



# **MOPANI DISTRICT MUNICIPALITY FINAL CASH MANAGEMENT POLICY**

**2023/2024**

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## **1. Cash Management Principles**

- a) All monies due to the municipality will be collected within 30 days.

## **2. Bank Current Account Balances**

- b) 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**

- c) Surplus cash will be immediately invested in order to maximize returns.

## **4. Cash Forecasting**

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

## **5. Bank Accounts**

- a) The municipality shall open bank accounts for its day to day operational activity requirements and investments purposes
- b) The municipality must account daily for the cash movements of all bank accounts.
- c) All monies due to the municipality and due by the municipality's emanating from its activities must pass through the primary account.
- d) Perform bank reconciliations on a monthly basis to detect any unauthorised entries, for all accounts.

## 6. Receipts of money

### 6.1 Receipt of money

- a) 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.
- b) Every receipt form, which is cancelled, will be re-attached, in the correct place in the relevant official receipt book.
- c) Reconcile direct deposit with bank statement, descriptions on bank statements or through contacting the bank.
- d) 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.
- e) 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

- a. Reason must be recorded on the receipt summary.
- b. Original receipt is attached to the book copy.
- c. Both original and book copy must be crossed "cancelled".

6.3. The Accountant : Revenue will process all receipts/payments on the general ledger module and to the Senior Accountant: Revenue for checking purposes.

6.4. 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

