

# MATATIELE LOCAL MUNICIPALITY



## CASH SHORTAGE POLICY

<u>POLICY INFORMATION</u>	
<u>DATE OF COUNCIL ADOPTION:</u>	27/03/2024
<u>COUNCIL RESOLUTION NUMBER:</u>	CR 588/27/03/2024
<u>POLICY NUMBER:</u>	MLM/BTO/P05

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**MR. LMATIWANE**  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**CLLR. S. MNGENELA**  
**MAYOR**

\_\_\_\_\_  
**CLLR N NGWANYA**  
**SPEAKER COUNCIL**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**DATE**

Policy on cash Shortage Effective on 01 July 2024

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 039-2560610/079 523 2223

Police(SAPS): 039-7379904/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9774



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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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## 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

- 1.2 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.
- 1.3 A cashier will be held responsible for any shortage of cash, and has to correct such immediately.
- 1.4 Any shortages should be reported immediately by the Accountant Revenue to the Unit Manager, who then reports the matter to the Chief financial officer.
- 1.5 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

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- 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

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#### 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.

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