



## LAINGSBURG MUNICIPALITY PETTY CASH POLICY

VERSION CONTROL			
<b>POLICY OWNER:</b>	Laingsburg Municipality		
<b>POLICY EFFECTIVE DATE:</b>	01 July 2025		
Version	Date	Adoption	Revision
1	31 May 2021	1 <sup>st</sup> Adoption	
2	22 March 2023		1 <sup>st</sup> Revision
3	04 March 2025		2 <sup>nd</sup> Revision

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## **1. POLICY STATEMENT**

- 1.1 Petty cash are funds to be used for small incidental purchases. Procedures have been established to encourage an effective administration and internal control of cash handling operations throughout the Municipality.

## **2 POLICY OBJECTIVE**

- 2.1 To ensure the cost effective and efficient use of petty cash funds, while maintaining the required levels of control.
- 2.2 To provide a source of funds for low value risk and infrequent purchases whilst safeguarding municipal funds.

## **3 RULES AND PROCEDURES**

### **3.1 Safeguarding**

- 3.1.1 The petty cash fund is to be safeguarded in a lockable cash box, which should be locked, not only after hours, but also during normal business hours in a locked, fire- and thief resistant safe or cabinet located in the Expenditure Division.
- 3.1.2 The designated official from the Expenditure Division will fulfil the function of Petty Cash officials.
- 3.1.3 The Petty Cash official is responsible for the safekeeping of all the keys of the cashbox.

### **3.2 Limitation on the use of Petty Cash funds**

- 3.2.1 The maximum amount allocated to the Petty Cash Box will be R 5,000 of which an individual claim may not exceed R 500.00 (VAT included), except for instances such as, distribution of official municipal communication to the public and any confirmed emergency purchases.
- 3.2.2 Loans or advances to employees for personal use from Petty Cash funds are forbidden.
- 3.2.3 Request for reimbursement
- 3.2.3.1** Request for Petty Cash reimbursement must be authorised (signing on the receipt / invoice) by a delegated official or departmental manager as approved by Council, on the receipt. The recipient must sign the Petty Cash voucher as proof as receipt and to verify that the amount is correct.
- 3.2.3.2** Reason for purchase must be supplied.
- 3.2.3.3** An official Petty Cash voucher must be used for all the above. (Annexure A)



### **3.3 Securing of proper receipt for Petty Cash reimbursement**

- 3.3.1 Receipts must set forth the complete description of the purchase. If not identified on the receipt or cash register slip, the purchase must be itemised on the separate document, signed by the salesperson and attached to the receipt.
- 3.3.2 Receipt that bear evidence of alteration cannot be accepted or processed.

### **3.4 Documentation control**

- 3.4.1 All documentation (Petty Cash voucher and receipts), applicable for the period between replenishments, must be kept in the lockable cash box which will always be kept in a locked, fire-and thief resistant safe or cabinet.
- 3.4.2 With replenishment, the above documentation together with the reconciliation sheet, must be attached to the Cheque / payment voucher.

### **3.5 Reconciliation**

- 3.5.1 A request for replenishment must be supported by a reconciliation sheet compiled by the Petty Cash official.
- 3.5.2 The above sheet must be signed by the Petty Cash official and authorised by the Manager: Financial Services or the Senior Manager: Finance and Compliance Services.
- 3.5.3 Such reconciliation must be done at least once a month.
- 3.5.4 A year-end reconciliation and replenishment must be done, at 30 June.

### **3.6 Shortages / Losses**

- 3.6.1 The Petty Cash official will be held accountable for losses and shortages unless:

**3.6.1.1** Prescribed procedures were followed.

**3.6.1.2** Petty Cash was properly secured.

**3.6.1.3** There is physical evidence of breaking-in and no act or omission, on the part of the Petty Cash official, contributed to loss.

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

### **3.7 Transferal of function**

- 3.7.1 The Petty Cash official must perform reconciliation and a summary report compiled, before possession of Petty Cash, can be handed over.

- 3.7.2 The summary report must be signed by both the Petty Cash official and the recipient, in order to verify that the amount in cash, correspond with the balance on the summary report.
- 3.7.3 When the Petty Cash is returned to the Petty Cash official, the same processes must be taken.
- 3.7.4 In cases where the Petty Cash official is on leave for more than 5 (five) business days, the responsibility of safeguarding, as well as procedures set out by this policy, may be transferred to the next level official appointed by the respective Manager.

#### 4 SHORT TITLE

4.1 This policy is the Petty Cash Policy of Laingsburg Municipality.

#### DOCUMENT CONTROL

Summary: This document describes the principles of the Petty Cash Policy that will be applicable to Laingsburg Municipality, with effect from 01 July 2025.

**MR JAF TA BOOYSEN**

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Print Name: Municipal Manager



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Signature: Municipal Manager

**30 May 2025**

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Date:

**CLLR AMANDA KLEINBOOI**

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Print Name: Executive Mayor



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Signature: Executive Mayor

**30 May 2025**

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Date