



PETTY CASH POLICY

Lake Baroon Catchment Care Group Inc

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Policy Number	019	Responsible person	Chair
Version	2025	Approved by Committee on	
Drafted by	Office Manager	Scheduled review date	As required

Policy adapted from <https://www.communitydirectors.com.au/icda/policybank/>

Introduction

To deal with minor expenses, staff of Lake Baroon Catchment Care Group needs a procedure that is flexible yet consistent with the need to protect the organisation's funds.

Purpose

This policy seeks to ensure that the petty cash float is managed appropriately and that staff and volunteers are not financially disadvantaged as a result of incurring minor work-related expenses.

Policy

The petty cash float is administered by the Manager to deal with minor expenses. Any use of the float must observe the nominated procedures.

Responsibilities

The petty cash float is administered by the Manager and to ensure that the procedures specified in this policy are implemented appropriately.

Procedures

Petty Cash Limit

The amount of the petty cash float shall not exceed \$550. The balance must always equal \$550 (cash and receipts). Any amount in the petty cash float over \$550 shall be returned to general funds.

Petty Cash Use

Staff members shall ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods such as staff expense reimbursement. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures (for example vehicle fuel).

Each purchase should not exceed \$100 in total unless approved by the Manager. The limit of \$100 shall not be evaded through splitting of items into smaller amounts.

All expenses incurred using petty cash funds must be substantiated by acceptable supporting documentation such as receipts, tax invoices, invoices, copies of staff travel diaries, etc., and the documentation relating to each item shall be sufficient to establish the nature of the expenditure.

All supporting hard copy documentation of payments from the Petty Cash float shall be retained in the nominated folder with replenishment completed by the Manager on an as required basis with a summary of receipts submitted to the next Management Committee meeting for endorsement.

Staff shall report the loss of any Petty Cash funds to the Manager as soon as the loss is discovered.

A tax invoice must be obtained for all purchases exceeding \$55 (GST inclusive). Claims less than \$55 must have evidence of expenditure.

Petty cash must be kept in a secure (locked) location and the key held securely.

The Petty Cash Officer cannot delegate control of the float to other employees. If the Petty Cash Officer is unavailable, payment cannot be made by that means.

Petty Cash Replenishment

Total yearly petty cash requirements shall be estimated by the Manager and submitted to the budget process. The Manager can draw on replenishments during the year up to this amount.

If there is a need for additional finance, or if it is desired to increase the amount of the float, a special request must be made to the Manager who will seek approval from the Management Committee.

Replenishments should be sought when sufficient funds remain for five business days of expected use.

Related Documents

Payments Authority Policy

Reimbursement Policy