

**DEPARTMENT OF
SPORT, ARTS AND CULTURE
NORTHERN CAPE**



PETTY CASH POLICY

INTRODUCTION

Section 45(b) and (c) of the Public Finance Management Act No 1 of 1999 (PFMA), places the onus on each employee within organs of state to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that employee's area of responsibility. In particular, the employee must take effective and appropriate steps to prevent, within that employee's area of responsibility, any unauthorised, irregular, fruitless and wasteful expenditure

OBJECTIVE

The purpose of this policy is to provide standard procedures relating to the management and administration of petty cash requested by various Directorates of the Department.

SCOPE

This Policy applies to all permanent, temporary and contracted employees of the Department.

POLICY

1. Qualifying criteria

- 1.1. The prescribed Petty Cash Requisition form must be completed.
- 1.2. Petty cash may only be requested for expenditure of R2 000 (two thousand rand) or less per case.
- 1.3. At least one quotation must be obtained to support the petty cash request.
- 1.4. The petty cash request must not be circumventing any cost containment measures in place.
- 1.5. Petty cash may only be requested in exceptional circumstances where following Supply Chain Procedures to issue a Logis order would not be effective, efficient and economical.
- 1.6. Only Senior Managers / Directors or a higher-ranking official may request petty cash and are the requesting official. They may nominate an official to collect the petty cash. However, the requesting official remains accountable for the petty cash and compliance to this policy.

2. Approval

- 2.1. Only the Chief Financial Officer and Head of Department may approve a petty cash request after considering the recommendation of the Director: Financial Management.
- 2.2. The Director: Financial Management, Chief Financial Officer and Head of Department are each allowed two working days from the receipt of the petty cash request to Recommend / Not recommend and Approve / Not approve the petty cash request.

3. General conditions

- 3.1. The approved petty cash request must be submitted to the petty cash custodian at least two working days before the petty cash is needed.
- 3.2. Petty cash may not be issued after working hours (16h00) and after 12h00 on Fridays for security reasons.



- 3.3. It is the responsibility of the requesting official to timely submit his/her request by taking paragraphs 2.2, 3.1 & 3.2 into account so as to ensure the petty cash is available when needed.
- 3.4. The petty cash may only be issued to the official nominated on the Petty Cash Requisition.
- 3.5. The requesting official must ensure that the petty cash is used for the purpose of the request and the supporting documentation agrees with the quotation submitted.
- 3.6. Only original invoices and cash slips are accepted as supporting documentation.
- 3.7. Petty Cash may be used to pay for casual labour at a rate of R120-00 (One hundred and twenty) per day, and in exceptional circumstances the Accounting Officer may approve petty cash request exceeding R2 000-00 for casual labour.
- 3.8. A Petty Cash Request for catering must be approved by the Accounting Officer.
- 3.9. The supporting documentation with the unused cash must be submitted to the Petty Cash Custodian within 10 working days of receiving the petty cash. Thereafter the Sub-directorate: Financial Accounting is authorised to deduct the outstanding petty cash from the requesting official salary in one instalment on the next open month's salary run.
- 3.10. The petty cash custodian must reconcile the supporting documentation and change with the petty cash issued. Any difference must be recovered from the requesting official salary in one instalment on the next open month's salary run.
- 3.11. Petty cash may not be used to reimburse an official for expenses incurred by the official for Departmental purposes.
- 3.12. Petty cash may not be used to purchase any assets.
- 3.13. The Department is limited to issuing R50 000-00 petty cash per month.

4. Unauthorised, Irregular and Fruitless & Wasteful Expenditure

- 4.1. The requisitioning official is responsible and accountable for any Unauthorised, Irregular or Fruitless & Wasteful Expenditure incurred on his/her petty cash request.

5. Replenishment of petty cash

- 5.1. The petty cash custodian by means of a reconciliation should do petty cash replenishment at least monthly.
- 5.2. The Deputy Director: Financial Accounting or any Higher-ranking official in the Chief Directorate: Financial Management can approve the petty cash replenishment (reconciliation).

6. Withdrawal of cash from the bank account

- 6.1. Department officials appropriately allocated with a petty cash card from the bank are authorised to withdraw cash from the Department's Petty Cash bank account.

7. Safeguarding of petty cash

- 7.1. The petty cash custodian should keep the petty cash in a lockable metal box.
- 7.2. The lockable metal box should be kept in a locked safe.



8. Recording of petty cash expenditure

8.1. Petty cash expenditure will be recorded in the Department's accounting records on the BAS system when the petty replenishment (reconciliation) is processed on the BAS / Logis system, and there is a the flow of funds from the Department's PMG bank account to the Petty Cash bank account.

Repeal of Policy

Section 7.1 of the Department's Cash Management Policy, approved 01 September 2016 is repealed on approval of this policy.

Policy Stipulation

The policy shall be implemented in full and all non-compliances shall be dealt with as non-compliance with the applicable provisions of the Treasury Regulations and PFMA.

The policy is valid for a period of two years from date of signature.

This policy shall be implemented with effect from the date of signature.

*E may be amended
when circumstances
change or the
need arises to do
so.*

Approved / ~~Not Approved~~



Mrs. R.R. Palm
Accounting Officer
Department of Sport, Arts and Culture

2018 -07- 18

Date



DEPARTMENT OF SPORT, ARTS AND CULTURE

Northern Cape

PETTY CASH REQUISITION FORM

Requesting official
(Only Director or Chief Director)

Nominated official

Name: _____

Name: _____

Date: _____

Date: _____

Amount: _____

Signature: _____

Nature of goods and/or services

Quotation attached

Yes	No
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I hereby certify that I have read the Petty Cash Policy and I am fully conversant the Petty Cash Policy. The petty cash requested will be used for its intended purpose. The Directorate: Financial Management is authorised to recover any outstanding amount emanating from this requisition, from my salary in the event that the Petty Cash Policy is not complied with.

Signature of requesting official: _____

Recommended / Not recommended
Director: Financial Management

Approved / Not Approve
CFO (R2000 or less) / HOD (Above R2000)

Name: _____

Name: _____

Date: _____

Date: _____

Signature: _____

Signature: _____

I hereby certify that I have received the amount of R _____

Name: _____

Date: _____

Signature: _____

NB: NO PETTY CASH FOR CAPITAL ITEMS