

# MATATIELE LOCAL MUNICIPALITY



**MATATIELE**

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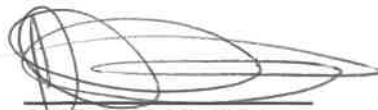
## CASH SHORTAGE POLICY

POLICY INFORMATION	
DATE OF COUNCIL ADOPTION:	27 MAY 2021
COUNCIL RESOLUTION NUMBER:	<u>1257/27/05/2021</u>
POLICY NUMBER:	MLM/BTO/P05



**MR L MATIWANE**  
**MUNICIPAL MANAGER**

10/08/21  
DATE



**CLLR. M.M. MBEDLA**  
**MAYOR**

2021/08/19  
DATE



**CLLR N MSHUQWANA**  
**SPEAKER COUNCIL**

30/08/2021  
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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## 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.