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**EDUCATION LABOUR
RELATIONS COUNCIL**

**Petty Cash
Management Policy**

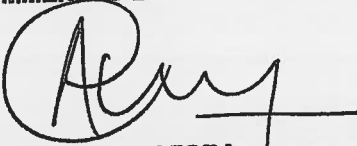
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1. PURPOSE AND OBJECTIVE

- 1.1 The purpose of the Petty Cash Management Policy is to regulate the application of petty cash at the ELRC.

2. SCOPE

- 2.1 This Policy applies to all employees of the Council, all employees employed on a temporary basis and any persons utilising petty cash.
- 2.2 The Policy must be read in conjunction with the Finance Policy.

3. CONDITIONS OF OPERATION

- 3.1 The Petty Cash Management Policy float approved by the Council.
- 3.2 The petty cash shall be kept by a custodian in the finance department and the Provincial Managers at provincial level.
- 3.3 The custodian of petty cash will keep the petty cash card and petty cash box in a safe place at all times.
- 3.4 Petty cash may not exceed R8 000 per float for the ELRC National office and R2 000 per float for the Provincial offices at any time, unless authorised in writing by the Chief Financial Officer (CFO).
- 3.5 All petty cash shall be managed and handled through the use of FNB eWallet cards issued to the petty cash custodian:
- 3.5.1 The safeguarding of eWallets is the responsibility of the custodian and should be kept in a safe place;
 - 3.5.2 The custodian shall be issued with a secret pin-code for use when transacting;
 - 3.5.3 The pin-code must be kept strictly confidential and in a safe place;
 - 3.5.4 The pin-code must be changed at least annually through the internal banking self-service, by the custodian.
- 3.6 Stolen or lost eWallet card:
- 3.6.1 A card must be reported lost or stolen immediately to the bank, the CFO, the Finance Manager and the National Office custodian;
 - 3.6.2 The card must be blocked with the bank; and
 - 3.6.3 A new card shall only be issued to replace the lost or stolen one.
- 3.7 There shall be no cash withdrawals from the eWallet card except were duly authorised;
- 3.7.1 The authorisations or approval of cash withdrawals not exceeding an amount of R2 000 shall be done by the CFO at National Office, and the Provincial Manager for an amount not exceeding R500.

- 3.8 The Finance Manager may from time to time conduct routine spot checks of the petty cash as he/she deems fit, at least once a quarter (on a rotational basis for the Provincial offices) and report to the CFO.
- 3.9 Replenishment of petty cash shall be done every second week or any time the float is depleted.
- 3.10 Any cash received by the ELRC may not be paid into petty cash unless it arose as a result of petty cash advance.
- 3.11 No petty cash shall be utilised without prior written approval by the delegated official.
- 3.12 No short-term staff loans or advances may be granted to staff from petty cash
- 3.13 The use of petty cash to procure goods and services should be done in full compliance with the relevant Supply Chain Management Policy.

4. AUTHORISATION OF PETTY CASH ISSUANCE

- 4.1 The Petty cash custodians shall be responsible for the safeguarding and issuing of petty cash on a daily basis.
- 4.2 When a section needs petty cash, a petty cash voucher (electronic where applicable) must be completed and supported by the Responsible Official and approved by the Responsible Manager/ Senior Manager.
- 4.3 No purchase of goods and services may take place without the approval by the Responsible Manager/ Senior Manager, to use petty cash, except in an urgent or emergency situation, in which case the CFO would have to give permission to proceed with the transaction.
- 4.4 All requests for the utilisation of petty cash must be received within four hours, prior to use, as poor planning will not be a justifiable reason to deviate from this provision.
- 4.5 A petty cash voucher must be used for all petty cash requests.
- 4.6 The petty cash voucher must include:
 - 4.6.1 Reason for petty cash;
 - 4.6.2 Amount requested (not exceeding R1 000 at a time);
 - 4.6.3 Person requesting and the goods or services requested; and
 - 4.6.4 The person approving the request and the person issuing the petty cash/ card.
- 4.7 Petty cash used shall be accounted for (e.g. slips, receipts, vouchers, remittance advises, etc.) within two working days from the day when petty cash was issued. Failure to do so would result in the amount being deducted

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from the salary of the requestor. An affidavit must be obtained where slips have been lost. These forms shall be pre-numbered and recorded accordingly in the petty cash register.

5. PURPOSES FOR THE USE OF PETTY CASH

- 5.1 Minor items or services (e.g. consumables, etc.) may be purchased from petty cash not exceeding an amount of R1 000 (eWallet card). Any expenses in excess of R1 000 must be approved by the CFO and the General Secretary
- 5.1.1 Catering for meeting purposes that will not exceed R1 000. Emergency catering for meeting expense purposes where prior notification of catering requirements was not foreseen, but not exceeding an amount of R2 000.00;
- 5.1.2 Flowers for bereavement or hospitalisation due to illness/accident for Council and staff members.
- 5.2 Use of petty cash is prohibited for the following expenses:
- 5.2.1 No item, which is available on a contracted basis, may be purchased using petty cash, except in the case of dire or critical need, and such item is not available from the contracted supplier.
- 5.2.2 For the purchase of a stock item (item that should be kept in stores), except in the case of dire or critical need, and such item is not available from the contracted/preferred supplier.
- 5.2.3 Certain types of transactions will be excluded from the petty cash purchases in the case where it is considered necessary to do so, including but not limited to:
- (a) Day-to-day maintenance;
 - (b) Stationery;
 - (c) Subsistence;
 - (d) Travelling claims;
 - (e) Birthday gifts;
 - (f) Airtime, etc.
- 5.2.4 The related low valued items which are required to be purchased repetitively on a daily, weekly and monthly basis may not each time be purchased by means of petty cash. These requirements have to be consolidated, quantified and therefore procured through normal procurement processes, e.g. Coffee and milk in the boardrooms for committee meetings.
- 5.3 The user/requestor and approver shall ensure budget availability prior to petty-cash transactions been processed.

6. SAFEGUARDING OF PETTY CASH

- 6.1 No petty cash/eWallet card should be issued without prior approval by the delegated official.
- 6.2 There shall be no unauthorised removal of the petty cash box/eWallet card from the premises of the ELRC, unless so approved by the delegated official.
- 6.3 Transactions through petty cash/eWallet cards should be conducted during the Council's business hours.
- 6.4 All petty cash issued must be accounted for by the next business day (within two working days), by submitting receipts indicating how the money was utilised and that the monies was utilised for intended purposes only.
- 6.5 All unspent monies shall be returned to the custodian for depositing into the petty cash box or eWallet account by the next business day (within two working days).
- 6.6 All receipts shall be filed by month, and sequentially by date of expenditure.
- 6.7 Petty cash and/or eWallet cards for all purposes shall be kept in safe box, and kept in a secure and locked location by the custodian.
- 6.8 There shall be two sets of keys to the safe box, with one set kept by the custodian and any other staff member that is not in the finance section.

7. RECONCILIATION OF PETTY CASH

- 7.1 The custodian must ensure that the expenditure is accounted for and that proper records are kept.
- 7.2 The petty cash custodian shall reconcile petty cash at least once a month and/or when there is a need to replenish the petty cash float, and submit to the Finance for review.
- 7.3 All reconciliations shall be checked and signed off by the preparer and the Finance Manager.
- 7.4 At the end of each month, the petty cash/eWallet cards shall be reconciled or consolidated for the month and reviewed by the Finance Manager and approved by the CFO.

8. LIABILITY FOR PETTY CASH LOSSES

- 8.1 If there is proof that an employee did not take the necessary steps to safeguard petty cash, or that he/she has not complied with the Petty Cash Management Policy and Procedures and that this action has resulted in a loss, the employee will be obliged to replace the cash on his/her account.

- 8.2 Failure to comply with the Policy will constitute negligence and financial misconduct.
- 8.3 Failure to keep the ATM/eWallet card and PIN code safe will constitute negligence and financial misconduct by the custodian.

9. COMMENCEMENT OF THIS POLICY

- 9.1 This Policy will come into effect on the date of adoption by the Executive Committee.

10. INTERPRETATION OF THIS POLICY

- 10.1 All words contained in this Policy shall have an ordinary meaning attached thereto, unless the definition or context indicate otherwise.
- 10.2 Any dispute on interpretation of this Policy shall be declared in writing by any party concerned.
- 10.3 The office of the General Secretary shall give a final interpretation of this Policy in case of a written dispute.

11. AMENDMENT AND/OR ABOLITION OF THIS POLICY

- 11.1 This Policy may be amended or repealed by the Executive Committee.

12. COMPLIANCE AND ENFORCEMENT

- 12.1 Violation of or non-compliance with this Policy will give a just cause for disciplinary steps to be taken.
- 12.2 It will be the responsibility of all Managers, Senior Managers, Executive Management, the Executive Committee and Council to enforce compliance with this Policy.

13. ADOPTION AND APPROVAL OF POLICY BY COUNCIL

- 13.1 This Policy is adopted and approved by the Executive Committee of Council for implementation.