Internal Audit Guidebook No.4

Corporate Floats

INTERNAL AUDIT GUIDEBOOKS

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1 Types of Corporate Floats

WHAT IS A CORPORATE FLOAT?

A ‘corporate float’ is a cash fund allocated to a service by Creative Support for a specified purpose. Various corporate floats may be kept at a site. The most commonly used type of corporate float is ‘petty cash’, but others may include food, household, activity, and ‘one-off’ requests.

FLOAT TYPE	FLOAT PURPOSE	WHO CAN HAVE THIS FLOAT?
Petty Cash	Petty Cash is a corporate float used for small or essential items for a service, when it is not possible or as efficient to requisition an item from the Purchasing department.	Any service or department which has a clear justifiable reason for the funds can have petty cash. For example, an outreach service may require it for emergency taxi costs.
Food Money	Food Money floats are used to provide services with money for service user meals.	A Food Money Float is only available to services where the provision of meals is part of the service and support arrangements. This generally includes residential care services. In this instance, service users make food budget contributions in their rent payments.
Activities Float	Activities floats are used to fund service user groups and activities.	An Activities float is only available to services where the provision of groups and activities is part of the service and support arrangements. This generally includes outreach and community services.

Services holding funds that are no longer needed should notify the Finance department so arrangements can be made for the money to be returned to Head Office or re-banked.

2 The Imprest System

WHAT IS AN IMPREST SYSTEM?

Petty Cash works via an 'imprest' system. This means you have a **fixed float** amount which is topped up each time you request more funds. You can only request a top-up for the same amount you have spent. For example, if you have a fixed float amount of £50.00 but you've only spent £20.00 of it, you can only request a top-up for £20.00.

Please note: food and activity floats do not typically function through the imprest system.

The imprest system works like a cycle.

Stage 1

A service is provided with a petty cash float. This has been authorised by both the service director and the CEO.

Stage 2

The petty cash float is spent by the service. The transactions are recorded in a Petty Cash money book. Receipts are obtained for every transaction and folios are completed.

Stage 3

The petty cash eventually runs low, so more is requested or requisitioned. The requisition is authorised by the service manager and CEO.
All the receipts are sent to the Finance department alongside the requisition form.

Stage 4

The request is processed by the Finance department, and the requested funds are sent to the service that needs it.

HOW DO I REQUEST PETTY CASH?

To request a petty cash top-up, you must complete a requisition and attach your receipts to evidence expenditure. See *page 3* for more information about how to complete a requisition.

HOW DO I RECEIVE PETTY CASH?

- Petty cash can be sent to a service via a cheque or be loaded onto an Equals card.
- If you have requested cash, you must come to Head Office to collect it in person.
- For those who have requested it onto an Equals card, the entire requested amount must be withdrawn into cash and then documented in a Petty Cash book.
- You must not use the Equals card for petty cash transactions.

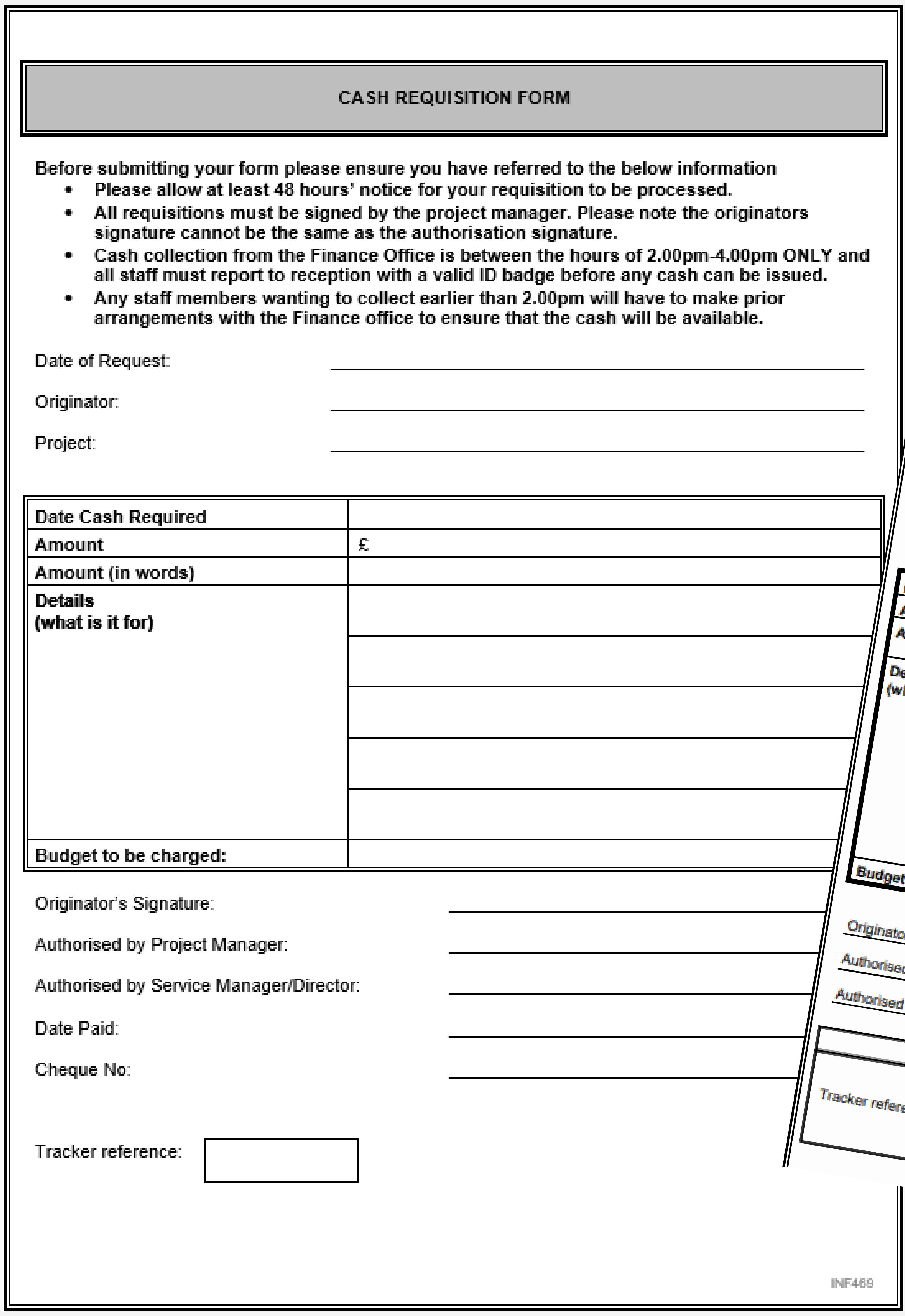
3 Completing Requisitions

WHAT IS A REQUISITION?

A requisition is a form which can be used to request something. In this case, you would use a requisition form to request more funds to **replenish a corporate float.**

Requisitions can be submitted for money as cash, cheque, or on an Equals card.
These forms can be downloaded from the **Documents page** of the Creative Support website, in the Staff Area.

There is a form for each way you need to request the funds:



CASH REQUISITION FORM

Before submitting your form please ensure you have referred to the below information

- Please allow at least 48 hours' notice for your requisition to be processed.
- All requisitions must be signed by the project manager. Please note the originators signature cannot be the same as the authorisation signature.
- Cash collection from the Finance Office is between the hours of 2.00pm-4.00pm ONLY and all staff must report to reception with a valid ID badge before any cash can be issued.
- Any staff members wanting to collect earlier than 2.00pm will have to make prior arrangements with the Finance office to ensure that the cash will be available.

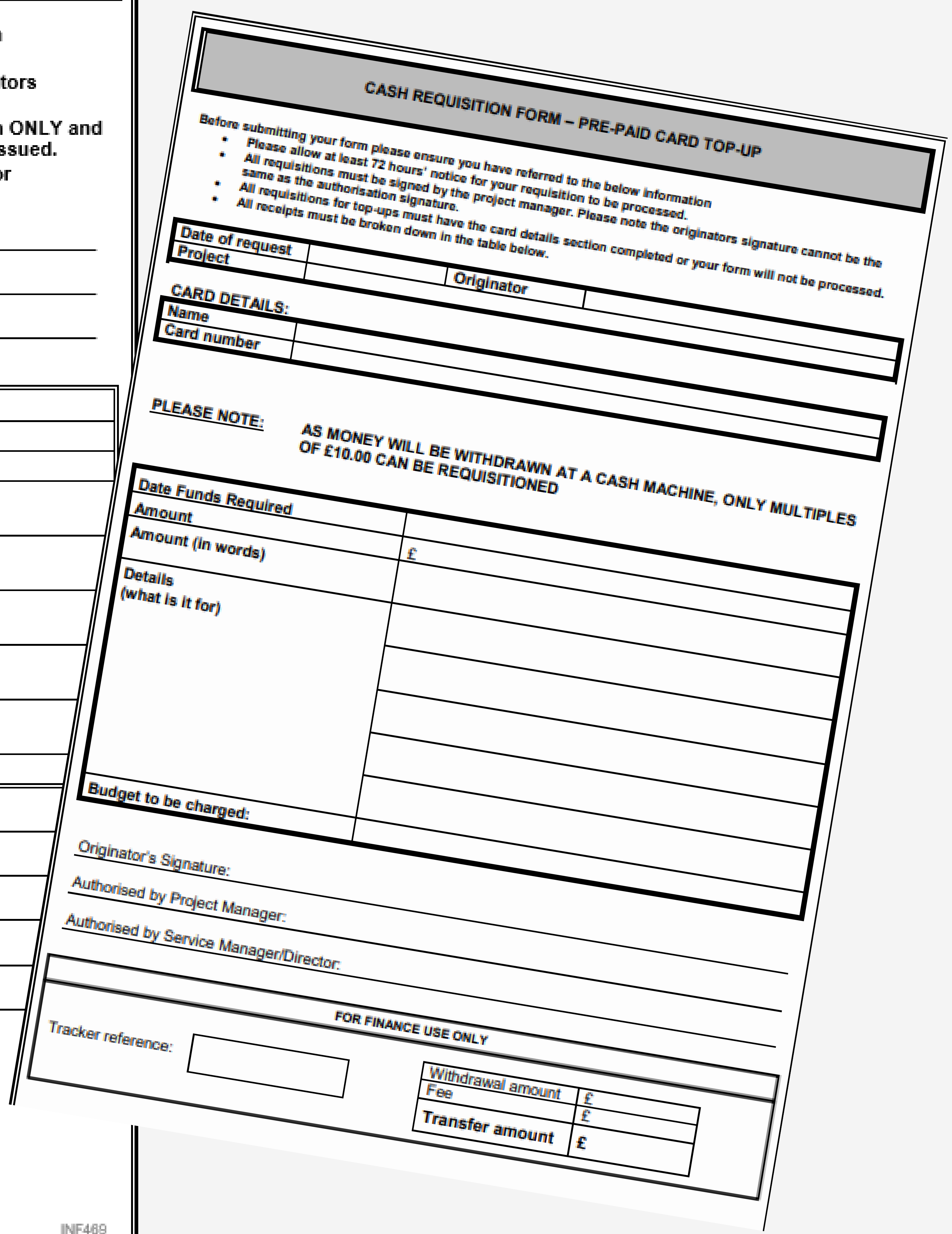
Date of Request: ______
Originator: ______
Project: ______

Date Cash Required	
Amount	£
Amount (in words)	
Details (what is it for)	
Budget to be charged:	

Originator's Signature: ______
Authorised by Project Manager: ______
Authorised by Service Manager/Director: ______
Date Paid: ______
Cheque No: ______

Tracker reference:

INF469



CASH REQUISITION FORM – PRE-PAID CARD TOP-UP

Before submitting your form please ensure you have referred to the below information

- Please allow at least 72 hours' notice for your requisition to be processed.
- All requisitions must be signed by the project manager. Please note the originators signature cannot be the same as the authorisation signature.
- All requisitions for top-ups must have the card details section completed or your form will not be processed.
- All receipts must be broken down in the table below.

Date of request			
Project		Originator	

CARD DETAILS:

Name	
Card number	

PLEASE NOTE: AS MONEY WILL BE WITHDRAWN AT A CASH MACHINE, ONLY MULTIPLES OF £10.00 CAN BE REQUISITIONED

Date Funds Required	
Amount	£
Amount (in words)	
Details (what is it for)	
Budget to be charged:	

Originator's Signature:
Authorised by Project Manager:
Authorised by Service Manager/Director:

FOR FINANCE USE ONLY

Tracker reference:

Withdrawal amount	£
Fee	£
Transfer amount	£

WHO CAN COMPLETE A REQUISITION FOR A CORPORATE FLOAT?

The senior support worker or higher can complete the requisition form.
The service manager must authorise the requisition by providing their signature on the form.
If this is the first request for a petty cash fund, it must also be authorised by the service director.

4 Completing Requisitions

Completing a Petty Cash Requisition

1. Add up the **total cost** of all your receipts since you last requested funds. E.g. if you last requested funds on 1st July, you would add up all the receipts since this date.
2. Conduct a **balance check** on the petty cash fund currently held in the safe.
3. **Add the two totals together** to check the float total is accurate:

   Total cost of amount spent on receipts **+** *total balance held in the safe* **=** *total petty cash float.*
4. You will be requesting back the same amount you spent on the receipts. Complete the form and write this total in the 'Amount' section.
5. You must **scan** all of the relevant **receipts** and submit them alongside your requisition.

If the total float amount is not correct, you may have a discrepancy. You might have a missing receipt, or there could be money missing from the fund.

Completing a Food Money Requisition

1. The **total food budget** through which service users contribute in their rent payments **should be requisitioned and** subsequently **spent each week.**
2. Food money is only to be requisitioned each week for the total number of service users currently residing at the site. **When a service user is away**, such as on holiday or in hospital, **no requisition for food money is to be made for that individual.**
3. To determine the amount to be requisitioned, you should use the following calculation:

   Number of service users on-site **x** *allocated amount per service user.*

   E.g., where 4 people are present and each allocated £30.00, £120.00 should be requisitioned that week.

Completing an Activity Requisition

1. Activity funds are generally granted in line with the service level agreement and at the discretion of the service director.
2. Requests should detail how much is required and what it is required for.

Tips

- **Copies of requisitions should be held on file at the service**, as these may be requested by auditors.
- Original receipts should be retained and archived.

5 Acceptable Purchases

WHAT CAN I USE CORPORATE FLOATS FOR?

Corporate cash floats should only be used for their intended purposes. For example, petty cash should only be used when the items required are urgent and the items are required on the same day.
If you require goods which do not align with the purpose of your petty cash float, they should be requisitioned via the Purchasing department.

PETTY CASH

APPROPRIATE

- Stationary for the service office
- Light bulbs
- Refreshments for visitors at the service e.g. tea, coffee
- Taxi journeys for emergency visits to hospital or for service users out-of-hours
- Emergency travel for staff

INAPPROPRIATE

- An air conditioning unit for the service office
- Alcohol
- A meal out for the staff and local authority social worker
- Taxi journey to complete the weekly household shop
- Staff travel to and from work

Petty cash is to be used for the benefit of the service as a whole, instead of individual service users. If the petty cash fund has been used inappropriately, the employee(s) involved may be asked to **reimburse** these transactions.

FOOD FLOATS

APPROPRIATE

- Food purchases for service users where the provision of food is offered as per the service level or support arrangement.

INAPPROPRIATE

- Food for service users who do not contribute to the budget in their rent breakdown
- Food for staff or visitors
- Staff refreshments

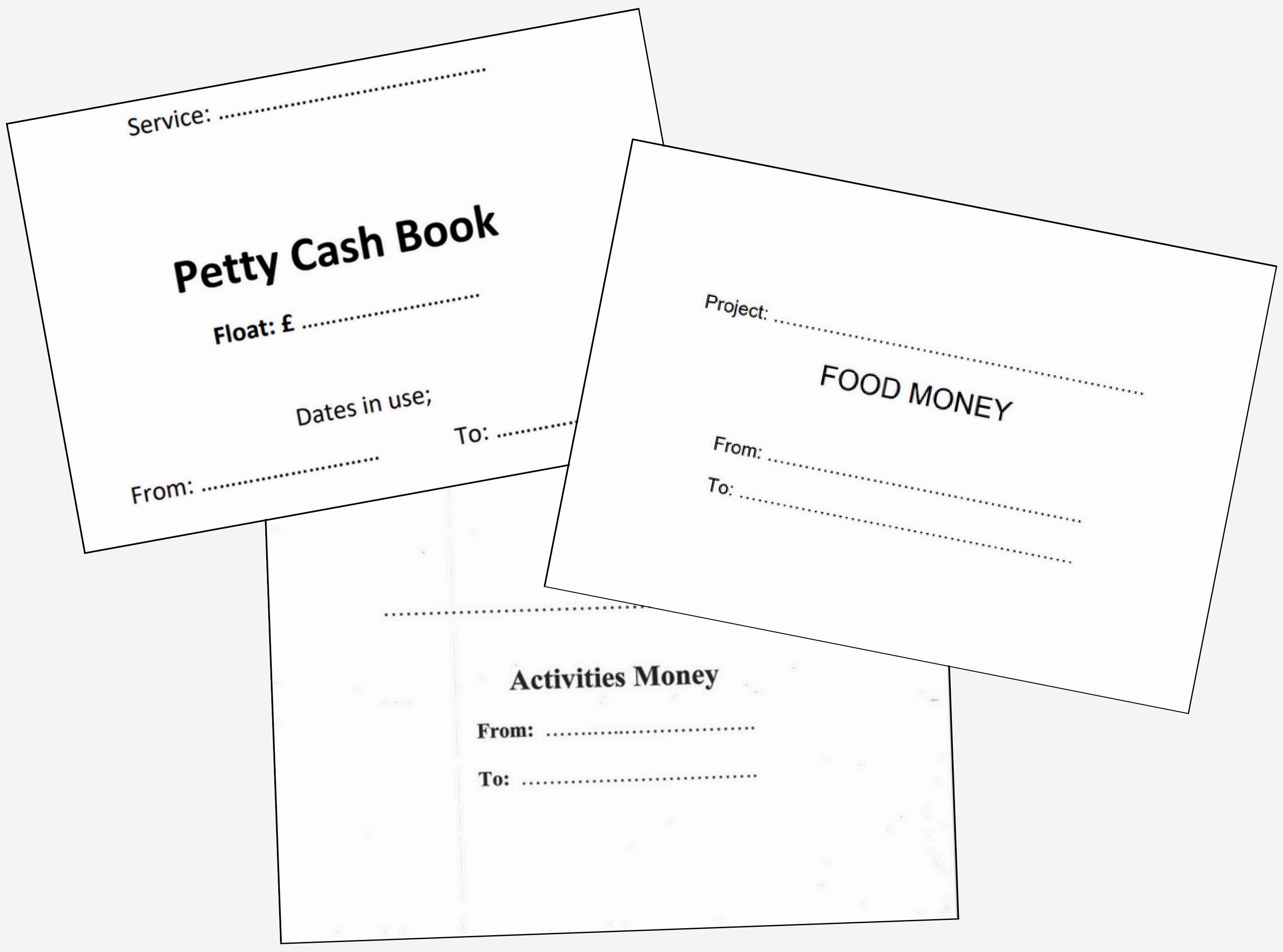
Staff should ensure that service users are appropriately supported to choose how their food money is spent within their budget in accordance with this arrangement, where they have the capacity to do so. Staff should seek to spend the full food budget each week. Where less than the total allocated amount for food has been spent one week, the surplus should be spent as soon as possible thereafter.

ACTIVITY FLOATS

Activity funds are generally granted in line with the service level agreement and at the discretion of the service director. Please refer to these agreements when determining if a float is being used appropriately.

6 Recording Transactions

WHICH BOOK SHOULD I USE?



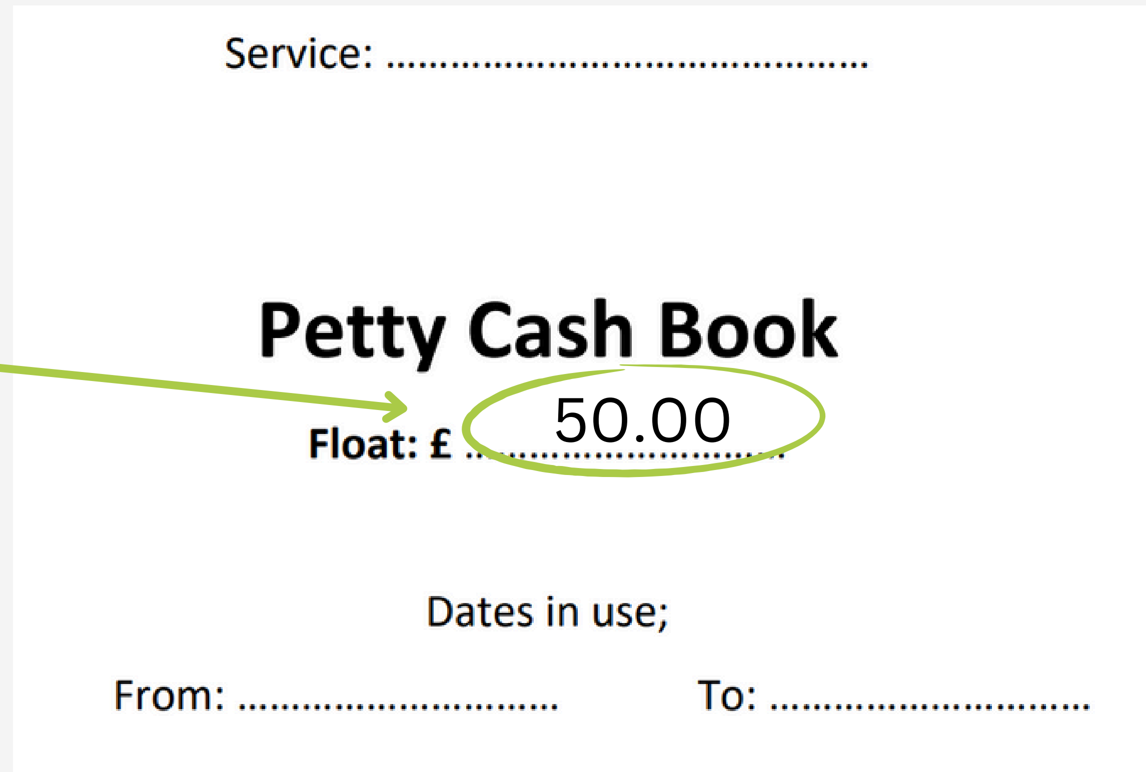
There are dedicated books for different corporate floats to ensure that transactions are recorded clearly.

The Food and Activity Money books are identical to Personal or Household money books. You should document transactions following the same procedures as these other funds, including the completion of folios and retention of receipts.

Petty Cash books are slightly different, as described below.

HOW IS THE PETTY CASH MONEY BOOK DIFFERENT FROM OTHER CASH BOOKS?

1. The front page of the Petty Cash Book prompts you to record the float amount. Your Petty Cash fund should also return to the original float amount when you receive your top-up following the imprest system. If you are unsure about your float amount, contact the Finance Department or your service director.


Service: ……………………………………

Petty Cash Book

Float: £ 50.00

Dates in use;

From: ……………………… To: ………………………

2. The Petty Cash book has cost centre columns, which are used to break down exactly what type of items have been purchased.
This makes it easier for you to complete the requisition when you need more funds.

Date	V. No	Transaction details	Money in	Money out	Balance	Stationery	Cleaning	Postage	Travel	Other (specify)	Signature 1	Signature 2
		Balance carried over from previous sheet			£							
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
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			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
			£	£	£	£	£	£	£	£		
		Totals check for the page	£	£	£						Page Checked by:	
		Balance carried forward			£							
COMMENTS												

You must follow standard recording practices, including completing a folio and keeping receipts for every transaction made using petty cash!

For further guidance on recording checks, please refer to Guide 1: Recording, Evidencing and Checking Cash Transactions.

7 Conducting Checks

DO I NEED TO BALANCE CHECK CORPORATE FUNDS?

Yes! Even if you do not use the corporate fund as frequently as other funds, you still need to conduct **daily balance checks**.

Daily balance checks are one of the best ways to identify and resolve discrepancies as soon as possible.

You must physically count the money each time you conduct a balance check.

Do not copy what was previously recorded in the balance column!

It is best practice to complete a **balance check with another member of staff**, who also counts the fund and verifies the check. If this is not possible at your service, you may conduct the check on your own and record 'lone worker' or 'L.W.' in the second signature column.

WHAT ABOUT PAGE TOTAL CHECKS?

Yes! You must complete the page total check at the **end of each page** in the petty cash book.
Page total checks are crucial. They help identify any errors before they are carried forward onto the next page in the book.

The **same person who completed the final row** on the page must complete the page total checks.
This guarantees there is no opportunity for cash to be removed from the safe before the checks are conducted.

1/7/24			Balance check	£	£	£ 20.00	£	£	£	£	£		
			Totals check for the page	£ 0.00	£ 40.00	£ 20.00						Page Checked by:	
			Balance carried forward			£ 20.00							
COMMENTS													

The service manager must check the receipts for all petty cash transactions when conducting their monthly manager checks.
They must check the following:

- Whether the items purchased are acceptable
- Whether the amount spent is accurate when compared to the Petty Cash book
- Where a receipt is not present, there is a clear justifiable reason, e.g. the shop ran out of receipt paper.

For further guidance on recording checks, please refer to
Guide 1: Recording, Evidencing and Checking Cash Transactions.

Signature List

Sign to confirm that you have read and understood the guide to ***Corporate Floats*** and that you have raised and resolved any queries with the service manager or the Internal Audit team.

Print Name in Capitals	Job Role or Description	Signature