

BOXWOOD GREEN HOMEOWNERS ASSOCIATION PETTY CASH FUND POLICY

Purpose of Policy. To develop internal controls to protect the Petty Cash Fund.

Background. Many expenses incurred by the Homeowners Association are minor in nature, such as postage, reproduction, and supply costs. In the past, these expenses were either paid by check to the vendor or to the Association official who incurred the cost. Given the number of instances when a check would be required, the Board of Directors believes it is more practical to establish a petty cash fund to pay these expenses.

Petty Cash Fund Policies. The Board of Directors has approved the following petty cash fund policies:

- a. The petty cash fund will be maintained by the Assistant Treasurer and will not exceed \$50.
- b. Payment from the petty cash fund will be made to or through Board and Committee members who incur costs within budget or with the approval of the Board.
- c. Receipts will be kept for all petty cash fund purchases and the total amount in the petty cash fund and the receipts will equal \$50.
- d. Replenishment of the petty cash fund will be made by check signed by an authorized check signer (other than the treasurer). This individual will verify the existence of the receipts.
- e. Accounting for petty cash will be made within Generally Accepted Accounting Procedures (GAAP) guidelines.
- f. The Attached Petty Cash Fund Schedule will be maintained by the Assistant Treasurer for all petty cash disbursements.
- g. The Petty Cash fund will be available for inspection by the auditors.

