

GREAT KEI MUNICIPALITY
PETTY CASH POLICY AND PROCEDURES

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PETTY CASH POLICY

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1. Title

PETTY CASH POLICY AND PROCEDURES

2. Main Purpose

This policy is meant to cater for the payment of low value supplies and services that are incurred on a daily basis by the municipality. It also includes acquisition of items as may be required by the municipality.

3. Scope of Usage

This policy shall be applicable to the Great Kei Municipality.

4. Petty Cash Limits

Petty cash imprest limits are set as follows: -

- R 2 000.00.

Petty cash replenishments will only be done after having fully exhausted the allowable limit. It is imperative on custodians of petty cash to ensure that petty cash usage is monitored properly. Acquisitions by the users must be authorized by the Head of Department of the assistant Manager of the department.

5. Petty Cash Usage

Petty cash will be utilized to acquire low value supplies and services with a value not exceeding R 350 (Three hundred and Fifty Rands) only. Purchases of items may not be split in order to fall within the determined threshold of R350.

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6. Custodians of Petty Cash

For the municipality, the petty cash custodian will be the Expenditure Accountant.

The initial cheque written to establish and replenish the fund will be written and made payable to the petty cash custodians.

The custodian of the petty cash must ensure that on a daily basis petty cash is kept in a municipality's lock up safe and is properly balanced.

7. Change in Custody of the Fund

When custody of a petty cash fund is transferred to another custodian, the petty cash must be reconciled prior to it being handed over to the new custodian.

The Senior Accountant must always ensure that the new custodian is aware of his/her responsibilities relating to the custody of the fund.

8. Disbursement of Petty Cash

- A petty cash claim form must be approved by HOD and submitted to the petty cash custodian.
- Petty cash claim form must be fully completed and indicate the vote number.
- Having authorized the claim form, a cash disbursement is made by the custodian and the requesting staff member signs for having received the amount requested.
- Cash slips must be returned to the petty cash custodian for reconciliation and filing purposes.
- Where cash slips are not returned by the end user Department till end of the month, such amounts will be

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automatically deducted from the respective employee's salary.

9. Monitoring

Surprise petty cash counts must be conducted on a regular basis by the Senior Accountant. The Senior Accountant has been conferred with authority, in terms of this policy, to monitor its implementation thereof. 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 float.

10. Petty Cash Replenishment

- The petty cash custodian must hand in to the Senior Accountant all petty cash payment vouchers and the petty cash summary for verification and review;
- The Senior Accountant must check the petty cash against vouchers and for arithmetic accuracy;
- A petty cash replenishment voucher in the name of the custodian must then be prepared and authorized by the Senior Accountant;
- The voucher amount must be the difference between the petty cash float; and; the balance of the maximum allowable monthly petty cash amount (as per paragraph 4 above).

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Signature of the Municipal Manager

Signature of the Mayor.....

Date of adoption.....

Last date of review.....

APPROVED