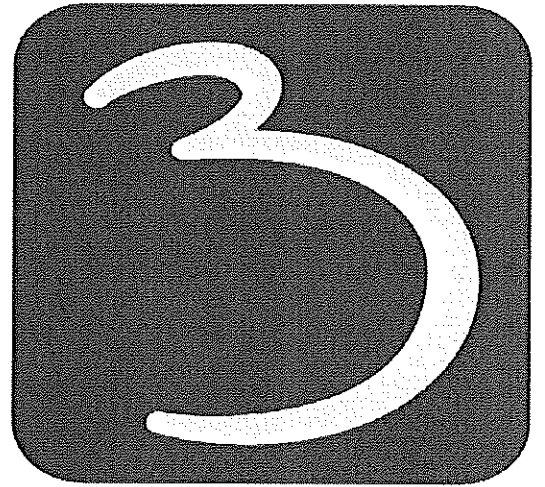


Petty Cash Policy



***Boxing
South
Africa***

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1. Introduction

It is understood that from time to time there are transactions that are undertaken by Boxing South Africa (BSA) that are minor and urgent in nature. Such transactions require that the entity keeps limited cash resources in its premises referred to as Petty Cash in order to fulfil these transactions.

Since keeping cash presents additional risks, this policy serves to detail the parameters upon which petty cash should be maintained and utilised.

2. Terms and definitions

Petty cash - to small amounts of cash kept on hand in a business

3. Objective of the policy

The objective of the policy is to regulate the management, administration and control of petty cash in the entity.

4. Petty cash float

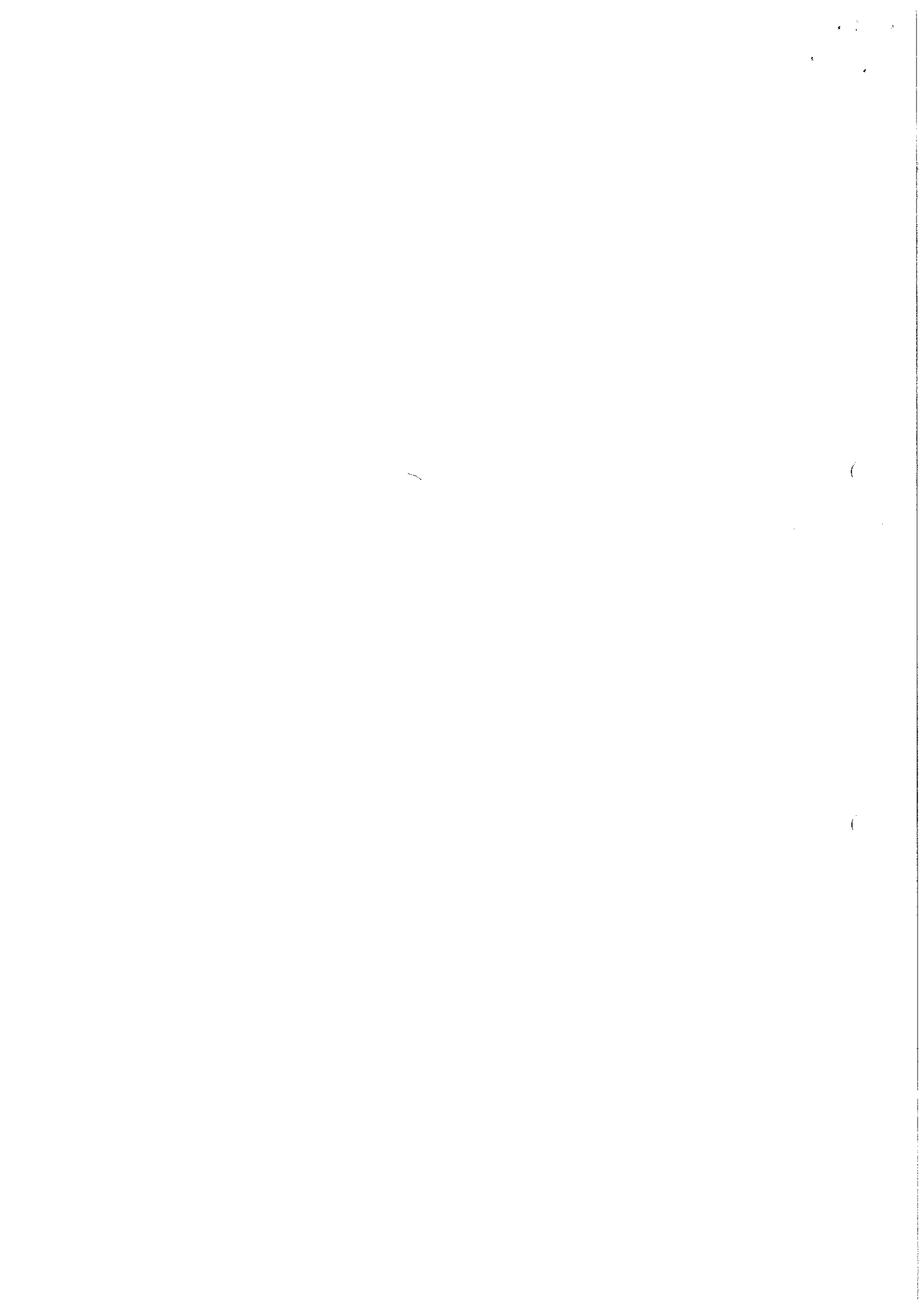
4.1 Where the need may arise in the office to have cash available for payments of a minor and recurring nature and it is impracticable to obtain cheque payments for every expense, such payments (excluding remuneration for services rendered) may be handled by means of petty cash facilities.

4.2 Formal application for petty cash facilities must be made to the Chief Financial Officer (CFO) and should be approved by the Chief Executive Officer (CEO) as the said officials are ultimately accountable for the management of a petty cash float.

4.3 The CEO may delegate control and management of the petty cash float to the CFO in which event reference to the CEO in this policy shall be construed as reference to the CFO.

4.4 In the event of the CEO designating a petty cash officer for the entire BSA, it shall be a staff member of the Finance & Administration Department of BSA and be independent of all other cash functions such as processing transactions.

4.5 BSA's maximum amount which may be withdrawn from the bank account of the BSA for purposes of the central petty cash float of Head Office is R 2 500.00.



5. Procedures for the handling of Petty Cash

- 5.1 The application for a petty cash facility or for increase of the operational amount of an existing petty cash float must be made in writing to the CEO through the CFO.
- 5.2 The application must state reasons for the need of a petty cash float and the amount required for its operation, as well as the cost centre from which funds are to be applied for the petty cash. The amount should be sufficient to cover expenses for approximately one month.
- 5.3 The responsibility for operating petty cash and the safe keeping of petty cash funds in Head Office must be assigned to the designated Petty Cash Officer only and the CFO or Bookkeeper shall be co-responsible for petty cash management.
- 5.4 The keeping of a formal petty cash register is compulsory.
- 5.5 Payments to establish a petty cash float may only be by way of manual cheque made payable to the designated Petty Cash Officer and upon submission of a requisition signed by such Petty Cash Officer and countersigned by the relevant CFO.
- 5.6 The requisitioned amount should not exceed a maximum amount determined by BSA.
- 5.7 Petty Cash payments may only be made by the designated Petty Cash Officer upon production of a cash requisition accompanied by proper supporting documents such as cash sale slips or receipts containing the supplier's name (original documents).
- 5.8 After a purchase is made, the supporting document(s) must be submitted to the Petty Cash Officer within a week from the date of such an advance payment.
- 5.9 The Petty Cash Officer must regularly pursue outstanding advances and long outstanding advances must be brought to the attention of the Chief Financial Officer who must take the appropriate action to ensure that the amount advanced has been properly spent and proof of expenditure is submitted.
- 5.10 Each petty cash requisition must be entered in the Petty Cash Register.
- 5.11 When the cash in the petty cash float is almost exhausted, the petty cash register must be balanced and reconciled.

- 5.12 Replenishment of the petty cash float is undertaken after the balancing and reconciliation of the Petty Cash Register has been checked and approved by the Chief Financial Officer.
- 5.13 A cheque must be made out to the Petty Cash Officer for the replenishment of the petty cash float and such cheque must be encashed by this officer who must record the amount received in the Petty Cash Register.
- 5.14 Petty cash funds and vouchers must at all times be secured in a lockable container suitable for securing the money or in a safe. If no safe is available, a lockable cabinet provided for this purpose, must be used. Under no circumstances should money be kept in desk drawers, open filing cabinets or cupboards.
- 5.15 Reasonable precautions must be exercised for the safe keeping of keys to the petty cash container and the room where it is kept. The keys must not be left at the premises after hours.
- 5.16 Petty cash funds are to be used exclusively for the payment of smaller official expenses (excluding any form of remuneration for services rendered) and no private loans from petty cash funds are permitted. No staff cheques may be cashed out of petty cash funds
- 5.17 The cash balance added to the total expenses at any stage, must be equal to the authorised amount. The internal auditors of the BSA may, at any stage without prior notice, perform an audit of a petty cash to confirm the cash balance.
- 5.18 Each claim must not exceed R 500.00; if it is more than the refund claim must be processed via direct payments. If there was an approved requisition for travel any refund thereof must be claimed via direct expenditure from the CFO.
- 5.19 Shortages and surplus funds concerning petty cash must immediately be paid in at the clerk's and the reason for the shortage/surplus must be investigated by the CFO with a view to rectification
- 5.20 The Petty Cash total on hand at financial year-end must be reconciled to the petty cash requisition forms, voucher and other documentation.
- 5.21 The petty cash provision may be resumed at the beginning of the next financial year at the request of the Petty Cash Officer in accordance with the procedures outlined above.

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6. Approval and implementation

- 6.1 This policy is effective from the date of approval by the Chairperson of the Accounting authority.
- 6.2 The CEO will be responsible for implementation and monitoring of the policy.
- 6.3 The policy will be reviewed on an annual basis and revision thereto must obtain Board approval.

7. Level of approval

Dr P Ngatane

2011 -05- 0 6

Board Chairperson



Signature

Date

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