

JOE MOROLONG LOCAL MUNICIPALITY



PROPOSED CASH SHORTAGE POLICY

31 MARCH 2021

MUNICIPAL CASH SHORTAGE POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

CASH SHORTAGE POLICY

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1. OBJECTIVES

The objectives 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 collection 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 The Chief Financial Officer is authorised to recover any shortfall immediately.

3. GUIDELINES

The Chief Financial Officer can only authorise recovery of a shortfall under the following circumstances:

- 3.1. The conclusion of Acknowledgement of Debt by the responsible cashier;
- 3.2. Inclusion of an agreement for repayment in such Acknowledgement of Debt, in writing, detailing the terms and conditions for such repayment.
- 3.3. A cashier can only be afforded the opportunity to pay shortfall once-off.
- 3.4. No arrangement to pay over a certain considerable period is allowed
- 3.5. Salary deductions may be effected to recover the short-fall in full
- 3.5 Disciplinary Action could be instituted if the incidents (shortfall) occur repetitively.

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