POLICY TITLE	PETTY CASH POLICY
DATE OF APPROVAL	22 May 2025
REVIEW DATES	21 May 2026

1. INTRODUCTION

In terms of section 96 of the Municipal Finance Management Act, the accounting authority of a public entity is responsible for the management, including the safe guarding of the assets and for the management of the revenue, expenditure and liabilities of the Public Entity.

Cash is one of the assets prone to high risk in SCTIE as some transactions may be of such small value that their resulting payments should be made by cash. As a result, it is important for SCTIE to have a policy and procedures to safeguard itself against the misuse of cash.

The purpose of petty cash is to pay for small day-to-day requirements of SCTIE, like tea, sugar and milk for Staff and Board Members.

2. OBJECTIVES

The principal objective of SCTIE's petty cash policy is to develop clearly defined procedures to record, manage and account for cash purchases of goods and services up to a maximum of R2 000 per transaction.

3. RISKS

The following are the major risks facing the petty cash cycle:

3.1. Amounts spent may not be completely recorded;
3.2. Approval procedures may be weak;
3.3. Susceptibility to theft and misappropriation;
3.4. Petty cash may not be adequately safeguarded.

4. PROCEDURES

a) A cash float up to a maximum of R 2 000 should be maintained;

b) A cash transfer to a cell phone number of the Financial Administrator to the maximum value of R 3 000 shall be authorised by the two authorised signatories to obtain the initial petty cash float and subsequent replenishments;

Daily cash takings received maybe be incorporated into Pettycash to minimise cost on banking charges

c) The Financial Administrator shall be responsible for the management of the petty cash reconciliation;

d) No single petty cash payment should exceed R2 000;

e) At the end of every month (or whenever necessary), the amount used should be reimbursed. In this system the amount requested is always equal to total disbursements for the prior month;

f) The Financial Administrator should ensure that all disbursements are supported by the appropriate documentation.

g) The Financial Administrator shall ensure that petty cash is kept in a safe and/or lockable office at all times.

4.1. Petty cash vouchers

a) All petty cash payments should be supported by petty cash receipts;

b) Petty cash receipts must be supported with payment receipts;

c) Financial Administrator has a right to repudiate re-imbursement for any expenditure not properly approved or supported;

d) Petty cash claims must be forwarded to finance between 09h30 and 13h00, Monday to Friday.

4.2. Petty cash reconciliation

a) A petty reconciliation should be maintained by the Financial Administrator;

b) The petty cash reconciliation should be updated, balanced and posted to the ledger, on a weekly basis and at the end of each month;

c) The Manager: Finance, HR and Administration should review the petty reconciliations. The total spent and analysis of expenditure should be scrutinised. The cash balances should be verified and signed.

4.3. Petty cash expenditure without receipts

For some of the petty cash expenditure there might be no receipts. For such items the Financial Administrator should prepare petty cash slips which should be signed by the person requiring the cash and countersigned by the relevant Manager.

5. LIMITATIONS ON THE USE OF PETTY CASH

5.1. Expenditure is limited to R2 000 per transaction;

5.2. Loans or advances to employees for personal use from petty cash are forbidden;

5.3. Re-imbursement from petty cash funds for personal use is forbidden.

6. POLICY REVIEW

This policy will be reviewed as and when the need arises.

7. APPROVAL

NAME	SIGNATURE	DESIGNATION	DATE
Mr. Sandile Dlomo		**CHAIRPERSON: SCTIE**	**21.05.2026**