



Expenditure by Cash, Cheques and Credit Cards Procedure

Procedure Reference:		F02c Expenditure by Cash, Cheques and Credit Cards	
Related Policy:		F02 Procurement	
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Owner:	Stuart Green	Job Title:	Head of Finance
To be issued to:		Board of Management ARK Management All Staff	
Method of Delivery:		Email Procedure	

Version Control

Date	Owner	Version	Reason for Change
August 20	Stuart Green	2.0	Procedure due for renewal and rename

Summary of Changes

Section	Change
Entire Policy	Transfer to new format and rename procedure F02c (previously referenced as F18)
2.1	Increase in Head Office petty cash float to £300 – up from £200
2.1	Simplify authorisation process for staff obtaining petty cash and maintenance of petty cash
2.3	Simplify authorisation process for staff using company credit cards.



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1.0 Introduction

The purpose of this procedure, and the 'Procurement' [F02] policy which supports it, is to set out our arrangements for authorising, recording, and controlling expenditure by petty cash, cheques, or corporate credit cards at our Head Office.

2.0 Expenditure by Cash, Cheque, and Credit Card

For all purchases incurred by staff on behalf of the organisation, payment by invoice via the weekly BACS payment run is the preferred method of payment.

Acknowledging that this method of payment may not always be made available by our suppliers, or where goods and/or services are required to be purchased in advance, purchases can in these instances be made using cash, cheque, or a corporate credit card.

Due to the additional administration involved, expenditure by cash or cheque are the least preferred options across the organisation.

2.1 Petty Cash

Petty cash is administered by a dedicated member of the Finance team. A petty cash float of up to £300, and the Petty Cash Log form (see appendix A) is kept in a lockable cash box, in a secure, lockable storage cupboard within the Finance department.

The keys for the storage cupboard and the cash box are held in separate secure storage.

When an employee requires petty cash they will enter the amount required and relevant expenditure details in the log form, and sign.

Finance will issue the amount required. If the exact amount needed is not known (or available) at that time an estimated (or rounded) amount will be issued.

When expenditure has been incurred, the employee should return with a receipt, which will be added to the log form. If the amount spent is less than the amount issued, the employee should also return the change, which will be recorded as a credit back into petty cash. This entry should be signed by the employee.

Finance will chase up employees where receipts have not been received in a timely manner. If there is no receipt the employee will inform Finance as to the reasons why and this will be recorded on the log form.

When the amount of petty cash left falls below £100, Finance will journal the transactions onto the Finance system. This journal will be reviewed and authorised in line with current journal posting procedures. The Finance team will then obtain cash from our bank to return the petty cash float up to a maximum of £300. This entry will be added to the log form as a

credit entry and be signed by the designated staff member and a more senior member of the Finance Team.

As part of the regular month-end process, the balance per the petty cash box will be reconciled to the figure per the balance sheet account code. Any discrepancies found will be reported to the relevant Finance Business Partner or Head of Finance.

2.2 Cheques

Cheques are held in secure lockable storage by the member of the Finance team who processes payments. Used cheque books are held in the same location.

Cheques must be signed by two signatories from the current list of authorised cheque signatories. The Finance Business Partner will maintain an up to date list of signatories.

The cheque number must be entered onto the Finance system as part of the payment preparation process and on the relevant invoice(s), and the cheque must be attached to the relevant invoice(s) so that payment details can be checked and verified by those signing each cheque.

2.3 Credit Cards

All members of the Executive or Senior Leadership team will be issued with company credit cards on the authorisation of the Finance Director, or, if not available, the Head of Finance. As cardholders, they will have the final decision in what their card is used for, and are ultimately responsible for the appropriate use of the card, in line with Ark's 'Financial Regulations' [F01].

Employee's requiring the use of a credit card will obtain purchase authorisation from the relevant budget holder before contacting a credit card holder. The credit card holder should obtain comfort that budget authorisation has been received in advance of the purchase being made.

Payment to the card provider is made monthly by direct debit. When each monthly statement is received, Finance will request that each card holder or delegated person will, in a timely manner:

- Review the transactions for their card statement;
- Add appropriate expenditure and department codes against each transaction;

Finance will then record the expenditure on the Finance system, ensuring the expenditure reconciles to the payment made to the card provider. Monthly statements will then be saved electronically in an appropriate area within the Finance section of the computer network.

3.0 Implementation and Review

3.1 Implementation

The Head of Finance will ensure that this procedure is followed by all relevant members of staff involved in the process for incurring expenditure by cash, cheque, or credit card.

3.2 Review

The Head of Finance will ensure that this procedure is reviewed at least every three years.

