



Kessingland Parish Council

Petty Cash Policy & Procedure

1. Introduction

The Council approved the use of a petty cash system at the Parish Council meeting on 12th February 2020 to run alongside bank cards for officers of the Council. It authorised an initial £100 rolling balance which was drawn from the Council's main bank account. The maximum expenditure per year through the petty cash is £500. Once cards are obtained it is hoped that the use of these and trade accounts should minimise the need for petty cash.

2. Controls

Financial Regulations and this procedure provide the petty cash control through:

2.1 Scope

The petty cash system is designed for purchase of small items where formal orders or card payments may not be accepted, i.e. milk, meeting refreshments, individual cleaning items etc

2.2 Management of Petty Cash

The Clerk (the Assistant when the Clerk is absent) administers the petty cash system with a normal rolling balance not exceeding £100 and a total annual expenditure not exceeding £500. Recording and reporting to Council is required and expenditure incurred through petty cash is only permitted under existing delegations and may not exceed the budget for those items (i.e. meeting expenses)

- a) When petty cash is needed the initial check is that the budget heading has sufficient available funds to purchase the item.
- b) A petty cash voucher is issued allow with the funds which are signed for on the voucher by the individual using the petty cash.
- c) Upon return the petty cash voucher is verified against the cash returned and the receipt attached to the voucher to ensure that only items authorised have been purchased and that the total of the cash and receipt equal the initial petty cash provided. The form is then signed by the Clerk to validate that the verification has taken place.
- d) For reimbursements, only the receipt need be provided and a form logging the reimbursement will be completed and attached to the receipt.

Kessingland Parish Council Petty Cash Policy & Procedures.

Adopted March 2020. Reviewed May 2021. Next Review 2022/23

- e) All income to the petty cash and each transaction is logged promptly in the petty cash log including details of the date of the transaction, amount in, purpose and the person responsible for the purchase.
- f) All forms and receipts are kept in a folder with the petty cash log.
- g) VAT receipts are obtained, where relevant and possible, and will be taken into account for any VAT returns.
- h) The petty cash is kept in the safe and access is controlled by the Clerk and Assistant. The safe is in a locked store and the code to the safe and room are only known by the Clerk and Assistant.
- i) The petty cash is reconciled monthly and this is verified by the councillor(s) responsible for internal control checks. The reconciliation will take place as part of the monthly bank reconciliation process. The reconciliations are reported to Finance & Governance Committee and Parish Council.
- j) Petty cash transactions are recorded on the accounting software and reported monthly to Finance and Governance meetings and Parish Council.
- k) Internal and external audit cover the petty cash system.

3. Replenishment

Due to the cost of bank transactions the petty cash float will only be topped up when it drops below the £50 level. As petty cash should only be used for small purchases this should ensure the balance between ensuring there are enough funds to cover small expenses and the need to reduce bank charges. The cash will be topped up by cashing a cheque at a permitted location such as bank or post office.

4. Review

The petty cash policy and procedure will be reviewed annually by the Finance and Governance committee who will make any necessary recommendations about the policy, procedure and petty cash fund to Parish Council.