



Molemole Municipality

PETTY CASH POLICY 2021-2022

DOCUMENT REF:	Petty Cash Policy
VERSION NO:	001
PREPARER:	NKALANGA AS
DATE COMPILED:	March 2021
REVIEWED BY:	ZULU K
DATE RECEIVED:	March 2021
APPROVED BY:	COUNCIL
DATE APPROVED:	28 May 2021
EFFECTIVE DATE:	01 July 2021

The Accountant Expenditure will be responsible for the security and leave arrangements in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the petty cash will be kept in a locked box which will be kept in a cabinet.

5. PROHIBITED PRACTICES AND EXPENSES

- a) Petty cash shall not pay for instalment invoices as for rental of Equipment.
- b) Petty cash shall not be used to offer credit to a vendor /supplier where the Vendor is registered with the Municipality's database.
- c) It is forbidden to pay out Cellular Claims through Petty cash.
- d) It shall also be forbidden to purchase an asset through Petty cash.
- e) Petty cash advances shall be readily available for Auditors/ checkers without any postponement or deviation.
- f) It shall be deemed an offence to use the petty cash for Private matters despite even the good intentions to repay at the appropriate time.
- g) Deviation from the accepted accounting practices in the use of Petty cash shall constitute a serious offence under the Disciplinary code.
- h) Petty cash or advances shall be for immediate withdrawal from the individual's salary if not accounted for within the stipulated period.
- i) Purchases are not split over two or more cash purchase claims.

6. APPROVED LIST OF PETTYCASH PURCHASES SHALL INCLUDE BUT NOT LIMITED TO THE FOLLOWING:

- a) Condolences, well wish cards, bouquets and flowers; small maintenance items, eg. Keys for offices and other consumables.
- b) Tollgate fees when an employee is driving with an official vehicle registered in the name of the Municipality.
- c) Tollgate fees when an official is driving in a private vehicle for official trips.
- d) Parking fees.
- e) Refunds for transactions undertaken upon prior approval by Senior Managers;
- f) Unforeseen refreshments for official meetings.

7. REQUEST FOR PETTY CASH.

Request for petty cash must be signed by the requester (Official) in the user department, authorised by the senior manager or delegated official in the allocated space, in the petty cash requisition book and release of cash signed by the Accountant Expenditure. The recipient must sign the Petty cash voucher book as proof of receipt of money and to verify that the given amount is correct.

11. SHORTAGES/LOSSES.

The petty cash custodian will be held accountable for losses and shortages unless prescribed procedures were followed and properly secured.

NB: Failure to adhere to the above after investigation will lead to the Petty cash official having to reimburse the losses and shortages.

12. TRANSFERRAL OF FUNCTIONS.

The petty cash official must perform reconciliation before possession of Petty cash can be handed over to another official.

In case where the petty cash official is on leave, the responsibility of safeguarding , as well as procedures set out by this policy, may be transferred to the next level official.

13. REVIEW.

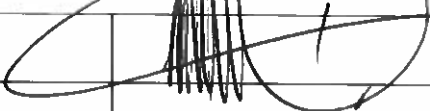
The policy will be reviewed annually to be in line with the Municipal practices and legislation.

14. MONITORING.

Surprise Petty cash counts shall be conducted on a regular basis by the Manager Expenditure and/or the Accountant Expenditure. The manager expenditure has been conferred with authority, in terms of this policy, to monitor its implementation. He/She may from time to time request for information relating to the management of the petty cash and may perform such procedures as he/she deems necessary. No information relating to access to the petty cash records may be unreasonably withheld by the custodians of the petty cash.

Short title:

The policy shall be called Molemole Petty Cash Policy.

Signature:	
Initials & Surname:	PAYA ME
Designation:	MAYOR
Council Resolution number:	OC / S. 1.5 / 28 / 05. 2021
Council Date:	28 May 2021