



PETTY CASH POLICY OF SEKHUKHUNE DISTRICT MUNICIPALITY

1. PURPOSE

This policy defines the policies and procedures to be followed when starting, administering and ending the use of petty cash funds for small incidental cash purchases by employees for an amount up to R500.00 per transaction.

The purpose of this policy is to create a petty cash fund for the municipality when appropriate to improve operations based on providing availability to cash for small purchases of goods and services where it is not practical or efficient to make the purchase through the normal supply chain processes. All employees must adhere, implement and observe provisions and requirements of this policy.

2. PETTY CASH FLOAT

Petty Cash float for Sekhukhune District must be R5000 and all other depot must also be R5000.00

3. SECURING THE PETTY CASH ACCOUNT

The manager expenditure and depot managers are in charge of ensuring the security of petty cash money held by their respective department. All cash and vouchers for expenditures must be held in locked cash safe box with access limited by a key held by the manager or delegated person. The manager expenditure / depot manager in charge is responsible for the petty cash thus access to the funds must be always held in the safe box.

The petty cash fund will be reconciled on a monthly basis and audited occasionally by someone other than the custodian. At any given time, the total of cash on hand plus reimbursed vouchers with receipts must equal the original cash account. The petty cash must always be maintained separately from other cash drawers, any other revenue and personal money.

4. ISSUING OF PETTY CASH

1. Petty cash shall be issued by Budget and Treasury Office as and when required by departments.
2. Petty cash requests must be properly authorised and have the correct line item description.

5. PETTY CASH PURCHASES AND VOUCHERS

An employee making a purchase with petty cash must follow this process



1. Obtain approval from department manager.
2. Complete a petty cash voucher
3. Obtain petty cash funds for the equivalent amount of the petty cash voucher
4. Make the purchase and obtain a receipt
5. Provide a receipt to Budget and Treasury Office.

If an employee does not obtain petty cash funds prior to the purchase, the employee should complete request for payment, submit receipts and receive reimbursement as soon as possible after purchase is made.

6. REIMBURSING PETTY CASH ACCOUNT

Reimbursement of the petty cash float must be completed at least once per month and when the cash float is R1000.00 during the same month it must be topped up. Additionally the petty cash fund must be reimbursed at year end. All reimbursement requests must be made by expenditure section.

No petty cash float will be reimbursed if there is shortage of cash or receipts.

7. TRANSFERRING CUSTODIANS

When responsibility of the petty cash fund is transferred to another person; the original custodian must replenish the fund to its original cash balance by requesting reimbursement for all vouchers and receipts.

LIST OF ITEMS TO BUY WITH PETTY CASH

- Minor maintenance equipment
- Stationery