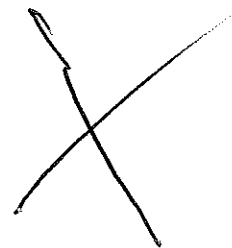


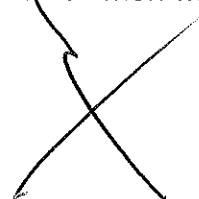


**LEPELLE –NKUMPI REVIEWED  
PETTY CASH PROCEDURE MANUAL  
FOR 2017/18 FINANCIAL YEAR**




## OBJECTIVE

- To give effect to the Supply Chain Management policy.
  - To fund incidental purchases of low value goods and services to the value of R2000.00 without following procurement processes.
1. The balance of the petty cash on hand is limited to R 18000.00 per month. It shall be replenished once a month, by the 10<sup>th</sup> of every month.
  2. In an event whereby the monthly petty cash allowance is exhausted, a purchase requisition shall be submitted to Supply Chain Management unit for normal procurement processes.
  3. Petty cash may not be used for payroll payments, inventory, capital goods, entertainment expenses, travel and other personal obligations.
  4. Petty cash requisition form must be completed signed by the requesting employee and approved by the head of department or delegated official. The Head of Department must ensure availability of budget and correctness of the vote line item.
  5. Petty cash issued must be registered in the petty cash register on a daily basis and the employee requesting petty cash must sign for the funds upon receipt.
  6. Payments from the petty cash must be substantiated by original invoice/proof of purchase. In case of refreshments purchased for meetings, an attendance register must be attached.
  7. Substantiating documentation to payments from the petty cash must be marked as "PAID" the moment that cash is paid out or when invoices or receipts are submitted.
  8. Invoices or receipts of purchases out of petty cash must be submitted within two (02) days of purchase. Failure to submit the total amount shall be deducted from the employee's salary.
  9. The petty cash box must at all times be kept in a fireproof lockable safe when not under control of the employee responsible for the petty cash.

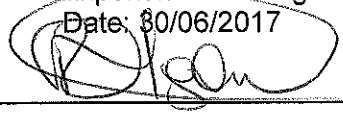


10. The person conducting the cash count must sign the register as proof of the functions performed. The person responsible for the petty cash must pay in case of :
  - (i) shortage or failure to account for the cash on hand.
  - (ii) Loss of cash due to negligence
11. In case of shortages and loss, a written report must be submitted to the Chief Financial Officer and the Accounting officer within two +(02) days.
12. The Manager - Expenditure or delegated employee must conduct regular surprise cash counts whereby cash on hand is reconciled to substantiating documentation and the petty cash register
13. Petty cash register must be reconciled with the cash on hand and the information must be captured to the financial system on a monthly basis, or as soon as petty cash on hand is exhausted
14. The petty cash register must be verified for correctness by the Expenditure Manager on a monthly basis. The register will be signed as proof of the verifying function performed.
15. The Manager-Expenditure or the delegated employee must ensure that the balance of the petty cash register reconciles to the petty cash general ledger account at the end of the month and the financial year.
16. The balance of the petty cash on hand must be disclosed in the financial statements according to GRAP or any other accounting policy ruling the accounting functions of the Council.

Prepared by

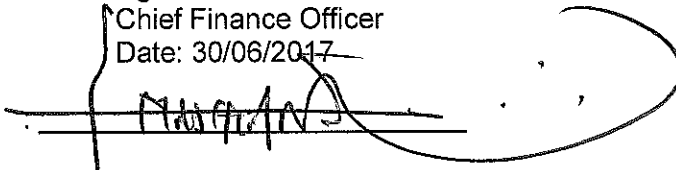
  
Masemola MN  
Expenditure Manager  
Date: 30/06/2017

Reviewed and recommended for approval by:



Ngoveni RM  
Chief Finance Officer  
Date: 30/06/2017

Approved by

  
Mashiane SO  
Acting Municipal Manager  
Date: 30/06/2017