### \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Cooperative, Inc.

**Petty Cash Policy and Procedure**

**Checking Account**

**The Petty Cash Fund** is established in the amount of $\_\_\_ to reimburse for minor expenses of $\_\_\_ or less that are either incurred or purchased for approved co-op business. **Petty cash is a sum of money set aside in a checking account for minor disbursements for which the issuance of a formal check by the management company would be impractical.**

Board members or committee members may request reimbursement from the Petty Cash Fund for items purchased or expenses incurred for official business of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Cooperative, Inc. Incidental expenses allowed through petty cash include but are not limited to: registered mail, postage, emergency supplies, and minor, one-time purchases to be handled on a cash basis.

The Petty Cash Fund may not be used for personal cash advances even if secured by check or other I.O.U. Likewise, petty cash cannot be used for unapproved co-op expenses.

**Policy for Petty Cash:**

* A committee member or board member is eligible to receive reimbursement for an approved co-op purchase or expense after furnishing an original, itemized, dated receipt to the **petty cash custodian**, who will fill out and sign a pre-numbered petty cash slip, including the member’s name, purchase item and purchase amount.
* In special circumstances only, when a receipt is not available, reimbursement from the petty cash funds for expenses incurred may be approved by the **Board of Directors** at their next regularly scheduled meeting.
* Cash advances are not allowed. However, mitigating circumstances may arise when the **Board of Directors** may choose to approve the release of petty cash for official co-op business before the expense has been incurred.
* The **petty cash custodian** will verify the information on the receipt against the requested petty cash slip to confirm receipt. After releasing the petty cash, the custodian will sign the pre-numbered petty cash slip and attach the receipt to the back of the slip.
* On at least a monthly basis, the **petty cash custodian** will reconcile the balance in the account to the bank statement, and verify the balance in the account plus attached receipts equal the authorized $\_\_\_ (*enter established amount from above*) petty cash amount. The board **Treasurer** will confirm the reconciliation. If the petty cash custodian and the board Treasurer are one in the same, **another board member** will confirm the reconciliation.
* After the reconciliation, the **petty cash custodian** will submit the gathered receipts, along with a total, to the **management company**. The **management company** will issue a check or a funds transfer for the amount needed to replenish the fund to its authorized amount. The replenishment will be made by check, made payable to “\_\_\_\_\_\_\_\_\_\_\_\_\_ Cooperative” and will be deposited into the petty cash account by the board **Treasurer**. Immediately after the replenishment, the **Treasurer and petty cash custodian** will both verifying that petty cash is at the approved amount. If the petty cash custodian and the board Treasurer are one in the same, **another board member** will confirm that petty cash (plus any outstanding receipts) equals the approved amount.
* The petty cash account will always be replenished at the end of the fiscal year to ensure that all expenditures will be reflected in the proper accounting period.
* The **petty cash custodian** shall ensure the petty cash is kept in a safe place, such as a lockable box in a secure area with limited access.

**Procedure for Receiving Petty Cash:**

* The committee member or board member makes an approved purchase and obtains a receipt from the vendor for services rendered or goods received.
* The **petty cash custodian** assigns a pre-numbered petty cash slip to the transaction. The slip must show date, recipient, item purchased, the purpose of the purchase, the amount, and the accounting account to be charged.
* The member will be reimbursed with a check upon completion of the slip. The original, legible, sales invoice or receipt must accompany the slip in order to request and receive reimbursement.

This Petty Cash Policy was approved and adopted by the Board of Directors on

(Month) (Day), 201\_. The foregoing is a true and accurate account, attested by,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Secretary.