PETTY CASH POLICY AND CLIENT PAYMENT PROCEDURES FOR CHEQUE, CASH AND BANK DEPOSITS

PETTY CASH PROCEDURE POLICY

Statement

This Policy establishes the proper use and administration of petty cash funds. These funds should be used only when cash is the most cost-efficient payment method. Petty cash funds provide cash to units and departments to cover minor expenses, such as reimbursement of staff members for small expenses such as taxi fares, postage, and office supplies. These single reimbursements should not exceed five hundred dollars ($500.00). Any value beyond this should be paid via a cheque or ACH.

The Policy requires that the petty cash fund have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds. The Executive Assistant is designated as the primary Petty Cash Custodian. In his/her absence, other trained staff will act as the Petty Cash Custodian.

Each operating company will have its own Petty Cash Book in which its expenditures will be recorded.

Procedures

1. **Understand appropriate uses of Petty Cash.**

Petty cash funds <u>should not</u> be used as an operating fund:-

(a) to pay invoices for goods or services (**in emergency cases**, however, petty cash can be used, but the amount to be paid **must not exceed $500.00**)

(b) to pay salaries or wages

(c) to make advances or loans

2. **Designate a Petty Cash Fund Custodian.**

(i) The Petty Cash Custodian is the designated function of the Executive Assistant as appointed by the Accountant. The Petty Cash Fund Custodian is responsible for the petty cash fund and the requirements thereof.

(ii) In the absence of the Executive Assistant, a person will be designated with the role thereof by one of the Directors.

3. Establish the Petty Cash Account.

(i) Petty Cash Fund is established on the Imprest System with an **Approved Float of $5,000.00.** Requests for petty cash funds are made to the Petty Cash Custodian, who verifies that the request for funds satisfies the guidelines for using petty cash funds.

(ii) Departments should evaluate their business needs and limit the petty cash fund to the amount that will meet those needs. Generally, petty cash funds used for minor expenses should not exceed $500.00

4. Safeguard the cash.

(i) Keep Petty Cash funds in a secure area such as a locked drawer or small cash pan/safe.

(ii) Petty cash funds should not be commingled with other funds. **Do not mix it with client receipts.**

(iii) In the event of theft, the Custodian should notify the Accountant and the Director(s).

(iv) Unannounced cash counts and reconciliation of petty cash funds will be performed by the Accountant or any other designated person periodically.

5. Document expenditures.

(i) The Custodian is responsible for maintaining the following:

a. Petty Cash Log, which will be in the form of an excel spreadsheet.

b. Receipts for each transaction.

Reimbursements from petty cash must be properly authorised and properly documented. In the physical absence of any of those authorized to sign, an email must be sent and a signature obtained once they return to the office.

1. A Petty Cash Voucher (PCV) should be used for each disbursement. Each company has its own books, and cross-company books/expenditures should never occur.

2. **The Voucher must be signed by the requestor and approved by the Financial and Legal Officer or one of the Directors.**

3. The Voucher should show the nature of the expenditure.

4. The Voucher should be supported by original official receipts, which should detail the items purchased, the cost of those items, and the total.

5. Each receipt must be signed by the person spending the cash.

6. The Voucher must be signed by the requestor and approved by the Operations Manager in absence of one of the Directors or the Financial and Legal Officer

(ii) Advances to employees and cashing of personal cheques through petty cash funds **are not allowed**.

(iii) Petty Cash funds may not be utilised to pay for services to employees or independent contractors.

6. Replenishment of the funds.

(i) The Petty Cash Custodian is responsible for replenishment when a petty cash fund runs low. In general, reimbursement should be prepared once 60-70% of the Petty Cash float is expended, i.e. $3,000 -3,500.00

(ii) When petty cash funds are to be replenished, the total of the receipt report cannot exceed the total dollar value of the fund.

(iii) Each operating entity must reimburse the Petty Cash Float based on what was expended.

7. Reconcile the log to the amount in the cash box weekly.

8. **Evaluate the need for a petty cash account annually.** At least once per year, each petty cash fund will be reviewed by the Custodian and the Accountant to determine whether the petty cash fund is sufficient to meet the company's business needs or if alternative disbursement methods could suffice.

9. **The Petty Cash fund should be closed when the Custodian leaves the office and reopened when back in the office.** Transfer of funds to a successor/replacement is not authorised.

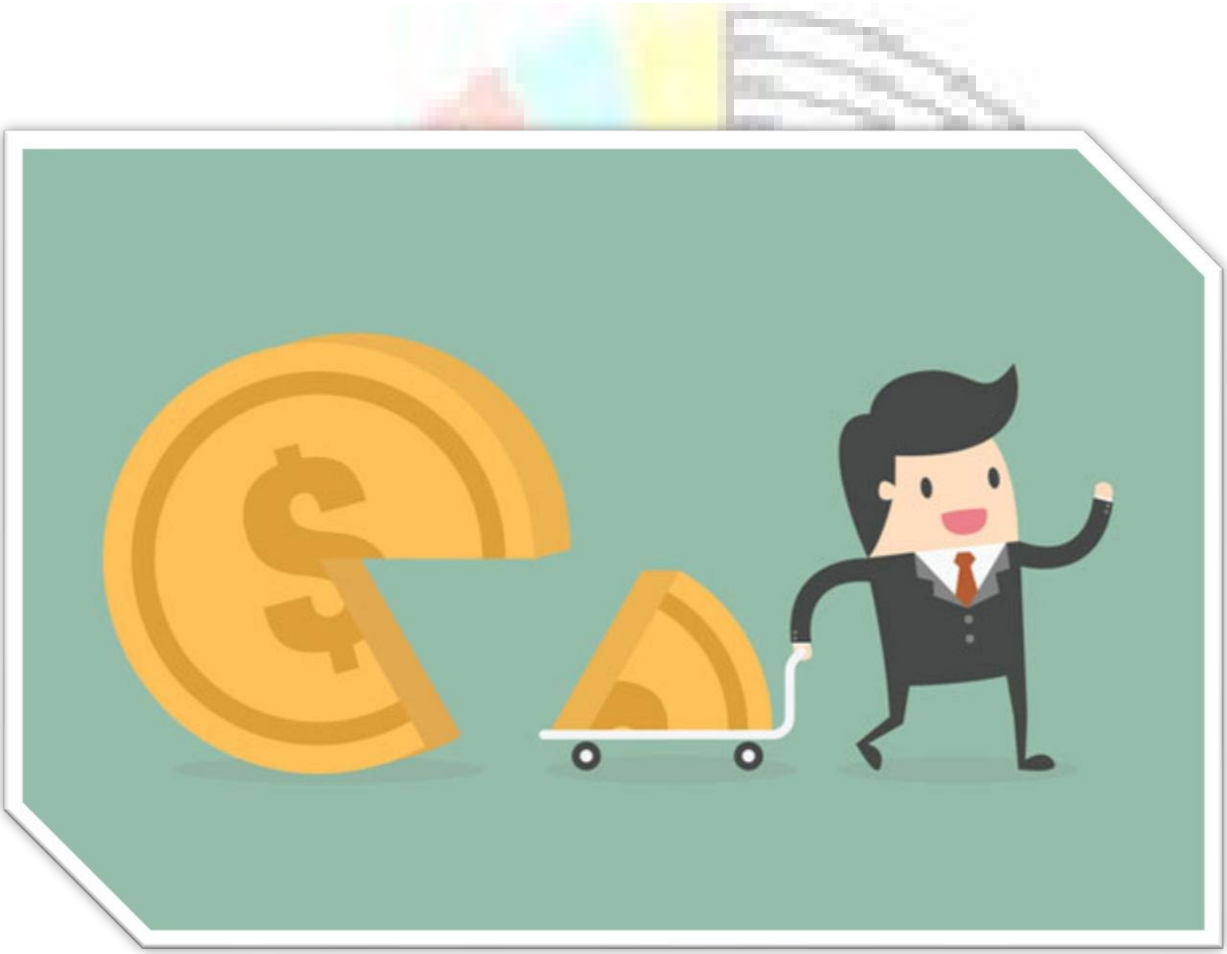
Responsibilities and Contacts

Petty Cash Custodian is responsible for disbursing cash from a petty cash account, documenting expenditures and keeping receipts, replenishing the account when it runs low and safeguarding the cash.

Operations Manager ensure that all units abide by this Policy and the accompanying procedures. She/he is also responsible for reviewing and authorising the requests for reimbursements, the quarterly reconciliations, and the annual petty cash review

Managing Director / Director is responsible for approving petty cash reimbursements and signing reimbursement cheques once authorised by the Accountant.

The Financial and Legal Officer is responsible for preparing and submitting the daily petty cash report by the close of each business day. In the absence of the Financial and Legal Officer, the delegated Case Progression Officer is responsible for this action.



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CLIENT PAYMENT PROCEDURES FOR CHEQUE, CASH AND BANK DEPOSITS

Kindly note the following procedures:

- **Linx payments:**
  - Scan the Linx receipt and place the receipt in the relevant month of the deposit folder in SharePoint. (E.g. "July 2025" folder located in "2025 deposits" folder)
  - Link the receipt on the customer's row of the "Quantum Cash Cheque Receipts & Bank Deposits" accordingly
  - Pass the receipt to responsible Case Progression Officer to file physically.
  - Notify the Financial and Legal Officer of any Linx transactions **at the end of the day so that the machine can be settled.**
  - The responsible Case Progression Officer is required to settle the linx machine at the end of each business day and pass the settlement slip to the Financial and Legal Officer.
  - The Financial and Legal Officer is responsible for scanning and sending the settlement slip to the Account Assistant.

- **Direct deposits/Bank Transactions:**
  - Kindly advise clients that if the client choose to make payments via online banking or direct deposit, it is required that the client provide a screenshot or other proof of the transaction for our records and verification.
  - When submitting proof of payment, they are required to ensure the following information is clearly stated:
    - Their full name;
    - The matter to which the payment relates;
    - The specific bill to which the payment is to be applied; and
    - If the payment is being made by a representative on a client's behalf, the representative's full name and the name of the client for whom the payment is being made.

    This information is necessary to ensure accurate allocation of funds to the appropriate matter.
  - Once the client sends the proof of payment, email a copy of the receipt to the Accountant for her to confirm receipt of the funds in the bank account.

- The Accountant will send an email confirming receipt of the funds once it is received.
- When the above is done, please forward the relevant invoices to the Accountant.

- **Cash payments:**
  - Once the client pays and the cash is verified, before putting the cash in the box, please pass it to the Financial and Legal Officer to double-check.

You are required to document all cash, cheque and bank deposit transactions in the ***Quantum Legal Cash, Cheque Receipts and Bank Deposits*** Excel spreadsheet and to the client's invoice on Clio.

Kindly ensure that confirmation is received from the Accountant that the funds have been credited to the firm's account before recording any bank transactions.

The Financial and Legal Officer is responsible for preparing and submitting the Quantum Excel Daily Report by the close of each business day. In the absence of the Financial and Legal Officer, the Operations Manager is responsible for this action.

Acknowledgment

All employees are required to acknowledge receipt of this policy and will be briefed during onboarding and at regular intervals thereafter.

DATE: ____

NAME OF EMPLOYEE: ________________________________

SIGNATURE: ____

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