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**MOPANI DISTRICT MUNICIPALITY**

**DRAFT CASH MANAGEMENT POLICY**

**2024/2025**

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## 1. Cash Management Principles

1. All monies due to the municipality will be collected within 30 days.

## 2. Bank Current Account Balances

1. The balance of the municipality current account will be maintained at the minimum level possible taking into account daily cash requirements.

## 3. Managing Cash Surplus

1. Surplus cash will be immediately invested in order to maximize returns.

## 4. Cash Forecasting

1. Forecast of cash receipts and payments will be prepared on a monthly basis to facilitate investment decisions.

# 5. **Bank Accounts**

1. The municipality shall open bank accounts for its day to day operational activity requirements and investments purposes
2. The municipality must account daily for the cash movements of all bank accounts.
3. All monies due to the municipality and due by the municipakity’s emanating from its activities must pass through the primary account.
4. Perform bank reconciliations on a monthly basis to detect any unauthorised entries, for all accounts.

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| 6. Receipts of money 6.1 Receipt of money   1. Every payment received by authorized officer charged with the receipt of money shall be acknowledged by the issue of a sequentially numbered official receipt, obtained from the official receipt book. 2. Every receipt form, which is cancelled, will be re-attached, in the correct place in the relevant official receipt book. 3. Reconcile direct deposit with bank statement, descriptions on bank statements or through contacting the bank. 4. Record date and amount of direct deposit, payee on daily direct deposit summary. The accountant: Revenue will record the bank deposit transaction no. on the Financial system. 5. The Accountant: Revenue will issue a receipt and record a receipt number on the summary. File the summary in daily sequence.   6.2 A receipt can be cancelled if the following is adhered to   1. Reason must be recorded on the receipt summary. 2. Original receipt is attached to the book copy. 3. Both original and book copy must be crossed “cancelled”.    1. The Accountant : Revenue will process all receipts/payments on the general ledger module and to the Senior Accountant: Revenue for checking purposes.    2. The Senior Accountant : Revenue completes the daily receipt summary for all receipts. The Deputy Manager: Revenue agree to the deposit and thereafter, both will sign the reconciliation and daily cash -up |
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