



(Endorsed by IMFO)

Finance Department

Procedures / Guidelines

(To be adjusted to suit the Municipality)

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BALANCING RECEIPTS OF THE CASHIERS

1. The advance money shall be checked and set aside from the other money by the cashiers before commencing with the balancing of the receipts of the day.
2. The daily receipts are then counted by the cashiers and also recorded accordingly on the Cash Receipt - document.
3. The daily receipts are then to be checked by the supervisor. The supervisor has to execute the supervisor's function on the computer in order to determine the sub - totals of each individual cashier for the day.
4. If there is surplus cash, it has to be paid into the vote number in the ledger account for surplus cash. The receipt has to be attached on the cash summary for day. If there is a shortage of cash, the responsible cashier has to pay it in at the latest, the following morning before opening time. With a special request, the Chief Financial Officer can extend it to a date not later than the forthcoming salary date.
5. Immediately after the supervisor had updated and printed the day's transactions, the bank deposit book has also to be completed by the supervisor.
6. If the computer is off line for a part of the day, the manual receipts has to be balanced and as soon as possible be quoted as direct deposits on the computer.
7. The supervisor has to ensure that all the receipts mentioned in 7 above are balancing, after it was quoted on the computer.
8. For cross-reference, the cashier has to write the computer receipt - number on the copy of the manual receipt.
9. A cashier do not cancel a receipt without the knowledge of the supervisor. A valid reason for the cancellation has to accompany the original receipt and be filed together with the duplicate receipt. The supervisor has to ensure at the end of each day that the cancelled receipts as indicated on the summary printout be handled accordingly.
10. The supervisor has to ensure that the receipts for the day been deposited the following day.
11. Allocated advances of each cashier have to be checked at least twice a month by the supervisor. A register has to be implemented for each cashier, proving that the supervisor has checked the advances.

Acknowledgement of receipt

BANK DEPOSIT AT THE SATELITE OFFICES

1. The bank deposit has to be placed immediately in a locked and sealed trunk, after the seal number was written on the relevant page of the bank deposit.
2. This trunk is to be fetched by the security personnel after they had signed for the receipt of the trunk and transferred to the Main offices where it will be kept in the safe till the following morning.
3. A separate trunk will be used on Saturdays to place the deposit into. The receipts for the day will be recorded on a bank deposit slip, together with the seal number. (The bank deposit book for Friday is still sealed in the trunk). The bank deposit slip will be filed together with the summary of the cash receipts for Saturday. The trunk will be locked, sealed and also locked in the safe at the Main offices by the supervisor, in the presence of cashier. This trunk will then be transferred to the Main offices by the security personnel on the following Monday.

Acknowledgement of receipt

BANK DEPOSIT AT THE MAIN OFFICES

1. The bank deposit will be recorded in the deposit book immediately after the cash receipts were balanced for the day.
2. The money together with the bank deposit book will be placed into a trunk. This trunk will be locked and sealed. The seal number has also to be recorded in the bank deposit book.
3. This trunk together with the trunk from the satellite offices will be locked in the small safe situated in the big safe.
4. The mentioned trunks will be fetched by the security services the following morning. The security officer has to sign on the applicable documents to acknowledge receipt of the trunks.
5. If there is any mistake on the bank deposit discovered by the bank personnel, the supervisor has to be informed immediately. (Bank to be informed accordingly).
6. The supervisor has to go to the bank with a seal, in order to lock and seal the trunk in the presence of the bank- cashier and security officer.
7. The trunk must be brought back to the municipal offices by the security services where it is opened by the supervisor, in front of a witness, in order to check the contents thereof and rectify if necessary.

Acknowledgement of receipt

CHECKING THE DAILY BANK DEPOSITS

1. The daily summary of the cash receipts of each cashier has to be handed over to the Accountant Revenue before 11:00 the following morning to be checked if the cashiers had balanced with the printed transaction report as well as the completeness of the prescribed documentation attached to the daily summary.
2. The Accountant Revenue has to inform the Divisional Head : Income of any surplus or shortage on the daily receipts. As acknowledgement, the Divisional Head : Income has to sign in the relevant space provided.
3. The Accountant revenue must also inform the Auditor - General according the Ordinances of shortages that might occur.
4. After the Accountant Revenue had checked the bank deposit book to ensure that the correct amount of money were deposited, the Daily Summary has to be signed by the Accountant as proof thereof and handed over to the archive clerk to be filed amongst the other Daily Summaries in date sequence.

Acknowledgement of receipt

CHEQUE BOX

1. The cheque box has to be opened twice a day by a supervisor in the presence of a witness.
2. All the cheques came out of the box has to be recorded in a cheque box register, that is at all times kept in the save for save keeping.
3. Both supervisor and witness have to sign in the relevant space in the register to confirm the recorded cheques.
4. These cheques have to be handed over to one of the cashiers to be quoted against the particular debtors account.
5. The receipt number has to be recorded by the cashier in the cheque register against the relevant information of the particular cheque and the cashier has also to sign behind the recorded information to confirm that the transaction is completed.
6. All cheques, taken out of the cheque box, have to be recorded and processed on the same day. If the computer is off line, a manual receipt has to be issued.

Acknowledgement of receipt

CONSUMER'S DEPOSITS

1. When a deposit is payable by a consumer and an account is not been opened yet, a manual receipt has to be issued by the cashier.
2. At the end of the day, the money received for the deposit has to be counted together with the "computer" receipts of the day and also deposited into the bank account the following day.
3. The cashier makes a copy of the manual receipt as a reference, to process a computer receipt as a direct payment, the following day, after an account has been opened for the specific consumer. The copy of the manual receipt has to be attached to the daily reports as proof of the direct payment.
4. The deposits for which a manual receipt was issued must be separately recorded in the bank deposit book for easier reference.
5. The computer receipt number should be recorded by the cashier, on the duplicate manual receipt.

Acknowledgement of receipt

GENERAL MEASURES

1. All registers that has to be kept according to the instructions set out in this document, must be handed to the Chief Financial Officer on the first working day of each month to be checked in order to confirm the execution of said procedures.
2. Accountants and supervisors are instructed to report any deficiencies in these procedures to the Chief Financial Officer that might increase the risk for the council or for them while handling money or any other face-value document.
3. No unauthorized persons are allowed behind the counter in the revenue section while the cashiers are open. Supervisors are instructed to see to the strict execution of this instruction.

Acknowledgement of receipt

HANDING OVER OF RESPONSIBILITIES

1. If the responsible person can be present, must:
 - a. he / she, as well as the person to whom the responsibilities are handed over together with a witness be present at a full stock taking (face value documents) or cash counting, where cash advances and petty cask are involved.
 - b. he / she, the person to whom the responsibilities are handed over and the witness sign on a formal document to confirm the correctness of the counted items and that the items were handed over to the recipient
 - c. The key that give excess to the items has also to be handed over in the presence of the witness and recorded accordingly on the handing over document.
2. If the responsible person is not present during the handing over procedure, all the steps as above has to be followed, except that a third party be also involved to ensure that no irregularities taken place.

Acknowledgement of receipt

PETTY CASH

1. When cash is needed from the petty cash, the specific person who needs the cash should complete a requisition and the voucher should be authorised by the departmental head.
2. Full detail with regard to the motivation for the expenditure, as well as the vote number must be completed on the requisition document. Only a requisition for expenditure less than R 70,00 shall be approved;
3. The departmental head or its fully delegate must recommend expenditure by signing in the relevant space provided;
4. The completed document has to be authorized by the Divisional Head Expenditure or it's plenipotentiary, before the cash can be handed over to the person requested it. The exact amount of the expenditure has to be recorded on the requisition and the recipient has to acknowledge receipt thereof by signing the document.
5. After the items needed were purchased, the receipt as proof of the expenditure and that the items received in good order shall be certified by the departmental head or it's fully delegate and handed to the official responsible for the petty cash against signature, together with any change if applicable, within 24 hours after the cash were handed over to the recipient;
6. The official responsible for the petty cash has to ensure that the cash in the box together with the outstanding requisitions and receipts at ALL times be balanced with the total amount of the authorized cash float.
7. The official responsible for the petty cash has to ensure that there is at all times enough cash available in the petty cash box.
8. A reconciliation of the petty cash has to be completed by the cashiers as soon as a request to replenish the petty cash is handed in.
9. This reconciliation has to be checked by the Expenditure Accountant and handed to the Chief Financial Officer to authorize payment.
10. The Expenditure Accountant must check at least twice a month whether the contents of the petty cash to ensure that it balances as above.
11. A register has to be kept by the Expenditure Accountant to keep record of the petty cash been checked as instructed above.

Acknowledgement of receipt

PRE - PAID ELECTRICITY

1. The cashier has to make sure at least what the stand number is and the value of the electricity what the consumer wants to buy, before a receipt is processed on the computer.
2. No cashier is authorized to cancel any pre - paid receipt. If it is necessary to cancel a receipt, the cashier will request a supervisor to do the cancellation.
3. The supervisor will recorded the reason for cancellation on the computer as well as on the receipt.
4. The supervisor shall print at the end of each day an " End of Shift" for each cashier to ensure that all the transactions is recorded and counted for.
5. The total amount has to be quoted on the vote number of the financial system. The applicable documents have to be attached on the Daily Summary to be balanced accordingly.
6. It is not allowed to do any electricity sales, after the cashiers had locked off and process the transaction the only following morning.

Acknowledgement of receipt

RD CHEQUES

1. A RD cheque returned by a Bank has to be recorded immediately in the RD cheque register.
2. The clerk responsible for the handling of the RD cheques is also debiting the debtor's account with the amount of the cheque.
3. The same clerk is given instruction to cut the municipal services of the specific consumer.
4. The municipal services will only be reconnected after the full amount plus the prescribed reconnection fee in cash be paid in on the consumer's account.
5. After a second time when a RD cheque were received from a specific consumer, his / her name will be recorded on a "Blacklist" wherein no further cheques will be excepted from the specific consumer. The person has to be informed that only cash will be accepted in future.

Acknowledgement of receipt

RECORD OFFICE - CHEQUE REGISTER.

1. The personnel in the record department contact the supervisor in the Finance Department to fetch the cheque register, after recorded all the incoming cheques in the register. It has to be fetched within reasonable time, checked and also signed by the cashier for acknowledgement of receipt thereof.
2. The cheques have to be recorded by the cashiers on the computer. The receipt number has also to be written on the cheque register, while the cashier has to sign for confirming the completeness of the transaction.
3. The cheque register has to be sent back to the records office immediately after the above procedures were completed.

Acknowledgement of receipt

SAFEKEEPING OF CONTROLLED ITEMS

1. Controlled items are described as any item with a potential money value and includes therefore:
 - a. Computer - and manual receipts;
 - b. Credit -, debit - notes and invoices;
 - c. Clearing - out certificates
 - d. Cheque books;
 - e. Cheque box register;
 - f. RD cheque register.
2. The above documents have to be locked away.
3. Only one responsible person, namely the archive clerk, has to have excess to these documents.
4. A register to issue these documents has to be kept where all issues have to be handed over with a signature of the recipient and where applicable also be handed back by means of a signature.

Acknowledgement of receipt

SECURITY - TRUNK - SEALS

1. Security seals are handed to the archive clerk by the security services and been locked for safekeeping.
2. The seal number will be recorded in a register. By means of a signature, receipt thereof will be acknowledged.
3. The date of the deposit, for which the seal was used, will also be recorded in the register.
4. The archive clerk will issue the seals per signature on a daily basis.

Acknowledgement of receipt

DISCONNECTION OF ELECTRICITY AND WATER SERVICES

1. Preparing the cut-off list.

- a. On the first Monday, or two working days, after the 15th of each month, a cut - off list for water and electricity has to be prepared / printed of those consumers that did not pay their municipal account.
- b. Only consumers with an amount of R 200,00 and higher are to appear on these lists. The services for those consumers will be cut without any warning.
- c. This cut - off list has to be verified by a supervisor in order to establish the possibility of consumers wrongly recorded on the list.
- d. The completed cut - off list has to be handed over to the technicians as early as possible the next morning, in order to execute their responsibility.
- e. A copy of the cut - off list has to be handed over to the town treasurer / deputy town treasurer; revenue accountant; enquiry personnel and cashiers.

2. Warning service.

- a. Only consumers appearing on the cut - off list and with a R 25,00 warning fee to their credit will otherwise be warned to pay their municipal account within the following seven days.
- b. As soon as a consumer has to be warned, this credit will become void and be debited to the applicable vote number.
- c. A proper register has to be kept to administrate these warning fees and also to balance with the ledger account.

3. Reconnection of services.

- a. The consumer has to pay the full outstanding amount, including the additional deposit and applicable reconnection fee at one of the cashiers.
- b. The cashiers will record the receipt number on the cut - off list and direct the consumer to the enquiry counter.
- c. The enquiry personnel will check the receipt if full payment was received and will immediately instruct the technicians and / or bad debts clerk (for pre-paid electricity) directly to reconnect the services.
- d. Three days, after the cut - off list was prepared, the cut - off lists of the cashiers and enquiry personnel has to be handed in to the bad debt clerk to be compared.

- e. Only the Chief Financial Officer or fully delegated will approve the reconnection of services after hours on condition that the necessary proof of payment was verified.

4. Follow - up cut - offs.

- a. The following consumers has to appear on the follow - up - cut - off list:
 - i. Consumers who appeared on the original cut-off list and did not pay yet to ensure that they are still disconnected.
 - ii. Those consumers who have not paid their full account.
 - iii. Those consumers that did not adhere to the warning as a result of the warning service.
- b. As soon as possible after the seventh day of the original cut - off list these follow - up cut - off has to be executed.

5. General remarks.

- a. The services of a consumers can be cut for any lawful outstanding amount on their or the owner of the property, municipal account.
- b. A consumer has to be notified one month in advance in writing of an outstanding additional deposit before his / her name can appear on the cut - off list.
- c. With the discretion of the town treasurer / deputy town treasurer services can be reconnected, after extension of payment was arranged with the consumer.

Acknowledgement of receipt

**BOOKINGS FOR: HALLS AND THE LAPA;
GRAVEYARDS; AND
RUBBISH CONTAINERS.**

1. The personnel at the enquiry counter are responsible to keep the registers for all the above municipal services up to date.
2. A member of the public, requesting one of the above services, will receive an application document from the enquiry personnel.
3. The enquiry personnel are responsible to check the availability of the above services from the relevant departments.
4. In accordance to the availability of the services, this request will then be recorded in the applicable register.
5. The applicant will then be directed to the cashiers, which will receive the payment for the rendering of such a service.
6. The cashiers will complete the counterfoil of the application in full detail and will hand the remainder of the application together with the receipt to the applicant.
7. At closing time for the cashiers, the enquiry personnel shall receive the completed counterfoil of the application each day from the cashiers.
8. The enquiry personnel can now record the receipt number in the register.
9. Under a covering letter all the applications will be send to the relevant departments for execution.
10. A copy of the covering letter with a signature as proof of acknowledgment of receipt thereof will be filed at the enquiry counter.

Acknowledgement of receipt

ELECTRICITY, WATER AND SEWERAGE CONNECTIONS

1. The personnel at the enquiry counter are responsible to keep the register for the above municipal services up to date.
2. A member of the public, requesting one of the above services, will receive an application document from the enquiry personnel.
3. The enquiry personnel will allocate a vote number for the specific application and will also record it on the application document.
4. The enquiry personnel will then, firstly direct the applicant to the relevant department to obtain a formal quotation for the applicable connection and afterwards to the cashiers to pay the quoted amount.
5. The cashiers will complete the counterfoil of the application in full detail and will hand the remainder of the application, together with the receipt to the applicant.
6. At closing time for the cashiers, the enquiry personnel shall receive the completed counterfoil of the application each day from the cashiers.
7. The enquiry personnel can now record the receipt number in the register
8. Under a covering letter all the applications will be sent to the relevant departments for execution.
9. A copy of the covering letter with a signature as proof of acknowledgment of receipt thereof will be filed at the enquiry counter.

Acknowledgement of receipt

SUPPLYING AND SUSPENSION OF MUNICIPAL SERVICES AGREEMENT

General :

1. The personnel at the enquiry counter are responsible to keep the register for the above municipal services up to date.
2. A member of the public, requesting the above services, will receive an application document from the enquiry personnel.
3. **For supplying of services :**
 - a. The enquiry personnel shall determine the amount of deposit payable by the applicant according to the council's policy and also check the completeness of the document.
 - b. The applicant, together with the document, will be directed to the cashiers to pay the amount of deposit as requested.
 - c. The cashiers shall issue a receipt and also record the receipt number on the application document.
 - d. The cashiers will immediately send the application document back to the enquiry counter.
4. The application documents will be handed to the meter-reading services by signature as proof of receipt thereof, to execute the instructions on the document / s.

Acknowledgement of receipt

GENERAL ENQUIRIES

1. The enquiry personnel have to administrate all the enquiries of complainants visiting the municipal offices.
2. The enquiry personnel have to listen to the complainant's enquiry.
3. Try to resolve the enquiry verbally.
4. If the enquiry needs to be resolved otherwise due to further investigation, the following has to be done:
 - a. The enquiry personnel have to request the complainant to complete the applicable enquiry document in twofold.
 - b. The original must be handed over to the complainant and the copy must be send to the applicable department for investigation.
 - c. The enquiry has to be recorded in the register.
 - d. Weekly follow-ups have to be done to ensure that all outstanding enquiries are answered to the satisfaction of the complainant.
 - e. A written answer on the enquiry shall be written and send by the enquiry personnel, to the complainant.
 - f. If the complainant insists on speaking to the relevant official, that official has to be contacted telephonically to ensure his / her availability.
 - h. The complainant has to be requested to wait at the counter until the official is available to assist him / her.

Acknowledgement of receipt

ADMINISTRATING BAD DEBTS

1. Requests for extension of payment :

- a. The revenue clerk is responsible to administrate the requests for extension of payment.
- b. Only in exceptional cases and also according to the policy of the council, extension to pay the municipal account can be granted.
- c. The consumer has to complete an agreement to pay the amount in arrears, not exceeding six months, before services can be reconnected.
- d. The completed agreements must be referred at the end of each day to the Chief Financial Officer for final approval.
- e. The agreements has to be filed afterwards alphabetically for easy reference.

2. Handing bad debts over to the attorney and credit bureau :

- a. The bad debts clerk is responsible to hand the bad debtors over to the attorney.
- b. A debtors trial balance have to be printed each month to compile a list of all debtors owing a long outstanding amount and that did not make any arrangements to pay the amount in arrear.
- c. These debtors have to be warned in writing of the council's intention to hand the debtor over to the attorneys and credit bureau.
- d. If no reaction is received in the prescribed time the debtor shall be handed over to the attorneys and credit bureau.

Acknowledgement of receipt

DIRECT PAYMENTS FROM BANK ACCOUNT

3. An official debit order received from the supplier or banking institution has to be signed as approval by two officials authorized to sign cheques;
4. The amount debited on the bank statement has to be verified by the accountant with the amount stated on the debit order;
5. A journal must be written by the expenditure clerk and certified by the responsible departmental head to transfer the expenditure to the correct vote through the bank account;
6. A copy of the bank statement, which indicates the specific expenditure, has to be filed with the original journal.

Acknowledgement of receipt

CHEQUE - REQUISITIONS

1. A cheque - requisition has to be completed by a responsible official only when the expenditure is a contractual liability and when no invoices can be submitted before-hand;
2. In cases where a supplier do not allow credit and it is essential that the item has to be bought from that specific supplier or no other supplier is available, a requisition has also to be completed, accompanied by quotations in terms of the Supply Chain Management Policy;
3. Only the departmental head or it's fully authorized delegate can recommend the expenditure, while the Municipal Manager; Chief Financial Officer or it's fully delegate can approve the expenditure in terms of the Supply Chain Management Policy after verified it's correctness and the availability of funds;
4. As proof of the expenditure, the original receipt or any other proof of receipt by the recipient must also be attached to the requisition, after the payment has been done;
5. This receipt has to be certified by the departmental head or it's authorized delegate as proof of the goods or service received to its satisfaction.
6. No requisition shall be filed, before procedure 4 and 5 as above were executed.

Acknowledgement of receipt

ORDERS

1. An order has to be completed in full by an official responsible for the expenditure;
2. The departmental head or it's fully delegate must complete the Departmental Head's certificate and sign in the relevant space provided;
3. The order must be taken to the creditor's clerk. After checking for the availability of funds in terms of the budget and cash flow budget, it can be processed on the computer, in which a printout of the creditor's order, to show the recorded transaction, be attached on the manually generated order together with the signature of the official who supplied the printout;
4. The creditor's clerk shall also check for the completeness and correctness of the order as well as to the adherence of the Supply Chain Management Policy with regard to tenders and quotations;
5. After approval of the order by the Municipal Manager; Chief Financial Officer or it's fully delegate, the order can be placed at the supplier;
- 6.
7. The copies of the order must be submitted to the creditor's clerk immediately after the order has been placed;
8. After the goods or services were received, the invoice must be certified by the departmental head or it's fully delegate on which payment will be processed;
9. Documentation for payment shall only be prepared by the creditor's clerk after the order and invoice (as described in 6 and 7 above) were received;
10. The creditor's clerk should cancel outstanding orders older than 30 days.

Acknowledgement of receipt

STORE REQUISITIONS

1. A requisition has to be completed in full by an official responsible for the expenditure;
2. The departmental head or it's fully delegate must complete the a Departmental Head's certificate and sign in the relevant space provided;
3. The requisition must be taken to the expenditure clerk for processing it on the computer, after it was verified and confirmed by means of a signature that sufficient funds are available, in which a printout of proof thereof shall be attached on the requisition;
4. The official requesting the store - item has to take the requisition, together with the printout to the stores in order for the store-keeper to issue the item/s;
5. No item shall be issued without the necessary documentation as described in 4 above;

Acknowledgement of receipt
