

MPUMALANGA PROVINCIAL GOVERNMENT



**DEPARTMENT OF PUBLIC WORKS, ROADS AND
TRANSPORT**

POLICY ON PETTY CASH

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1. ABBREVIATIONS AND DEFINITIONS

1.1. ABBREVIATIONS

PFMA	:	Public Finance Management Act
CFO	:	Chief Financial Officer
HOD	:	Head of Department
PT	:	Provincial Treasury
COD	:	Cash on Delivery

1.2. DEFINITIONS

Replenish	:	To reload funds that has been used
Petty Cash	:	Cash amount kept in the safe for small purchases
Over-Expenditure:		Amount exceeding allocated budget
End User	:	Officials who uses Petty Cash
Department	:	Department of Public Works, Roads and Transport

2. INTRODUCTION

The petty cash policy seeks to provide guidelines for all officials if they need cash from the Department for procurement of goods and services of less than two-thousand rands (R2000).

3. OBJECTIVE

The aim of the policy is to:

- 3.1. ensure that the petty cash funds of the Department are managed and controlled effectively, efficiently, economically and transparent in accordance with the procurement procedures of the Department and the Provincial Government

4. REGULATORY FRAMEWOK

- 4.1. Public Finance Management Act
- 4.2. Treasury Regulation
- 4.3. Procurement Policy

5. SCOPE OF APPLICATION

The policy applies to:

- 5.1. All departmental officials, who request petty cash
- 5.2. All departmental official responsible to manage budget allocation
- 5.3. All departmental officials responsible to manage the procurement of goods and services,
- 5.4. All departmental officials appointed to manage and keep the petty cash of a specific office

6. POLICY STATEMENT

- 6.1. The Accounting Officer of the Department shall ensure that internal procedures and internal control measures are in place for payment, approval and processing. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

6.2. PROCEDURES

Qualifying Criteria

- 6.2.1. The estimated amount for goods and services required shall be R 2 000.00 (two thousand rand) or less.
- 6.2.2. There must be funds appropriated for the acquisition of goods or services according to the approved operational plans of the responsible manager.
- 6.2.3. The responsibility manager shall authorize the acquisition of the goods and services by way of authorised submission, or by following the normal requisition procedures of the Department

6.3. General Conditions

- 6.3.1. Petty cash funds for purchase of R 2 000.00 (two thousand rand) or less shall be requested in advance to ensure that there is cash at hand.
- 6.3.2. The responsibility manager shall ensure that the funds requested are available from the budget to minimize the risk of over expenditure appearing against the budget.
- 6.3.3. The request for petty cash funds a prescribed form must be signed by the responsibility manager, attached to a requisition form.
- 6.3.4. Invoices, cash slips and or COD delivery notes shall be submitted to the Petty Cash official within 24 hours after receipt of the funds.
- 6.3.5. In exceptional circumstances an official can be reimbursed for expenses incurred to the amount of R2 000.00 (two thousand rand) or less, provided that all the necessary documentation as stated in 7.2.4 are attached as proof of purchase.
- 6.3.6. In exceptional circumstances the petty cash limit of R2 000.00 (two thousand rand) may be exceeded with the approval Accounting or delegated or authorized officer

6.4. Management Reporting

- 6.4.1. The Petty cash expenditure shall be captured as committed funds until the petty cash is replenished thereafter it shall reflect as expenditure against the budget.

7. ROLES AND RESPONSIBILITIES

Responsibility for the implementation of this policy shall rest with the Senior Manager: Management Accounting and all delegated and authorised officials as approved by the Head of Department.

8. MONITORING AND EVALUATION

The Debtors section shall monitor the implementation of the policy and shall report any deviations to the Head of the Department in writing.

9. POLICY REVIEW

The policy shall be reviewed to factor in changes in legal frameworks, organisational development, political and economic trends, and envisaged outputs by the Medium Term Expenditure Framework as well as outcomes of monitoring and evaluation.

10. APPROVAL

APPROVED



KM MOHLASEDI
HEAD OF DEPARTMENT

DATE : 2010/11/12