



# **FETAKGOMO LOCAL MUNICIPALITY**

## **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 since it is the contravention of section 164 (1)(c) of MFMA.

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.