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*A long and healthy life for all communities of the North West Province*

**POLICY ON PETTY CASH**

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<b>Description</b>	This document defines the North West Department of Health' position in handling of Petty Cash.
<b>Coverage</b>	This document is applicable to all employees handling Petty Cash in all North West Department of Health institutions.
<b>Policy Number</b>	<b>FA25/P01/R28</b>

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## 1. ABBREVIATIONS

<b>AO:</b>	Accounting Officer
<b>BAS:</b>	Basic Accounting System
<b>CD:</b>	Chief Director
<b>CEO:</b>	Chief Executive Officer (Hospital)
<b>CFO:</b>	Chief Financial Officer
<b>DDG:</b>	Deputy Director General
<b>EFT:</b>	Electronic Funds Transfer
<b>HoD:</b>	Head of Department
<b>MEC:</b>	Member of the Executive Council
<b>NWDoH:</b>	North West Department of Health
<b>PFMA:</b>	Public Finance Management Act
<b>SCM:</b>	Supply Chain Management
<b>SCOA:</b>	Standard Charts of Accounts
<b>SG:</b>	Superintendent General
<b>SMS:</b>	Senior Management Services
<b>VAT:</b>	Value Added Tax

## 2. DEFINITIONS

**“Approval”** the approval amount of the petty cash shall be R2 000 for the Sub District or Hospital.

**“Cash Slip/invoice”** means supporting documentation in the form of original receipts, clearly describing the purchase.

**“Delegation”** means the delegation in terms of Delegation No. 17 and 18 of the Department of Health and that an official in charge of Petty Cash Management must be delegated in writing.

**“Financial Year”** means a period of 12 months ending on the 31 March of each year

**“Superintendent General”** means Head of Department

**“Petty Cash Amount”** means an amount requested which does not exceed the official amount approved by the Chief Financial Officer (CFO) at a certain period.

**“Petty Cash Disbursements”** means small purchases where it is not economical to issue out an official ‘NWM4’ order.

**“Petty Cash Fund”** includes amount approved by the CFO as a petty cash amount to be held in the fund to cover expenses for approximately one month.

**“Petty Cash Replenishment”** means reimbursing/refunding the petty cash fund for all expenses incurred from the float.

**“Petty Cash Voucher”** means a petty cash application from as approved by the head of the Department. This form should be completed in its entirety for all requests.

**“Petty Cash Officer”** a delegated official who issues petty cash from Provincial Office.

**“Replenishment”** means an act of reloading your petty cash balance that has been depleted by withdrawals from the fund.

### **3. PURPOSE**

The purpose of this Petty Cash Policy is to establish clear procedures for the management and control of petty cash funds to ensure proper usage, accountability, and safeguarding of assets. The petty cash fund is intended to cover minor, incidental expenses that are necessary for the efficient operation of the organization.

### **4. BACKGROUND**

Petty cash policy is essential for any organization to manage small incidental expenditures efficiently while maintaining financial accountability and control. The establishment and use of petty cash funds are governed by principles of fiscal responsibility, transparency, and adherence to relevant statutes and regulations.

## **5. POLICY STATEMENT**

Petty Cash is a summary of expenditure and reimbursement, compiled according to PFMA and Treasury regulations, used to ensure transparency, accountability and effective management of this funds within North West Department of Health. Key components includes signed and itemized receipt, completed cash purchase claims form, and a reconciliation of the Petty Cash float.

## **6. OBJECTIVES**

The objectives of petty cash are designed to ensure efficient, controlled, and accountable handling of small, incidental expenses within the Department. Here are the key objectives:

- a. To provide guidelines on the usage and management of Petty Cash.
- b. To reimburse staff for out-of-pocket expenses incurred on behalf of the Department provided there is an approved petty cash voucher.
- c. To eliminate unnecessary administrative costs and expedite procurement of needed items in order to enhance service delivery.
- d. To sensitize accountability and compliance in terms of Departmental internal control measures.

## **7. LEGAL FRAMEWORK**

This policy is informed by the following legislative and policy frameworks that include among the following:-

- e. The RSA Constitution 1996 (Act. 108 of 1996).
- f. Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999).
- g. Treasury Regulations.
- h. Departmental Financial Delegations.
- i. Preferential Procurement Policy Framework Act (2011).
- j. National Treasury SCM Practice Note 8 of 2007/2008.
- k. Skills Development Act. 97 of 1998.

- I. National Treasury Cost Containment Instruction. Notes 3 & 4 of 2017/2018.

## **8. SCOPE AND APPLICATION**

The policy shall apply to all employees in the North West Department of Health institutions.

## **9. DETAIL PROCEDURE/ POLICY PROCEDURES**

The following are the procedures/steps to be followed when utilizing Departmental Petty Cash.

### **9.1 ESTABLISHMENT OF PETTY CASH FUND**

10.2.1 Where sufficient need exists in an institution or administrative office to have cash available for the immediate payment of petty expenditure, the written approval of the CFO as delegated, shall be obtained for the establishment of a 'Petty Cash Fund'.

10.2.1 To control cash disbursements of such small purchases, an institution will set up a Petty Cash Fund with a maximum amount determined from time to time by the Head of the institution subject to the approval by the CFO and/or his/her delegate.

10.2.1 It is also the responsibility of the institution to set maximum petty cash disbursement per transaction, with the normal procurement policy applying.

### **9.2 UTILIZATION OF PETTY CASH**

The following are steps to be followed:-

9.2.1 Petty Cash limit per replenishment shall be limited to R 2 000.00

9.2.2 Petty Cash limit per transaction should not exceed R 500.00

9.2.3 Standing approval is given to utilize Petty Cash for the following: -

a). Logistical purchases and services for once off amount equal or less than R 500.00 (Otherwise the normal SCM procedures must be followed).

b). Logistical purchases may not be divided to get a purchase equal or less than R 500.00, thus evading the completion of purchase order form.

c). Remuneration for casual workers should be in line with the approval circular on remuneration of casual workers. This must be supported by motivation approved by the Programme Manager/ CFO and/ or his/ her delegate.

d). Catering and provision of breakfast/lunch/supper for events/programmes where it results in cost effectiveness and logistical efficiencies. This requires an approval from Accounting Officer after recommendation by the SCM Director/CFO and/or his/her delegate to ensure all funds are properly accounted for.

9.2.4 IT consumables that need to be replaced such as mouse, laptop charger, etc must be approved by the Cost Centre Manager. Cost Centre Manager must satisfy him/herself that indeed such purchases are needed.

9.2.5 Petty Cash caters only for inventory and consumables items.

### **9.3 REPLENISHMENT OF PETTY CASH FUND**

The following are the processes to be followed when replenishing Petty Cash.

9.3.1 When the cash balance is about to be depleted (60%), the Petty Cash Officer responsible for the fund will balance and reconcile the petty cash.

9.3.2 Petty Cash Officer and supervisor must monitor Petty cash on a monthly basis by reconciling cash on hand, receipts and mini statements together with supporting documents.

9.3.3 All Petty Cash vouchers shall be numbered in sequence within a financial year 01/04/2025 (number, month, year).

9.3.4 The Petty Cash Officer shall reconcile and complete the Petty Cash replenishment voucher then submit to Financial Accounting Directorate (Provincial Office) for verification and loading of funds once compliant.

9.3.5 Petty cash should be withdrawn by the authorized Petty Cash Officer as a whole amount.

### **9.4 PROHIBITED ACTIONS FOR PETTY CASH EXPENSES**

The following items are not allowed for Petty Cash use:-

9.4.1 Travel & Subsistence claims expenditure (individual lunch and beverages, toll fees.

9.4.2 Compensation of Employees and Transfer expenditure.

- 9.4.3 Purchase of inventory/surgical medication.
- 9.4.4 Payment of Conditional Grants or any earmarked funds.
- 9.4.5 Use of private matters despite even good intentions to repay at the appropriate time.
- 9.4.6 Purchase of Asset(s).
- 9.4.7 Expenditure for Government vehicle(s).
- 9.4.8 Combining private and official goods or services purchased on one receipt or invoice.
- 9.4.9 Payment of instalment invoices such as for rental of equipment, or open orders even if the amount is within the limit specified.
- 9.4.10 Card purchases using e-wallet pro card.
- 9.4.11 Purchases split into smaller purchases for the purpose of by-passing monetary limits of the Petty Cash Fund or compliance with the Procurement Policies and Directives.
- 9.4.12 Petty cash purchases from own money

## **10. ROLES AND RESPONSIBILITIES**

The following are functions to be performed by different officials:

### **10.1 RESPONSIBILITIES OF PETTY CASH OFFICER**

- 10.1.1 Safekeeping and issuing of petty cash.
- 10.1.2 Ensure that the limit of R500.00 is not exceeded per purchase/transaction.
- 10.1.3 Ensure that all required forms are properly completed, authorized and supporting documentation are attached.
- 10.1.4 Petty Cash Officer allocates a numerical number and notes it on petty cash voucher and register.
- 10.1.5 Petty cash Officer must notify the applicant that receipts, must be submitted the following working day.
- 10.1.6 Applicant and Petty Cash Officer must sign the voucher to confirm the amount after spending.
- 10.1.7 Petty Cash Officer is responsible for management of the safe.
- 10.1.8 Follow up to ensure that receipts and any unused cash are timeously submitted by the recipients of petty cash within 48 hours.

10.1.9 Ensure that petty cash is replenished timeously and not to wait until all cash is finished.

10.1.10 Petty cash to be counted and supporting documents checked, every time the officer goes on leave. The handing over of petty cash and safe keys must be properly documented and signed for by the Petty Cash Officer and the relief Officer. This must be performed under the direct supervision of Petty Cash Senior Officer.

10.1.11 Ensure safety requirements at all times when going to withdraw or deposit.

10.1.12 Petty Cash Officer to receive Integrator card and the pin number from the Provincial Office and safeguarding thereof.

10.1.13 Acknowledgement of received of Integrator card and pin number.

## **10.2 RESPONSIBILITIES OF PETTY CASH END USER**

The following are the responsibilities of the Petty Cash End User:-

10.2.1 End User must complete petty cash standard voucher.

10.2.2 Petty cash voucher must contain nine allocation segments.

10.2.3 Budget available confirmed on the Walker System by Budget section and name and signature of official who confirmed the budget must also be apparent.

10.2.4 The End User shall acknowledge and confirm receipt of the correct amount by signing the voucher and take note that he/she shall be held accountable for the amount if he/she does not return the receipt/invoice within 48 hours.

10.2.5 The End User who signed for the money shall at all times be responsible for the handing in of the receipts and remaining balance.

10.2.6 The End User must make photocopies of all receipts or tax invoices immediately when he/she arrives at office.

10.2.7 The End User must ensure that receipt or invoice received from the supplier has supplier details or stamp with details (Name, address, phone number, fax, e-mail).

10.2.8 The End User neglects to hand in the receipt and unused cash, the full amount of petty cash will be recovered from his/her next month's salary.

## **10.3 RESPONSIBILITIES OF PETTY CASH BOOKKEEPER**

The following are responsibilities of Petty Cash Bookkeeper:-

10.3.1 Ensure that appointment letters of Petty Cash Officer and reliever are submitted to Financial Accounting Directorate at the beginning of every financial year.

10.3.2 Issuing of bank card and pin number.

10.3.3 Receive, verify the Petty Cash Replenishment voucher and load funds.

10.3.4 At year end all institutions shall submit Petty Cash Replenishment voucher, mini statement that reflects the closing balance and deposit slip for cash on hand when available.

## **11. APPOINTMENTS**

The following are processes for appointment:-

11.1 Petty Cash Bookkeeper and Petty Cash Officer shall be appointed in writing by Chief Finance Officer / appropriate delegated official.

11.2 Petty Cash Officer and Reliever shall be appointed in writing annually to ensure continuous service delivery.

11.3 Petty Cash Officer shall be appointed as custodian of the safe.

11.4 Appointments should be reviewed annually and changed if necessary.

## **12. RESPONSIBILITY OF COST CENTER MANAGER**

The following are the responsibilities of Cost Center Manager:-

11.4 Ensure that overall supervision and proper administration of the petty cash function is adhered to.

11.5 The Cost Center Manager verifies the compliance of the request to ensure accuracy, completeness and correctness.

11.6 If the Cost Center Manager is satisfied with the request, he/she gives an endorsement (with signature) "Payment in order" on petty cash voucher and submit it to the Petty Cash Officer

## **13. PETTY CASH SHORTAGE**

Underneath are measures to be followed when there is a shortage:-

11.7 Proper petty cash management should be exercised to avoid shortage at all times.

11.8 The Accounting Officer of the institution shall be liable for any loss of petty cash from the safe due to lack of proper controls, theft or negligence.

11.9 If it is found that the loss was due to criminal acts or omission, provision of 12.5 Treasury Regulation shall apply.

11.10 Recovery of the loss shall be in terms of 12.7 Treasury Regulation

11.11 All losses and investigations to the petty cash shall be reported in writing to Financial Accounting for recording.

#### **14. SURPLUS IN PETTY CASH MONEY**

Underneath are measures to be followed when there is surplus:-

11.12 Should a surplus arise, the Petty Cash Officer must report it to the petty cashier's Supervisor.

11.13 If, after checking by supervisor a surplus is confirmed, the surplus is deposited into the Departmental bank account.

11.14 SCOA allocation to be used to clear the excess.

#### **15. FINANCIAL YEAR END CLOSING OF PETTY CASH**

11.15 Perform the year-end cash reconciliation.

11.16 The cash in hand from petty cash must be deposited into revenue only at the financial year end according to the financial year closure circular/action plan.

11.17 All shortages are the responsibilities of the petty cash cashier/end user

11.18 The year-end reconciliation should be submitted to the Office of the CFO for review and approval for year-end financial statements.

#### **16. DEVIATION**

Any deviation from this policy shall be motivated with reasons supported by Financial Accounting Director, recommendation by the CD: Financial Services and approval by the CFO.

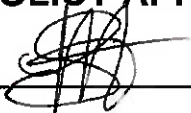
#### **17. NON COMPLIANCE**

Mistreat or abuse from the accepted accounting practices in the use of Petty Cash could result in possible disciplinary action under the Disciplinary Code.

#### **18. MONITORING AND REVIEW**

The policy will be monitored by Financial Accounting Directorate and will be reviewed every three years (3) from date of approval.

**19. POLICY APPROVAL**

  
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**Ms S. Mekgwe**

**Chief Director**

16/10/2025

**Date**

**Recommended/ not recommended**

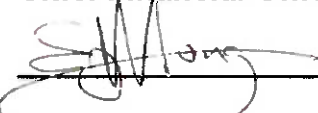
  
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**Ms M.N Rampedi**

**Chief Financial Officer**

20/10/2025

**Date**

  
\_\_\_\_\_

**Mr O. Mongale**

**Superintendent General**

06/11/2025

**Date**

**Approved/ not approved**

  
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**HON. MEC. J.S Lehari**

**North West Department of Health**

02.06.2026

**Date**