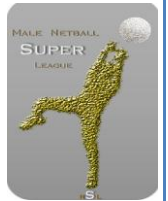


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PETTY CASH

Policy Number: 005/2019

Responsible Designated: Finance committee

Division: Authority: Treasurer

Effective Date: 01 January 2019

Review Date: As and when necessary

Approval Date:

Recommended by: KZNN Treasurer

Signature:

Approved by:

Signature

1. Objectives

1.1 To expedite purchasing and payment of certain goods and services to the value of less than R1000.00 per item

1.2 To provide guidelines for the users of petty cash regarding the granting, administration and accounting of petty cash

2. Policy and Procedures

2.1 Once-off purchases up to R1 000.00 may be accounted for through the petty cash system

2.2 Only Finance may operate a petty cash float at any given time ☒

2.3 Petty cash floats will be limited to R3 000.00

2.4 Vendors may not be requested to split invoices to evade placing orders.

2.5 The petty cash holder must submit all original invoices to the Treasurer in order to replenish the petty cash limits.

2.6 Treasurer must cancel such invoices so as to avoid such purchases from being paid through the order system as well.

2.7 Only valid business transactions may be entertained through the petty cash

2.8 No private loans may be withdrawn from the petty cash

2.9 The Treasurer must regularly audit petty cash accounts on a surprise basis to ensure that all requirements are met

2.10 In the event of the safe or fireproof steel cabinet being burgled and the petty cash stolen, the matter must immediately be reported to the direct supervisor and SA Police Services. As soon as a case number is available, the matter must be forwarded to the insurance company and the petty cash float replenished

3. Register and safekeeping

i. The petty cash holder must have a prescribed record available to record transactions

ii. All transactions must be supported by relevant documentation ☒

iii. The float must be made up of different denominations and kept in a secure place (safe, strong room or fireproof steel cabinet)

4. Transactions

i. When cash is needed to make purchases, a petty cash request form, duly authorized, must be submitted to the petty cash holder. After the purchase has been completed, the requester must certify the cash register slip/receipt/tax invoices as correct, and submit it with the unused cash and prescribed purchase form to the person in charge of the petty cash

ii. On receipt of the foregoing, the petty cash holder must return the petty cash return form to the requester, who in turn must cancel it in the presence of the

petty cash holder. The canceled petty cash form must be attached to the purchase form for future reference

iii. The petty cash holder must cancel all invoices "paid" in respect of petty cash purchases so as to avoid duplicate payment through the purchase order system

iv. The petty cash holder must ensure that all transactions for which a petty cash advance has been issued, be completed within two working days, or as arranged

v. If the transaction is not completed within the prescribed period, the requester must be requested to give written permission to have the monies deducted from his/her salary at the end of the month or claim

vi. Any employee or official who uses petty cash for personal use, unauthorized expenses or for expenses for which no documentary proof exists, will be held responsible for these funds and may be disciplined.

vii. Valid tax invoices must be obtained and VAT reclaimed, if applicable

5. Replenishment

i. The float and documentation must be reconciled on a monthly basis to ensure correctness

ii. A schedule of payment form must be completed and signed by both the petty cash holder and Treasury to replenish petty cash floats ☐

iii. Replenishment must take place at any given time so as to ensure effectiveness

iv. A clear description of what has been purchased must be given on the schedule and be accompanied by vouchers

v. Before authority is given to replenish the petty cash, the Treasurer must:
o Perform a petty cash count to ensure that all vouchers on hand plus available cash, totals the petty cash float limits to confirm that all expenditure is in the interest of KZNN

vi. Approve expenses as per the Delegation of Authority to ensure that the correct responsibility codes and account numbers are used

vii. The schedule of payments form, together with the shortage/surplus form and petty cash replenishment form, must be submitted to the Treasurer for approval of the petty cash replenishment. Shortages must immediately be refunded by the petty cash holder, unless the Treasurer decides otherwise in case of extenuating circumstances. A suitable entry in the petty cash register must be made

6. General

i. All forms and vouchers must be retained for five years for audit purposes

ii. Petty cash may not be used for – ☒

- Items that can be purchased through the purchase order systems
- Loans to employees
- Contract services (cleaning, gardening, etc)
- Medical reports
- Salaries or advances
- Service excellence awards
- Drivers' licenses
- Losses
- Cell phones, accounts, hardware and accessories
- Speeding fines