

# His Reformed Church

## Petty Cash Policy

Effective Date: January 29<sup>th</sup>, 2007

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#### 1. Purpose

Provides procedures for the establishment, management and control of petty cash funds at His Reformed Church.

#### 2. Scope

Applies to all operating functions requiring funds for small, incidental purchase requirements.

#### 3. Definitions

##### 3.1 Petty Cash Fund

A cash fund maintained at a specific dollar amount used to pay for small expenditures, items requiring immediate payment and/or for which other established methods of payment are not possible or reasonably practical due to the administrative cost and effort involved.

Unless otherwise approved by the Board of Deacons, the only authorized petty cash funds are as follows:

<u>Fund</u>	<u>Fund Amount</u>
Church Secretary Petty Cash Fund	\$200.00
Staff Ministry Petty Cash Fund	\$150.00

##### 3.2 Fund Custodian

An employee entrusted with the care, custody and management of a cash fund including accountability and responsibility for all the activity in a specific fund.

Fund custodians for each authorized petty cash fund are established by the Board of Deacons as follows:

Fund  
Church Secretary Petty Cash Fund  
Staff Ministry Petty Cash Fund

Fund Custodian  
Church Secretary  
Associate Pastor

### 3.3 Fund Users

An employee authorized to spend monies within a given petty cash fund, under the direction of the applicable Fund Custodian.

Unless otherwise approved by the Board of Deacons, the only authorized fund users are as follows:

Fund  
Church Secretary Petty Cash Fund  
Staff Ministry Petty Cash Fund

Fund Users  
Church Secretary  
Associate Pastor

### 3.4 Authorized Expenditures

Expenditures are limited to those associated with the duties, responsibilities and authority of the fund custodian. Petty cash shall not be used, under any circumstances, to pay for unauthorized items.

Unless otherwise approved by the Board of Deacons, the authorized expenditures for each petty cash fund are as follows:

<u>Fund</u>	<u>Authorized Expenditures</u>	<u>Account Number</u>
Church Secretary Petty Cash Fund	Postage (letter or package)	5.18.5
	Office Supplies (not invoiced)	5.18.20
	Cards & Encouragement	5.24.30
Staff Ministry Petty Cash Fund	Miscellaneous Expenses	5.18.30
	Personal Ministry Expenses	5.18.40

## 4. Policy

- 4.1 Petty cash funds are maintained such that the sum of currency, coins, receipts and similar documentation equals the specific amount authorized for that fund at all times.
- 4.2 Personal use of petty cash funds is strictly prohibited.
- 4.3 Petty cash funds are to be kept in locked drawers, cabinets or similar secure locations except when in authorized use.

## 5. Procedures

### 5.1 The Fund Custodian:

- Is responsible to convert checks received for either fund establishment or reimbursement to actual cash and place the cash in locked storage.
- Completes all applicable entries on the Petty Cash Report for funds used, as the expenditures occur.
- Shall maintain receipts or similar documentation, along with the current Petty Cash Report, in the locked storage.
- Finalizes the Petty Cash Report either monthly, when such reimbursement is necessary or when directed by the Church Bookkeeper.

- Submits the finalized Petty Cash Reports (and associated receipts) to the Church Treasurer for approval and reimbursement.

## 5.2 The Church Treasurer:

- Authorizes the establishment of a petty cash fund and directs the Church Bookkeeper to draw a check to establish the authorized petty cash fund.
- Reviews and signs submitted, finalized Petty Cash Reports. Any discrepancies are resolved prior to signature approval.
- Provides the signed, finalized Petty Cash Reports, including related receipts to the Church Bookkeeper.
- Directs the Church Bookkeeper to draw a check to reimburse the Fund Custodian for the approved amount. The approved amount will reestablish the petty cash fund to the originally authorized fund amount.

## 5.3 The Church Bookkeeper:

- Draws checks to the authorized Fund Custodian to establish and reimburse petty cash funds as directed by the Church Treasurer.
- Files receipts and the signed, finalized Petty Cash Reports, as appropriate.
- Updates all applicable ledgers based on the appropriate account number, as documented on the finalized Petty Cash Reports.

