

# **MKHAMBATHINI MUNICIPALITY**

(“the Municipality”)

## **PETTY CASH POLICY**

## **1. Definitions**

The following words and phrases shall, when used in this policy, have the following meanings:

1.1 “Cashier” shall mean the person appointed as cashier under section 4 below;

1.2 “CFO” shall mean the Chief Financial Officer of the Municipality;

## **2. Object of Policy**

The object of this policy is to regulate the management, administration and control of petty cash in the municipality.

## **3. Scope of Policy**

This policy applies to all councilors and staff of the municipality.

## **4. Cashier for Petty Cash**

4.1 The CFO shall appoint a member of the Finance Department of the Municipality as cashier for petty cash.

4.2 The cashier shall be responsible for:

4.2.1 the safekeeping of petty cash in accordance with section 5;

4.2.2 the receiving and processing of requisitions for petty cash;

4.2.3 the disbursing of petty cash;

4.2.4 the replenishing of petty cash;

4.2.5 the maintaining of a petty cash register.

## **5. Safekeeping of Petty Cash**

5.1 Petty cash shall at all times be kept in a suitable petty cash box under the control of the cashier.

5.2 The petty cash box shall at all times be kept locked, and the keys thereof shall be safely kept by the cashier.

5.3 The petty cash box shall at all times be kept either:

5.3.1 at the work station of the cashier, under the constant scrutiny of the cashier, when he or she is at the work station;

5.3.2 at all other times in the municipality's safe.

5.4 No person other than the cashier, or a person designated by the CFO may have access to or open the petty cash box.

## **6. Requisitions for Petty Cash**

6.1 If a section within a department requires petty cash, a petty cash requisition in a form must be completed CFO. Such form must state the name of the relevant section, the amount requisitioned, the purpose for which it requisitioned, and the vote to be debited. Amount greater than R200 (Two hundred rands must be approved by the CFO).

6.2 Such form must be supported by an **official** invoice which states the name of the firm issuing it, the date, and the nature of the goods or services provided.

6.3 The requisition form and supporting invoice must be submitted to the cashier who shall check same to ensure that all the details are in order, and who shall thereafter pay over the amount requisitioned to the person submitting it. The recipient shall sign an acknowledgement of receipt for the cash, which acknowledgement shall be co-signed by the cashier.

6.4 The cashier shall enter the details of each petty cash requisition in the register referred to in 4.2.5.

6.5 The maximum amount which may be requisitioned as petty cash for any transaction shall be R 500-00 (Five hundred Rand).

## **7. Replenishing of Petty Cash**

7.1 When the petty cash float reaches the minimum amount as determined from time to time by the CFO, the cashier shall prepare a replenishment voucher and submit same with the petty cash register to the CFO.

7.2 If the CFO is satisfied with the voucher, the voucher shall be referred to the designated official who shall make out a cheque to the cashier who shall in turn cash it and immediately place the cash in the petty cash box.

7.3 The cashier shall balance the petty cash at every replenishment

## **8. Petty Cash Audits**

8.1 The internal auditor or accountant or other designated official shall make surprise inspections of petty cash as and when he deems fit, but at least quarterly.

8.2 A count of petty cash on hand shall be carried out at every replenishment and financial year end. The total shall be reconciled to the petty cash requisition forms, vouchers and other supporting documents.

8.2 If this should be necessary ,a proper balancing of petty cash shall be performed by a person designated by the CFO.

## **9. Petty cash transfers**

Petty cash shall not be transferred for whatever reason from the cashier to any one else, other than in accordance with this policy.

## **10. General**

10.1 No IOU's(I OWE YOU) shall be paid out from petty cash.

10.2 The municipality's Supply Chain Policy and any regulations relating the Supply Chain Management must be observed and adhered to at all times in the application of this policy.

## **11. Commencement**

This policy shall come into force on 01 July 2012

