POLICY ON PETTY CASH FOR THE DEPARTMENT OF HUMAN SETTLEMENT

1. PURPOSE

To determine policy regarding the utilization of petty cash in the Department.

2. INTRODUCTION

The Department is from time to time faced with the need to purchase once off items of low value. In order for the smooth running of the Department as well as the optimal use of the resources in procurement a petty cash purchasing facility had been developed.

The system, however, should not be abused and items of regular use should be bought in bulk through the normal procurement process. The procurement of items on Petty Cash will be within the threshold as determined by Provincial Treasury from time to time.

3. CONTROLS FOR THE SYSTEM

The Accounting Officer will appoint officials in writing to handle the petty cash in the Department.

ESTABLISHMENT OF THE PETY CASH SYSTEM

The Deputy Director General will approve the establishment and increase of the facility.

APPROVAL OF PURCHASES ON PETTY CASH

The Deputy Director General approved in the general delegation of the Department that the lowest level to approve any petty cash purchases would be the Director directly responsible for the budget to be utilized.

INTERNAL CONTROLS OVER PETTY CASH EXPENDITURE

All requests for petty cash must be verified by one of the following officers:

- Director: Finance
- Director: SCM
- Chief Financial Officer

In order for the system not be misused, all Directorates will be monitored and the same type of non-perishable item may not be bought on the system for more then three times in six months excluding groceries for SMS members from "Entertainment" – R3000 per year. In this regard the items should be bought through the normal procurement procedures.

4. EXCLUSION FROM PETTY CASH PROCUREMENT

The following items will be excluded from procurement through the petty cash system:

- Catering services, except when the Accounting Officer and Chief Financial Officer approves such expenditure.
- Pay-as-you go cellular phone cards.
- Re-imbursement for cellular phones
- Subsistence and Travel claims
- Petrol claims for subsidized, SMS and privately owned vehicles.
- Stationary and computer related items on the general list of procurement.
- Any item, which can be classified as assets for eg. Calculators.

5. PROCEDURES TO BE FOLLOWED

All requests for petty cash must be motivated and approved by the relevant authority in line with the Departmental delegations. If possible three quotations should be obtained for amount needed. The requesting person must submit the voucher within 24 hours after the money was released to the official responsible for petty cash.

Funds for petty cash are deemed to be advances, which shall be accounted for to the Departmental accountant monthly and until such an advance had not been accounted for a petty cash payment shall not be treated as a final charge.

The keeping of a petty cash register shall be entrusted to a responsible person and the said person shall immediately enter all payments and replenishments in the petty cash register. A supporting voucher shall be obtained for each payment.

No private cheques may be cashed from petty cash. Petty cash money shall be kept apart from other State money, but not necessary in separate safes.

The petty cash register shall be balanced monthly and checked by the head of the office concerned and verified with the actual cash on hand.

6. RECOMMENDATIONS

It is recommended that the policy is approved and that the petty cash facility be utilized in line with the policy.

…….
MRS J SCHOLTZ
DIRECTOR: SUPPLY CHAIN MANAGEMENT

Date: …….

……
MR M.X.A MTYHUDA
CHIEF FINANCIAL OFFICER

Date: …….

…….
MR J MOTLOGELWA
ACTING HEAD OF DEPARTMENT

Date: …….

The following items will be excluded from procurement through the petty cash syst

- Catering services, except when the Accounting Officer and Chief Finar expenditure.
- Pay-as-you go cellular phone cards.
- Re-imbursement for cellular phones
- Subsistence and Travel claims
- Petrol claims for subsidized, SMS and privately owned vehicles.
- Stationary and computer related items on the general list of procurement.
- Any item, which can be classified as assets for eg. Calculators.

8. PROCEDURES TO BE FOLLOWED

All requests for petty cash must be motivated and approved by the relevan Departmental delegations. If possible three quotations should be obtained requesting person must submit the voucher within 24 hours after the money responsible for petty cash.

Funds for petty cash are deemed to be advances, which shall be accoun accountant monthly and until such an advance had not been accounted for a pet treated as a final charge.

The keeping of a petty cash register shall be entrusted to a responsible pers immediately enter all payments and replenishments in the petty cash register. obtained for each payment.

No private cheques may be cashed from petty cash. Petty cash money shall b money, but not necessary in separate sales.

The petty cash register shall be balanced monthly and checked by the head verified with the actual cash on hand.

MR J MOTLOGELWA
ACTING HEAD OF DEPARTMENT