



**SOUTH AFRICAN DIAMOND AND
PRECIOUS METALS REGULATOR**

PETTY CASH PROCEDURES


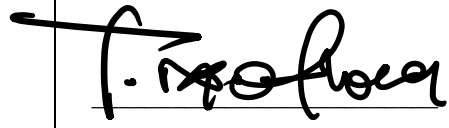
Custodian: Chief Financial Officer		
Signed by:		
Ms. C Simpson	 _____ Chief Financial Officer	<u>15/12/2021</u> Date
Approved by:		
Mr. C Khosa	 _____ Chief Executive Officer	22.12.2021 Date

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1. Objective

The procedure is intended to define and provide a guideline for the management as well as usage of petty cash for the South African Diamond and Precious Metals Regulator (SADPMR).

2. Purpose

The purpose of a petty cash advance is to make cash immediately available for the payment of goods and services acquired, which in their nature, are not practical or cost effective to purchase through normal procurement processes. This eliminates an unnecessary administrative burden while facilitating efficient and effective procurement of goods and services.

3. Scope of applicability

The procedure is applicable to all employees, including interns of the SADPMR.

4. Legislative framework

4.1 The procedure is derived from the following legislations, of which certain stipulations are contained in this policy:

4.1.1 The Public Finance Management Act (Act 1 of 1999);

4.1.2 Treasury Regulations and instructions.

4.1.3 Preferential Procurement Regulations ,2017

4.1.4 Preferential Procurement Policy Framework Act, 2000

5. Acronyms

5.1 The following acronyms will be prevalent when reading the procedure:

SADPMR	South African Diamond and Precious Metals Regulator
VAT	Value added tax
S&T	Subsistence and Travel



SCM	Supply Chain Management
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6. Utilisation of Petty Cash

- 6.1 The petty cash is approved for the acquisition of goods or services to the value not exceeding R2 000.00 including applicable taxes (VAT).
- 6.2 The Procurement Policy and processes must not be circumvented by sub-dividing Petty Cash requests to get purchases equal or less than R2 000. 00.
- 6.3 Assets must not be purchased from petty cash as this creates unnecessary administration burden and also hampers accountability required from all employees as per the Asset Management Policy.
- 6.4 Petty cash utilisation is for the acquisition of goods and services which in their nature is not practical and cost effective to acquire through normal procurement processes. This includes but not limited to the following:
 - 6.4.1 Parking fees for the leased or SADPMR Vehicle;
 - 6.4.2 Wages payable to labourers/ casual workers;
 - 6.4.3 Car wash expenses, dry cleaning of boardroom linens, etc.
 - 6.4.4 Payment of municipalities, vehicle permits, fines, etc.
- 6.5 Only original slips, receipts, invoices, etc. or certified (in the event that the original ones got lost), will be accepted as appropriate supporting documents to be attached to the petty cash requisition form.

7. Request for Petty Cash

- 7.1 The user who requires petty cash must complete and sign the petty cash requisition form.
- 7.2 The completed form with clear description of the need must be recommended by the Divisional Manager.
- 7.3 The recommended requisition must be approved as per the Financial Delegations of Authority as follows.
 - Up to R500.00 approved by the Deputy Manager Finance / Deputy Manager SCM
 - R500.01 to R1000.00 approved by the Finance Manager



- 7.4 R1000.001 to R2000.00 approved by the Chief Financial Officer / Chief Executive Officer.
Only the approved forms must be handed to the Accounts Payable Administrator to issue the requested and approved amount / cash.

8. User responsibilities

- 8.1 The person who signs for receipt of the petty cash is responsible for handing in all receipts, invoices, slips, etc as well as change or unused cash.
- 8.2 It is imperative for users to ensure that the goods or services required are available from the supplier prior collecting of the cash.
- 8.3 The above measure will ensure that users do not keep the petty cash longer than 24 hours, while waiting for availability of goods and services from the supplier.
- 8.4 The petty cash received must be used on the same day where possible, failing which, the change or unused cash must be repaid/ returned to Finance within 24 hours of being collected.

9. Responsibilities of the Petty cash Controller for re-imbursement of Float

- 9.1 The debit Cards replaced the cheques
- 9.2 A Debit Card will be used by the delegated Official in the Bank at the teller to draw the cash as
per authorized re-imbursement requisition.
- 9.3 A limit on each card is set at the Bank for the two authorized Officials to withdraw Petty Cash and the bank pin can not be shared.
- 9.4 The Debit cards must be kept locked in a safe and a Register kept when the Debit
- 9.5 Card is taken and Returned for Petty Cash withdrawals.
- 9.6 Petty cash can only be withdrawn once the requisition is approved in full and not before.
- 9.7 The Debit cards may only be used for Petty Cash withdrawals.
- 9.8 The controller must ensure that money is safely kept in a safe / money box.
- 9.9 The controller is responsible for the reconciliation and replenishment of the petty cash.
- 9.10 The petty cash reconciliation shall be approved and authorized in line with the Financial Delegations of Authority.
- 9.11 The Petty Cash controller must ensure that cash paid out is reimbursed when spending has reached 60%.



- 9.12 The controller must investigate, report shortages and excess of cash to the immediate supervisor or Senior Bookkeeper.
- 9.13 The controller is responsible for the verification and correction of item description and code used to allocate expenses.

10. Responsibilities of the Senior Bookkeeper

- 10.1 The -Senior Bookkeeper conduct -routine spot checks at least twice a month keeping a register to ensure that the Float is balancing.
- 10.2 The Senior Bookkeeper will scrutinise petty cash utilisation so that where increased demand of similar goods and services is noted, it is referred to Supply Chain Management to assess whether the demand warrants goods or services to be considered for inclusion as store items or outsourced to external service providers.

11. Petty Cash Float

- 11.1 The petty cash float for the Head Office shall be R10, 000, 00 and R2, 000, 00 for the Kimberley Regional Office.
- 11.2 The temporary increase for petty cash for unforeseen circumstances must be motivated and approved by the CFO.

12. Other Cash

In instances where cash amount required is above R2 000.00 (only in exceptional cases where EFT is not accepted), the motivation will be required and approved the Chief Executive Officer

13. Review of procedure

The procedure shall be reviewed in 3 years or as and when required.

