

MERAFONG CITY LOCAL MUNICIPALITY



PETTY CASH REFUND POLICY

2025/26

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PETTY CASH REFUND POLICY

Policy: Petty Cash Refund	Effective Date: 01 July 2025
Approved:	Review Date: 31 March 2026

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

PREAMBLE

In an attempt to ensure that the municipal budget processes are effectively and efficiently followed by all Department within the Merafong City Local Municipal area of jurisdiction, and in order to ensure that basic services are delivered to the communities timeously as required by the ***Constitution of the Republic of South, Municipal Systems Act No. 32 of 2000, Municipal Finance Management Act No. 56 of 2003***, and other government regulations, the Merafong City Local Municipality hereby approves the Petty Cash Refund Policy

Merafong City is under pressure to generate revenue as a result of political landscape, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, the Council must demonstrate the political will to implement the changes required to improve the municipality financial and non-financial performance. Failure of the Council to deliver on its mandate may lead to provincial and/ or national government to intervene.

1. DEFINITIONS

In this Policy, unless the context indicates otherwise, the following definitions are applied:-

Accounting Officer: The person appointed by council in terms of section 82 of Act 117 of 1998, also known as the Municipal Manager, and defined in terms of section 60 of Act 56 of 2003 (MFMA).

“Petty Cash Refund” means refund claim for smaller expenditure incurred for Municipality;

Chief Financial Officer: The person designated in terms of section 80(2) (a) of Act 56 of 2003 (MFMA), and includes any person acting in that position or to whom authority is delegated.

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer: An employee, made responsible for the day-to-day operating of the

Reconciliation: Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

2. OBJECTIVE OF THE POLICY

2.1 To regulate the use of Petty Cash Refund within MCLM and to ensure that in payment petty cash funds the Municipality is within the ambit of Municipal Finance Management Act (MFMA).

3. SCOPE OF THE POLICY

3.1 This policy applies to the refunds of Petty cash.

4. PETTY CASH PROCEDURES IN TERMS OF PARAGRAPH NO. 2.3.4. OF THE GRAP IMPLEMENTATION GUIDE

4.1 Petty Cash Requisitions and Authorisations

4.1.1 A Petty Cash Requisition Form shall be used for all purposes of administering petty cash. No refund will be processed without supporting documents, and without signature of the receiving official and authorised by the Head of the Department and shall be accounted for each request.

4.1.2 Further to the foregoing paragraph and for purposes of audit all petty cash refund forms should be properly vouched with proof of expenditure in the form of invoices, cash receipts or cash sale slips.

4.1.3 Petty Cash refund will not be considered without the necessary authorisation in accordance with MFMA delegation of authority.

4.1.4 Claimant banking details should be attached so that refund can repaid by use of Electronic Fund Transfer (EFT).

4.2 Petty Cash Register

The keeping of a formal petty cash register is compulsory and petty cash expenses are posted on the official financial system of the Municipality.

5. Petty Cash Refund Limit

5.1 Maximum limit for Petty cash refund is R2000.00 according to MFMA. Payments more than the above stated amount should be done following SCM procedures. The refund is strictly for smaller items purchased for office related expenditure.

6. Authority

Formulation Policy	:	Chief Financial Officer
Authorisation Policy	:	Council
Ownership & Maintenance Manager :	:	Manager: Expenditure