

MATATIELE LOCAL MUNICIPALITY



MATATIELE

LOCAL MUNICIPALITY

CASH SHORTAGE POLICY

<u>POLICY INFORMATION</u>	
<u>DATE OF COUNCIL ADOPTION:</u>	26/05/2022
<u>COUNCIL RESOLUTION NUMBER:</u>	CR /138/26/05/2022
<u>POLICY NUMBER:</u>	MLM/BTO/P05

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.



MR. LMATIWANE
MUNICIPAL MANAGER

30 May 2022
DATE



CLLR. M.MNGENELA
MAYOR

31 May 2022
DATE



CLLR N NGWANYA
SPEAKER COUNCIL

31 May 2022
DATE

INDEX

	<u>Page</u>
<u>PART 1: OBJECTIVE</u>	3
<u>PART 2: PRINCIPLES</u>	3
<u>PART 3: GUIDELINES</u>	3
<u>PART 4: INFORMATION</u>	4

1. OBJECTIVE

The objective of the policy is to describe the steps to be taken when there is a cash shortage subsequent to a cashing up procedure at any cash taking point of the municipality.

2. PRINCIPLES

- 2.1 The cash collected by a cashier must correlate to the substantiating documentation issued by such cashier for the period during which such cashier collected monies.
- 2.2 A cashier will be held responsible for any shortage of cash, and has to correct such immediately.
- 2.3 Any shortages should be reported immediately by the Accountant Revenue to the Unit Manager, who then reports the matter to the Chief financial officer.
- 2.4 The Chief Financial Officer can authorise recovery of any shortfall over a period of time, and this should be done through deducting the amount from the employee's salary.

3. GUIDELINES

The Chief Financial Officer can only authorise recovery of a cash shortfall under the following circumstances:

- 3.1. Immediate recovery of the shortfall is not possible
- 3.2. The conclusion of an Acknowledgement of Debt by the responsible cashier;
- 3.3. Inclusion of an agreement for repayment in such Acknowledgement of Debt, in writing, detailing the terms and conditions for such repayment, which should provide for a repayment period not exceeding three (3) months; and
- 3.4. A cashier only be afforded the opportunity once to repay any shortfall in terms of an Acknowledgement of Debt, with any subsequent shortfalls be either recovered immediately or action be instituted

4. INFORMATION

This policy must be brought to the attention of all cashiers in the employ of the municipality, who must acknowledge in writing the conditions included therein.