

# MATATIELE LOCAL MUNICIPALITY



## MATATIELE

LOCAL MUNICIPALITY

### CASH SHORTAGE POLICY

<u>POLICY INFORMATION</u>	
<u>DATE OF COUNCIL ADOPTION:</u>	25 /05/2023
<u>COUNCIL RESOLUTION NUMBER:</u>	CR 387/25/05/2023
<u>POLICY NUMBER:</u>	MLM/BTO/P05

*Cash shortage policy effective on 01 July 2023*



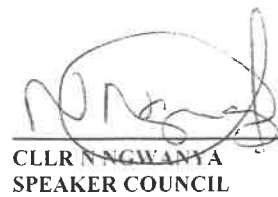
MR. LMATIWANE  
MUNICIPAL MANAGER

31/05/2023  
DATE



CLLR. S. MINGENELA  
MAYOR

31/05/2023  
DATE



CLLR N. NGWANYA  
SPEAKER COUNCIL

31/05/2023  
DATE

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.

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## **2. 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.

## **3. PRINCIPLES**

- 3.1 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.
- 3.2 A cashier will be held responsible for any shortage of cash, and has to correct such immediately.
- 3.3 Any shortages should be reported immediately by the Accountant Revenue to the Unit Manager, who then reports the matter to the Chief financial officer.
- 3.4 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.

## **4. 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.**

**5. 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.