manager in the presence of the custodian of the fund.
- If the fund is regularly depleted before month end, the Manager will address the problem of overuse or, if appropriate, request an increase in its maximum level.
- A *Request for Payment* form (G-8) is completed at this time. All receipts and vouchers are attached to the form, and it is sent to the Finance Department.

Procedure No. <u>A-15-4</u>	Effective Date: <u>May 28, 2012</u>
<b>Administration Office Petty Cash</b>	

- The level of the petty cash fund in the administrative office is \$140.00. The Finance Officer is the custodian of the fund. The purpose of the fund is to cover small purchases (e.g. car washes, milk, cream, etc.) and for purchases from vendors who do not accept debit cards.
- Individual petty cash purchases from this larger fund will not exceed \$50.00. Requests in excess of that amount require a *Request for Payment* form (G-8).
- Staff can be reimbursed from petty cash for small out-of-pocket expenditures but are required to submit their receipt and the written approval of their Manager or Director.
- When the petty cash reaches \$20.00 the Finance Officer completes a *Request for Payment* form (G-8). All receipts and vouchers are attached to the form, and it is sent to the Manager of Finance for approval.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Executive Director