

PETTY CASH & CASH ADVANCES POLICY

1 POLICY OBJECTIVE

1.1 To ensure the cost effective and efficient use of petty cash funds, while maintaining the required levels of control.

1.2 To provide a source of funds for infrequent purchases whilst safeguarding company funds.

2 RULES AND PROCEDURES

2.1 Safeguarding

- i The petty cash funds should be kept in a locked cash box, with documentation of transactions. Cash box should be locked, not only after working hours, but also during normal business hours and should be fire and theft resistant safe located in the Accounts office.
- ii The designated employee from the Accounts department should fulfil the function of Petty Cash procedures.
- iii The designated employee from the Accounts department is responsible for the safekeeping of all the keys of the cash box. The finance Manager is in possession of a spare key for the safe only.

2.2 Procedures on the use of Petty Cash & Cash Advances fund

- i Petty cash fund can be used for the following purposes (conditioned prior approvals) listed hereunder:
 - Office supplies.
 - Reimbursing an employee for small work-related expenses.
 - Minor utility bills and car parking.



- Warehouse daily expenses (renting equipment, hiring short term workers.)
- Salary Advances; subject to prior approval by HR Manager, Finance Manager & General Manager.
- Paying Salaries or wages if the employee bank account process not finalized.
- Employees business related transportation and travel allowances approved by direct manager and Finance Manager.
- Cash advances should be subject to prior review and approval from Finance Manager and/ or treasury Manager and submitting supporting documents / Invoices before releasing the cash.

ii Request for reimbursement

- Request for petty cash reimbursement must be signed by the designated employee from the treasury Manager. The recipient must sign the Petty Cash voucher as proof of receipt and to verify that the amount is correct.

2.3 Securing of proper receipt for Petty Cash documentation

i An original receipt/ invoice must support the Petty Cash voucher.

ii Receipts must state the complete description of the expenditure. If not identified on the receipt or cash register slip, the purchase must be itemized on a separate document, signed by the employee and attached to the receipt.

2.4 Documentation control

i All documentation (Petty Cash voucher and receipts), applicable for the period between replenishments, must be kept in the lockable cash box which will always be kept in a locked, fire and theft resistant safe.

2.5 Shortages / Losses

i **The designated employee from the Accounts department will be held accountable for losses and shortages unless:**

- Prescribed procedures were followed.
- Petty Cash was properly secured.
- There is a reasonable justification provided by the designated employee from the Accounts department for the contributed loss.
- Failure to adhere to the above after investigation will lead to the designated employee from the Accounts department having to reimburse the losses and shortages.

2.6 Transferal of function

- i** The Designated employee from the Accounts department must perform reconciliation and a summary report compiled, before possession of Petty Cash, can be handed over.
- ii** The summary report must be signed by both the Designated employee from the Accounts department and the recipient, in order to verify that the amount in cash, correspond with the balance on the summary report.
- iii** When the Petty Cash is returned to the Designated employee from the Accounts department, the same processes must be taken.
- iv** In cases where the Designated employee from the Accounts department is on leave for more that 5 (five) business days, the responsibility of safeguarding, as well as procedures set out by this policy, may be transferred to the next level official appointed by the respective Manager.