

Members are requested to NOTE this report and CONSIDER the recommendations

Consideration to be given to the holding of a Petty Cash system to the value of £250.00. Previously Staff and Members used their personal credit cards to make payments, then submitted vouchers for reimbursement, which is not permitted under the new adopted regulations, as stated in 6.20 below.

The Council does have accounts with small local businesses, but not for the bigger DIY stores etc, or for small purchases. Petty Cash would also be used for the purchase of stamps, cleaning products etc.

Background

The Parish Council adopted its Financial Regulations in December 2021.

The Regulations at 6.20 state:

Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of Members or Staff shall not be used under any circumstances.

The Regulations at 6.21 state:

The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

6.21 was an optional statement - chosen because the Parish Council did not operate a Petty Cash system – the other model statement reads:

[6.22. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.

a) The RFO shall maintain a petty cash float of [£250] for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.]

5.2 as referred to in 6.22 above states:

The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council The Council shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council]. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information

Recommendations

Members are requested to:

- NOTE this report
- CONSIDER the requirement to hold Petty Cash
- CONSIDER setting the amount of Petty Cash held at £250.00
- CONSIDER the draft Petty Cash Policy and Procedures (as below)
- If agreed, to NOTE that Financial Regulations will be amended to reflect the change, ready for ADOPTION at the Annual Meeting of the Council in May.

Petty Cash Policy and Procedure

1. Petty Cash is used for items that require cash payment
2. A Petty Cash float to a limit of £250.00 will be held
3. The Petty Cash to be held in a lockable Petty Cash Tin which will be kept in a safe.
4. Petty Cash vouchers are issued following a request to the Clerk to use Petty Cash, with any cash advance and must be returned completed with any claim along with the related receipt and any change.
5. A Petty Cash voucher is completed with the date, amount and item description
6. Cash out will be signed out and change returned will also be signed in.
7. For reimbursements, only the receipt need be provided and a voucher logging the reimbursement will be signed and attached to the receipt.
8. All receipts are kept in a folder with the relevant voucher
9. VAT receipts are obtained, where relevant and possible, and will be taken into account for any VAT returns.
10. The amount is entered onto the Alpha Accounts Package
11. The RFO (Clerk) will make checks on the balance and recorded transactions, prior to the actual cash being reconciled to the computer system by the Chairman each quarter.

The Petty Cash Policy was adopted at its meeting held on 7 April 2022

Tina Jones
March 2022