

Cash Handling and Petty Cash	
Reference: FP03	Effective date: 1 June 2012
Page no: 1 of 4	Approved: 12 Sept 2022
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Introduction

Cash transactions take place in several areas of the organisation and involve many employees. These policies are to ensure that proper security is maintained in handling cash and to protect employees from unnecessary allegations should cash go missing.

This policy includes handling of petty cash, ie small amounts of cash used for making ad hoc purchases outside the scope of FP01 Purchasing and Procurement Policy.

Procedure

General

Unlike most assets, cash is very difficult to trace and has an immediate transferrable value. It is because of these qualities that particular rules are in place that do not apply to other assets that employees control. Staff who handle cash are expected to be responsible, accountable and liable for it. It is particularly important, therefore that the procedures in place leave no room for error or mistakes that might expose staff to undue risk.

Where possible we should encourage customers to pay through online booking, card transactions, by standing order or other bank transfer. The minimum payment acceptable by cheque is £5.00. No post-dated cheques are acceptable. All large notes (£20 and over) should be checked to ensure they are not forgeries.

Petty Cash

There are petty cash balances held in the following areas of the organisation:

Location	Designated holder	Max. Balance
Finance Office	Zoe Garratt/Alia O'Callaghan	£500
Nursery Office	Vadna Chauhan	£150
Reception	Danny Sturgeon	£150
Café	Anna Ralph	£200

Anyone receiving funds from the petty cash must fill out a petty cash form and sign for the cash. Having made the purchase, they must return any change and a receipt to the designated holder of the cash.

All petty cash balances must be reconciled by the Finance team every month.

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Café

The café has a high volume of cash transactions, which are all accounted through the till. Staff should take care that the correct change is given in return for tendered cash. Cash can no longer be taken from the till to pay for an invoice – this should be done through petty cash (for small amount) or an invoice is submitted to finance for processing (as per FP01 Purchasing and procurement). Many transactions are conducted through the card machine, which accepts contactless payment to a maximum of £45 per transaction.

One member of staff must be responsible for cashing up at the end of the day. They must verify that the cash counted is correct and matches the Z reports of till, card machine and vouchers redeemed.

- ◆ At the end of each day a 'Z' report must be run on both the till and the card machine.
- ◆ The float (£100) must be separated from the takings, put into a cash box and locked in the café safe.
- ◆ The takings should be counted and recorded in a book kept in the café with the following information:

Date	Cashier initials	Total amount	Difference
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- ◆ The deposit must be noted in the log by the drop safe with the following information

Date	Department	Description	Deposited by
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- ◆ The deposit safe will be emptied by a member of the finance team at least once a week for banking.

Reception

The reception area receives cash and cheques for room hire, donations and other small transactions. It also handles paying out of volunteer expenses and petty cash for minor purchases.

Income

All cash and cheques received must be noted in the income log, which is passed to the finance team with the banking paperwork.

Charity. Donations, course bookings.

Trading. Fees for room bookings

Customers are issued a receipt if requested. Other paperwork is associated with these transactions, but does not form part of the cash handling procedure. Note, post-dated cheques cannot be accepted. At the end of each day, all receipts should be bagged up with appropriate paperwork, labelled and dropped into the drop safe.

- ◆ The deposit must be noted in the log by the drop safe with the following information

Date	Department	Description	Deposited by
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Expenses

Finance team supply to reception a petty cash float of up to £150 as needed. This cash is stored in a cash tin that should be locked in the receptionist drawer during the day and in the safe overnight. Release of expenses to volunteers is undertaken on provision of evidence of expenditure. Volunteers need to sign a receipt for the cash they receive. This should detail the date, volunteer name, project (funding source), authorising manager.

Where cash is released to other staff members it should be signed out by the staff member receiving it. The cash (or receipts to account for it) should be returned to reception every week and the receipts and change returned to the finance office for accounting.

Nursery

Cash in the nursery is controlled in the main office as payments are received for childcare places, fees and staff locker deposits. Petty cash is also controlled by in the office by the Manager and Deputy Manager.

Each room can access petty cash which is stored in a locked cabinet in the main nursery office. All petty cash expenditure is logged on an expenditure sheet with receipts retained as evidence. Cash can be top up anytime in the month if needed. At the end of the month the remaining cash and receipts are brought to Finance by the Manager or Deputy Manager where they are counted, and the stock replenished.

A float of £30 is retained in the main office, which is kept locked in a secure cabinet overnight.

Receipt of fees should be paid in promptly on a daily basis or as soon as practical.

Only the following staff have a set of keys to access the fee income tin:

- Vadna Chauhan (Children & Family Services Manager)
- Laura Carey (Deputy Manager)
- Carrie-Louise Morton-Jones (Senior Administrator)
- Charmaine Nethercott (Finance Administrator)
- Steve Sayers (CEO)

Paying In Procedure:

All income must be paid in on a daily basis or as soon as practical. The following must be applied:

- The log sheet should be filled in with all the necessary details: Date, amount, type (cash, cheque, card), name of parent, name of child, account number, received by (staff member) and receipt number.
- All payments (cheques, vouchers and cash) in the tin should match with what has been logged.
- A scanned of the log sheet must be taken and the copy should be placed in the Daily Payment Log Sheet folder by the Administrators desk.
- The original log sheet should then be placed in an envelope with all the payments. This envelope must be secured and the envelope should state the date that it is a C&F Services payment and who is paying it in.

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- This should then be put into the drop deposit box immediately by the main Farm office and details of the deposit must be logged in the book on top of the box.

What to do if a payment takes place after the daily paying procedure has taken place:

- Take payment and issue the parent with a receipt.
- Put the payment in the numbered plastic container (you will find these in the Nursery office). In this container you will find an un-logged payment slip. Fill in the details on this slip and place the slip in the box with payment.
- Take this container to the drop deposit box immediately, log the details required in the book and drop the container into it.
- The next time the deposit box is emptied the payment will be returned, the un-logged payment slip and container back down to the Nursery and give it to an office staff member so that this payment can be recorded. This slip must not be binned; it must be attached to the main log sheet when paying in money for that day.
- The Nursery staff member that has received the container must ensure they put a new un-logged payment slip into the container ready for the next payment.

Events

Special arrangements for handling cash at events are put in place as and when needed and appropriate to the scale of event.

Safes

Safes are located in the following areas.

Stairwell – Deposit safe used to store daily takings from the café, reception and donations. One key is held by the Finance Assistant, one by the Chief Executive. A log book should be used to record all deposits into the safe.

Stairwell – Safe to store the reception and café float overnight. One key is kept in a key safe in reception, one key is held by the Chief Executive.

Stairwell – Safe to store the office petty cash tin and supply of change. One key is held by the Finance Assistant, one by the Chief Executive.

The terms of our insurance limit the value of cash to a maximum of £2,000 to be held in any one safe.

Banking

The deposit safe will be emptied, cash counted and prepared for banking on the same day. Under normal circumstances this will be done on a weekly basis. Two people will take the funds to be banked in a discreet manner. If a theft of the cash is attempted the primary objective of staff is to avoid personal harm (ie to hand over items if threatened).