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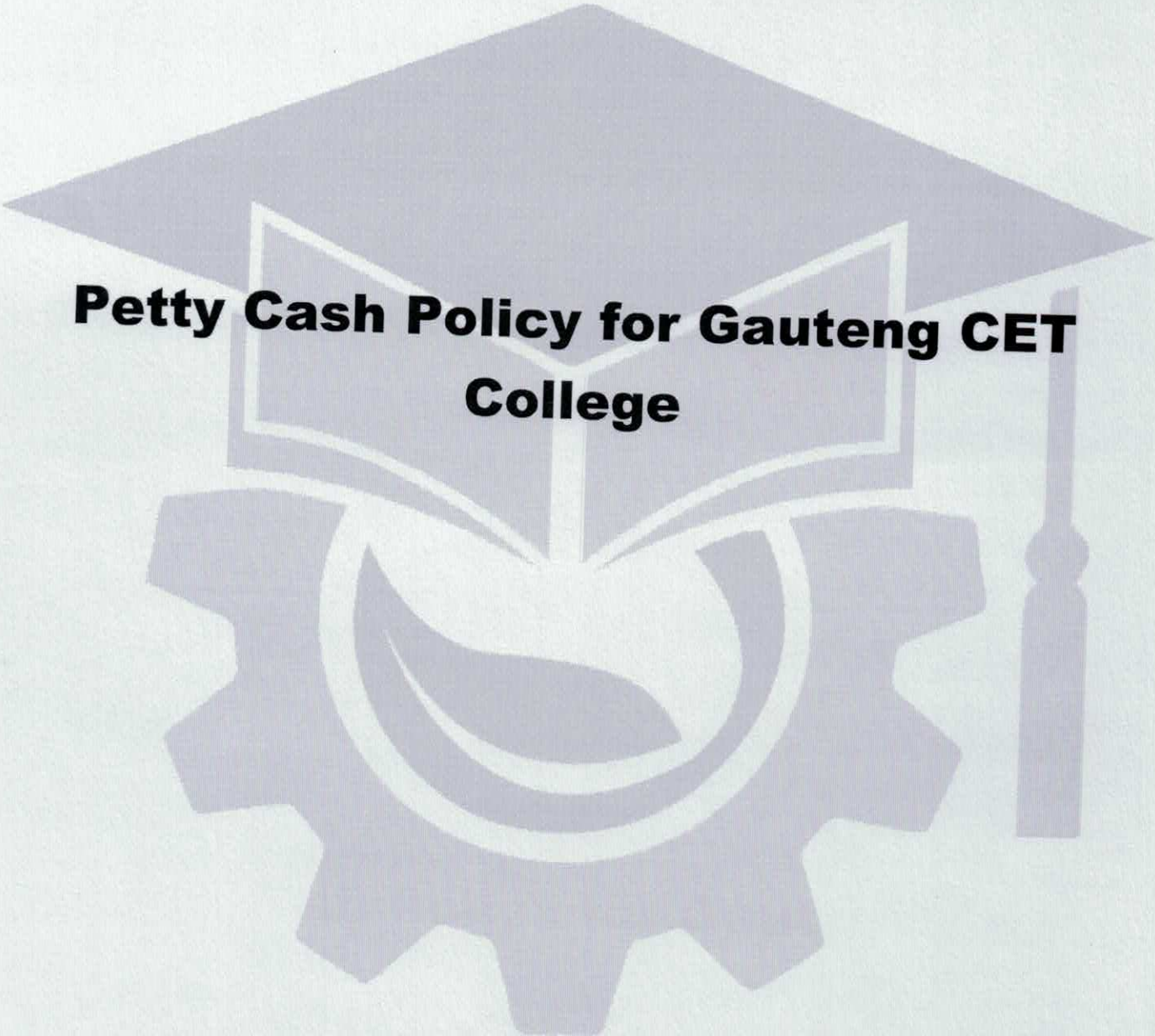
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



GAUTENG

Community Education and Training

CET COLLEGE



Petty Cash Policy for Gauteng CET College

Gauteng Community Education and Training College

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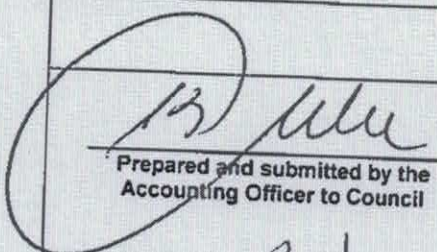
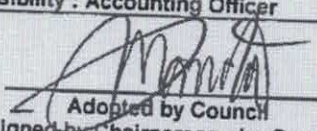
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AMENDMENT AND APPROVAL RECORD

Amendment No.	Amendment description	Originator	Approved by	Date

Name of CETC: Gauteng Community Education and Training College		
Petty Cash Policy		
Department: Finance Responsibility : Accounting Officer		
 Prepared and submitted by the Accounting Officer to Council Date: <u>22/5/2017</u>	 Adopted by Council (Signed by Chairperson obo Council) Date: <u>20/5/17</u>	Implementation Date: <u>22/5/17</u>

1. Legislative framework and best practice regulations

Key principles contained in the following legislation and best practices were applied to develop this policy:

- a) CET Colleges Act No.16 of 2006, (as amended) (the "Act") in particular section 13 and 21(formerly the ABET Act);
- b) Public Finance Management Act, 1999 (Act No 1 of 1999 as amended by Act 29 of 1999)(PFMA);
- c) National Treasury Regulations of March 2005 in particular 17.1.1, 17.1.2(b) and (c) and (d);
- d) National Treasury Instruction 01 of 2013/2014: Cost containment measures; and
- e) The Public Service Act, 1994 (applicable for public service Employees).

2. Purpose

To establish the College policy on the appointment of petty cash controllers, the management and control of petty cash, and related recording and reporting responsibilities.

3. Definitions, acronyms and abbreviations

For the purpose of this policy, unless the context indicates otherwise, the following definitions, acronyms and abbreviations are set out for the terms indicated:

- 3.1 **"Accounting Officer"** – is the College Principal.
- 3.2 **"Act"** – is the CET Colleges Act No.16 of 2006, as amended.
- 3.3 **"Campus Manager"** - is the College campus head who provides leadership in directing and supporting all students, faculty, and staff at the designated campus.
- 3.4 **"College", "CETC"** – is a Community Education and Training College.
- 3.5 **"Department"; "DHET"** – is the Department of Higher Education and Training.
- 3.6 **"Employee"** – is any official, employed by the College, irrespective of grade, full-time or part-time, Council or Departmental appointed, or paid on a salaried or an hourly/daily individual basis.
- 3.7 **"Minister"** – is the Minister of the Department of Higher Education and Training.
- 3.8 **"Unit Manager"** – is an Employee of the College with some level of managerial or supervisory authority, who is subordinate to and works with one or more higher-level managers.

4. Principles

The Accounting Officer has, in terms of the College financial delegations, delegated the responsibility for the approval of petty cash expenditure to the Campus and Unit managers:

- 4.1 The responsibility attached to the management and control of petty cash should be entrusted to the cashier where this facility is provided.
- 4.2 Petty cash shall under no circumstances be utilized for:
 - a) the payment of subsistence and transport advances;
 - b) the re-imbursment of subsistence and transport claims;
 - c) cashing of IOU's or personal cheques in accordance with best practice Treasury Regulation 15.11.3, which states that: "*State money may not be used to cash private cheques...*";
 - d) personnel advances or loans;
 - e) the purchase of assets;
 - f) food or catering;
 - g) personnel wages or salaries; and
 - h) invigilation expenses.
- 4.3 A single petty cash transaction is limited to a maximum of R200 (two hundred rand). All transactions in excess of R200 must comply with the College's SCM policy.
- 4.4 Appointment of petty cash controllers
 - a) The Deputy Principal Finance shall appoint the petty cash controller, in writing, to manage and control petty cash at campus level.
 - b) The petty cash controller shall ensure that he/she is familiar with all relevant statutory requirements and College responsibilities related thereto.
- 4.5 Petty cash guidelines
 - 4.5.1 Petty cash float
 - a) The maximum float per campus per petty cash officer shall be R1 000 (one thousand rand).
 - b) If the petty cash controller requires a float greater than R1 000 (one thousand rand), the Campus Manager or Unit Manager must submit a motivational letter to the Deputy Principal Finance to increase the amount for the period required.
 - 4.5.2 Requesting and replenishment
 - a) A Campus manager shall approve the request for petty cash replenishment and ensure that best practice Treasury Regulation 17.1.1 has been complied with.
 - b) Best practice Treasury Regulation 17.1.1 requires that all the transactions of the College be supported by authentic and verifiable source documents, clearly indicating the nature and purpose of the expense.
 - c) Petty cash vouchers must be numbered sequentially and must indicate the date, the general ledger allocation, the purpose for the expense, the amount advanced and the name of the person to whom the cash was advanced.
 - d) The petty cash voucher must be signed by the person receiving the cash and authorised by the Petty cash controller.

On receipt of the source documents and any change, the Petty cash controller must amend the voucher to reflect the actual amount spent. This can be done by adding a line item for the change returned and inserting the correct amount in the total line of the voucher. The source documents must be properly defaced to avoid being re-used.

- e) The petty cash controller must attach the source documents to the petty cash voucher and file the voucher until the reconciliation is performed.
- f) Replenishments will be made on the reimbursement method. The Petty cash controller must reconcile the total of petty cash on hand and paid vouchers to the petty cash float.
- g) The completed reconciliation must be approved by the campus manager and be forwarded to the finance department together with all supporting documents.
- h) The Campus manager must confirm that the balance on the petty cash reconciliation agrees with the cash in the petty cash float.

4.5.3 Petty cash review

- a) On receipt of the Petty Cash reconciliation the finance department will review the petty cash transactions for validity prior to capturing in the general ledger.
- b) The Finance department may periodically do a cash count at the campus to confirm the petty cash balances.
- c) A monthly review of the petty cash accounts in the general ledger must be performed by the finance department to confirm the balance of each account.
- d) The Petty cash reconciliation, with supporting documentation, must be verified by the Campus managers prior to submitting the monthly batch to the finance department, and they must ensure that all expenditure has been allocated correctly against the relevant budgetary allocation.

4.5.4 Petty cash may be used for emergency payments such as:

- a) Postage;
- b) cleaning materials;
- c) emergency repairs to a maximum of R500;
- d) lawnmower fuel;
- e) refreshments such as tea, coffee and sugar.

4.5.5 The petty cash must be stored in a lockable box and must be kept locked at all times and in a safe place during the day. At night, public holidays and weekends the box must be locked in a safe. The duplicate key of the box must be sealed in an envelope and kept in the safe, to avoid tampering with the box.

5. Roles and responsibilities

Responsibility for the implementation of this policy rests with the Deputy Principal Finance.

6. Adoption of Policy

This policy is effective from the date on which it is adopted by the Council.

7. Availability of petty cash policy

A copy of this policy and other relevant documentation should be made available on the College website.

8. Annual revision of policy

This policy will be subject to an annual review by College management to ensure its relevance. Colleges should forward any inputs and recommendations to the CET Branch of the DHET for possible consideration during the annual review process.

Any recommended changes agreed by the CET Branch of DHET to the Petty Cash Policy should be presented to the College Council for adoption.

