

Kids Central, Inc. System of Care Policy & Procedure

Series: Finance, Accounting and Contracts

Policy Name: Emergency Cash

Policy Number: 935

Origination Date: 08/23/06

Revision Date:

Authority:

Policy:

In order to ensure that necessary purchases may be made when emergency conditions such as hurricanes make purchases by check or credit card impossible, Kids Central, Inc. will ensure that there is sufficient cash on hand to ensure that operations may continue and necessary payments for goods and services may be made.

Procedure:

1. If the organization becomes aware of any circumstances that would disrupt its ability to purchase goods or service by check or credit card, up to \$5,000.00 in cash will be withdrawn from the operating bank account and held within the locked safe in the finance department. Such circumstances may include, but not be limited to, hurricanes and other major storms, other natural disasters, and prolonged power outages. The cash will be used for emergency purchases until normal methods of payment are restored.
2. The Chief Executive Officer will initiate the emergency cash setup by submitting written instructions to the Chief Financial Officer to make the emergency cash withdrawal from the operating account. The instructions will include the amount of cash that is to be withdrawn, the conditions that make the withdraw necessary and the organization staff that will have authority to approve purchases with the emergency cash.
3. The Chief Financial Officer and another finance department staff member will go together to withdraw the cash from the bank. Both employees will count the cash as it is received from the bank. They will return directly to the finance department from the bank and place the cash in the finance department safe with a receipt for the cash signed by both employees.
4. The safe will only be unlocked and opened to remove cash for approved emergency purchases. Employees making emergency purchases must obtain receipts for the purchases and return them and any unused cash to the finance department. The receipts and unused cash will be returned to the safe. At the start and end of each business day that the cash remains in the safe, the balance of remaining cash and receipts for approved expenditures must be physically verified by the Chief Financial Officer or the Accounting Director. Any

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discrepancies from the beginning balance must be reported to the Chief Executive Officer immediately.

5. The Chief Executive Officer will assess daily if the emergency cash balance is still necessary. As soon as conditions allow for normal methods of purchasing, the Chief Executive Officer will instruct the Chief Financial Officer to return the remaining emergency cash balance to the operating account. The Chief Financial Officer and another member of the finance department staff will travel together to the bank to deposit the remaining cash in the operating account. The emergency cash balance will then remain at zero until a new withdraw request is issued by the Chief Executive Officer.
6. The bank withdraw and deposit receipts and the receipts for approved emergency purchases will be used to support a journal entry to record these transaction in the organization's accounting system.

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date