



**dhpsps&l**

Department:  
Human Settlements, Public Safety & Liaison  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA

# PETTY CASH PROCEDURE MANUAL

2012-13 Financial Year

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## PETTY CASH PROCEDURE MANUAL

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### 1. Purpose of Petty Cash

The purpose of Petty Cash is to acquire urgent goods and services at short notice for which normal tender procedures are not necessary, provided that the cost of the goods and services acquired does not exceed the amount of R500.00.

### 2. Procedure to apply for Petty Cash

Application for petty cash must be made to the Head Office by means of a submission which needs to be approved by the delegate of the Department.(Approval R2000.00)

When the approval has been granted, the submission must be sent to the Director of Finance for the request of Petty Cash Advance.

### 3. Transfer of funds.

A payment advice must be completed with the allocations for the establishment of a Petty Cash Account and it is as follows:

**Fund: Assets & Liabilities Fund**

**Objective: Assets**

**Responsibility: Head Office**

**Project: Non-Proj: stnd/a Assets**

**Item: Petty Cash (Dom)**

**Assets: Non assets related**

**Regional Identifier:non pay:no regional identifier**

**Matching Field (1): Year/month (YYYY/MM)**

A manual cheque will be issued for the approved amount and once it has been cashed, it must be resolved from the bank exception account to the bank adjustment account from where a journal must be compiled to debit the allocations as indicated in paragraph 3.

### 4. Replenishment of Petty Cash

Once the money has been transferred to the Petty Cash Account, the office can start paying for urgent goods and services less than R500.00 for which normal tender procedures are not necessary. If an official takes an advance to purchase goods or for services rendered, all supporting receipts and invoices should be returned within 48 hours to the Petty Cash Official, substantiating all purchases and any surplus funds refunded.

When Petty Cash is required for the normal purpose of acquiring goods or services, the request will only be processed if the Petty Cash Advance/Claim form is completed. No Petty Cash will be issued if this form is not fully completed together with the **allocations**.

When it is necessary to replenish the Petty Cash, a "Request for transfer of funds: Petty Cash" form must be completed with the amount paid for goods and services acquired from Petty Cash. This form must be send to the Director Financial Management for approval.

The amount requested and a payment advice must be completed with all the supporting receipts, invoices, Petty Cash Advance/Claim Forms and the "transfer of funds" form. Please note that the amount transferred/issued must correspond with the amount on the payment advice. This payment advice together with the request for funds and the receipts, must be sent to the Bank Reconciliation Section for the capturing of a journal for the cashed cheque amount to credit the bank adjustment account and debit the expense allocations.

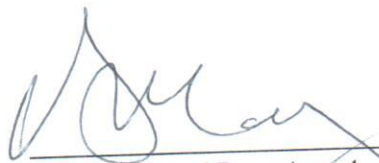
The amount replenish plus the cash in hand must equal the approved petty cash amount.

**UNDER NO CIRCUMSTANCES MUST THE AMOUNT OF THE REPLENISHMENT EXCEED THE TOTAL OF THE RECEIPTS ON HAND.**

#### 5. Instructions

The following instructions must be complied with:

- The keeping of a petty cash register must be entrusted to a responsible person in writing by the head of the office or section concerned and the said person will immediately enter all payments and replenishments in the petty cash register.
- A supporting voucher must be obtained for each payment.
- Private cheques may not be cashed from petty cash.
- Petty cash monies must be kept separate from other Provinces' monies in a separate safe.
- The Petty Cash register must be balanced monthly and checked by the head of the office or section concerned, or a person nominated in writing and verified with the cash on hand.

  
Acting Head of Department  
Mr. B. Mahlakoleng

01 July 2012  
Date