**Petty Cash Standard Operating Procedure (SOP)**

**1. Purpose**

The purpose of this SOP is to establish guidelines and procedures for the proper use, management, and control of the petty cash fund. This will ensure accountability, transparency, and prevent misuse of funds.

**2. Scope**

This SOP applies to all employees who handle or utilize the petty cash fund.

**3. Responsibilities**

* **Employees:** Responsible for adhering to the guidelines for using petty cash and providing proper documentation for all transactions.
* **Finance Department:** Responsible for establishing the funds, replenishing it, and conducting periodic audits.

**4. Guidelines for Using Petty Cash**

* Petty cash should be used for minor, incidental expenses only.
* Examples of appropriate use:
  + Emergency office supplies
  + Buying fruit, wine, beer for paid orders
  + Small, unplanned business expenses
  + Pre-approved purchase of local flowers
* Examples of inappropriate use:
  + Salaries, wages or consignment payments
  + Personal expenses
  + Loans or advances to employees
  + Large purchases that should be processed through accounts payable
  + Unapproved local flowers purchase
* If an employee is unsure if a purchase should be made with petty cash funds, they should contact their District Manager for approval.

**5. Procedures**

**5.1 Establishing the Petty Cash Fund**

* The Finance Department determines the amount of the fund and transfers the funds to the stores.

**5.2 Use of Petty Cash**

* An employee using petty cash must complete a Petty Cash Expense Form by the first day of the following month and submit it to their District Manager for approval.
* The Petty Cash Expense Form can be found on the Retail Wiki website.
* The form should include:
  + Date of the transaction
  + Supplier
  + Total amount of the transaction
  + Purpose of the expenditure.
  + If the purchase is related to an order, the order number must be entered.
  + Location
  + Name of the requester
* Expenses missing order numbers or not pre-approved by the District Managers may be rejected.
* If approved, the District Manager will submit to the Store Support Manager and CC the Director of Retail for final review and approval by the third of each month.
* The Head of Retail will review and confirm with the Store Support Manager by the 5th of each month the submission of the Petty Cash reports to the finance department.
* Finance will make every effort to pay Petty Cash no later than the 15th of each month.

**5.3 Documentation**

* A receipt or other supporting documentation is required for all petty cash transactions, and it should be submitted along with the Petty Cash Expense Form.
* Acceptable documentation includes:
  + Original receipts from vendors
  + Invoices

**5.4 Replenishing the Petty Cash Fund**

* The Store Support Manager will request replenishment of the Petty Cash Fund monthly by submitting a summary report to the Finance Department along with all the Petty Cash forms for the previous month.
* The Finance Department reviews the documentation, verifies the accuracy of the records, and approves the replenishment.

**5.5 Petty Cash advances**

* If for extraordinary circumstances a store or individual requires a Petty cash advance, they should submit the request to the District Manager and CC the Store Support Manager a minimum of 48 business hours in advance. The request should include:
  + Reason for the request
  + Amount requested
  + If it’s related to an order, order number.
* The District Manager will review and if approved will confirm with the Store Support Manager and CC the Director of Retail.
* The Store Support Manager will submit the request to the Finance department.

**6. Policy Review**

* This SOP will be reviewed and updated periodically to ensure its effectiveness and compliance with company policies and relevant regulations.