



# Proposed Petty Cash Policy & Procedure

In order to enable the smooth running of the club, a small number of volunteers need access to petty cash. The management of petty cash is required by Article (49)(b) "*The Council of management shall establish, maintain and observe a set of financial rules to govern the financial operations of the club.*"

## Petty Cash Policy

- Petty cash may only be used for small items of income and expenditure where the Purchase Order or invoicing system is wholly disproportionate. Examples of suitable and unsuitable cases for the use of petty cash are included in Appendix A. Where possible, large payments should be made and taken by card and use of petty cash avoided.
- Expenditures limits on the use of Petty Cash are subject to the *Delegated authority for expenditure policy*.
- In light of the difficulty in maintaining records and ensuring financial probity, only a small number of people should have access to petty cash and there must be a clear mechanism of oversight and auditing.
- Volunteers may only set up and run a petty cash system if they are authorised to do so by a vote of the Management Committee. An authorised person is referred to below as "The Volunteer".
- For each volunteer running a petty cash system, a Flag Officer will take responsibility for audit and oversight: "The Flag Officer". Normally, the Rear Commodore will provide this function for shore side activities such as yard, and Vice Commodore for the fleets.
- The Treasurer has overall responsibility for ensuring the petty cash system is consistent with the fiduciary responsibilities of the Company Directors.

## Petty Cash Procedure

### *Authorisation*

- As shown in the Delegated authority for expenditure policy, The Volunteer does not need authorisation for expenditure up to £100.
- For (exceptional) petty cash expenditure above that limit, authorisation is needed from specific Officers of the club. In the case of petty cash expenditure, this authorisation can be sought and provided by email. These emails should be printed out and stored along with the receipts, or stored on Dropbox.

### *Record keeping*

- The Volunteer will maintain a petty cash spreadsheet located on Dropbox in a location accessible to The Flag Officer and Treasurer.
- On this spreadsheet, The Volunteer will record a description of any income or expenditure, the amount and running balance.

- Each year, a new spreadsheet should be started, with an opening balance carried from the previous year. Previous sheets must be retained for seven years.
- Expenditure receipts / proof of purchase must be retained and stored within the cash box for all expenditure. These must be clearly stored in date order and readily cross referenced to the spreadsheet.
- Receipts must be provided for any income, using a receipt book and stubs retained for auditing. Income receipts must be signed or counter signed by The Volunteer.

#### *Storage of Cash and Receipts*

- The Volunteer will maintain a locked cash box, stored in a secure location. Only The Volunteer and The Flag Officer will have keys to the cash box, but these keys will be provided to the Commodore or Treasurer on request.

#### *Balance Limits*

- If any income takes the balance contained in the Petty Cash box over the agreed ceiling for The Volunteer, The Volunteer must arrange with the Treasurer to deposit the excess over the ceiling into the main GYC bank account, recording this transaction on the spreadsheet.
- If the balance in the Petty Cash box falls *below* £100, The Volunteer may at their discretion arrange with the Treasurer for a cash withdrawal from the GYC bank account of no more than £200 to act as a float.

#### *Oversight and Audit*

- At least six months, and at any time of their choosing without notice, The Flag Officer will examine the spreadsheet, invoices and balance to ensure that the records are accurate.
- Any discrepancy will be reported to the Treasurer and Commodore for discussion as to whether further investigation is needed.

### **Appendix A**

#### *Examples of acceptable petty cash usage*

- Tools and spare parts purchased locally
- Fuel for outboards
- Brooms, basic cleaning equipment
- Urgent or small items of stationary

#### *Examples of unacceptable petty cash usage*

- Reimbursement for goods purchased online
- Purchases that exceed limits set out in the Delegated authority for expenditure policy

Policy approved at Council meeting 21<sup>st</sup> May 2022 – questions to [rear@greenwichyachtclub.co.uk](mailto:rear@greenwichyachtclub.co.uk)