

# ADDITIONAL POLICIES

# CONTENTS

1. Investments
2. Council vehicles
3. Salary deductions
4. Library funds
5. Creditors Policy
6. Salary deductions
7. Cash receipts policy

# 1. Investments

## ***Surplus funds***

The Council's surplus funds may only be invested by way of special deposits and at this stage, until the Council decides otherwise, just for a maximum period of twelve months.

When funds are invested or re-invested as mentioned above, it may only be done at one of the authorised financial and other institutions as per Local Management circular no. 19 of 1984; and then at the best available, competitive interest rate.

Quotations for these interest rates for a specific period should be obtained from two different authorised institutions. These quotations should be considered by the treasurer and the available funds should then be invested at the best interest rate available.

When funds are invested as above mentioned, the treasurer should assess whether the Council has enough funds available so they do not experience a cash shortage during the period of the investment.

## ***Report***

When funds are invested, the treasurer must compile a report every six months, on the investments made during the last six months, and present this report to the Council. In this report he will confirm whether these investment have been made in accordance with the written policy.

## ***Incentives***

When funds are invested, no Council official or official made available to the Council, may, directly or indirectly, receive any financial incentive for himself or anybody else.

## ***Authorisation***

The Town Clerk, Treasurer and the municipal accountant have the authorisation to invest or withdraw any funds in line with the regulations stated in this document.

## **2. Council Vehicles**

### **2.1 Use of vehicles**

Council vehicles may only be used for official municipality business purposes. Any other use of the vehicles is strictly prohibited.

### **2.2 Authorisation**

The use of vehicles must be authorised by the Municipal Manager prior to the undertaking of any journey. The keys should therefore be kept in a secure cabinet, which is constantly under the supervision of a senior municipal official.

The log register must be completed and signed on a daily basis.

### **2.3 Pre-journey check list**

The person using the vehicle, should ensure that the vehicle is registered (by inspection of the licence disc) and roadworthy. Before every trip the following items, amongst others, must be checked:

- Water,
- Oil,
- Petrol,
- Battery water,
- Tyres,
- Spare tyre,
- Jack,
- Wheel spanner,
- Vehicle lights (including indicators).

### **2.4 Fuel**

No fuel may be pumped without the proper authorisation.

### **2.5 Security**

Vehicles have to be secured at night on the municipality's premises. The vehicle must be locked when not in use.

## **2.6 *Authorised drivers and passengers***

Only council members and officials with a valid drivers license may use the council vehicles. A list of authorised drivers with a valid drivers' licences should be prepared and revised whenever there is an alteration in the membership of the council.

Only the spouses of officials or council members may be passengers in the vehicle. No other passengers are therefore allowed. Only these passengers are insured in the event of an accident.

## **2.7 *Road safety***

The driver must obey all traffic laws as the council will not be held responsible for the payment of any fines and the driver will be held liable.

All accidents have to be reported immediately in writing to the police and a written report provided to the Municipal Manager. This report will then be tabled at the next council meeting.

## **3. Salary deductions**

### **3.1 Statutory deductions**

The following statutory deductions are made from the salaries of municipality staff and council members:

- Tax (PAYE & SITE)
- UIF
- Union fees
- Bargaining council
- Garnishee orders
- Pension fund contributions
- Provident fund contributions
- Medical Aid contributions

Group life insurance contributions

### **3.2 Additional deductions**

The following deductions are made from staff salaries and council members salaries as per an agreement made with them:

- Insurance policy premiums
- Rates and taxes
- Consumer accounts
- Any other deductions

The municipality is aiming to phase these deductions out in order to transfer the responsibility of paying these amounts to employees.

## 4. Library funds

### ***Library income***

The income derived from library activities, consists of the following;

- Fines on books returned late,
- Fines on lost books and
- Donations received from the hiring of the hall.

### ***Recording of income***

The librarian has a prenumbered receipt book. She must issue a receipt for all amounts received.

Once a month, the total receipts are given to the senior clerk/cashier.

The cashier supplies the librarian with a receipt, which must agree to the total of all the librarians receipts for the month to ensure the completeness of library income.

## 5. Creditors policy

An order is placed and authorised by the Treasurer.

The supplier must supply the municipality with an invoice.

Accounts are only paid once a month, around the 17<sup>th</sup> of the month.

When the statement is received, it must be reconciled with the order and the invoice to ensure that correct amount is paid. All these documents will indicate which department is responsible for the expenses.

The invoice and/or delivery note must be signed by the receiver of the goods.

The invoice must be stamped with the "Paid/Betaal" stamp by the cheque signatory, when he compares the cheque amount with the supporting documentation to ensure that the correct amount is paid.

The cancelled supporting documentation must be sorted in a file, separate from unpaid invoices, for future reference.

## 6. Salary deductions

### ***Statutory deductions***

The following statutory deductions are made from the salaries of municipality staff and council members:

- Tax (PAYE & SITE)
- UIF
- Workmen's compensation (where applicable)
- Garnishee orders

### ***Additional deductions***

The following deductions are made from staff salaries and council members salaries as per an agreement made with them:

- Pension fund contributions
- Provident fund contributions
- Medical Aid contributions
- Group life insurance contributions
- Insurance policy premiums
- Any other deductions

The municipality is aiming to phase these deductions out in order to transfer the responsibility of paying these amount to employees.

# 7. Cash receipts policy

## ***Daily cash takings***

An advance is put into the petty cash. A senior official should ensure that the advance (imprest amount) is right by performing a cash count at the end of the day.

Bank deposits should be done on a daily basis. Receipts should be written out immediately and a copy provided to the person providing the cash.

If the receipt was not correctly processed, it should be cancelled and a new receipt issued. The cancelled receipt should be signed as proof of cancellation.

A book detailing all advances received should be kept. When the cashier is on leave or sick, the replacement should sign in this book for all advances received.

A reconciliation should be performed before deposits are banked. The treasurer should ensure that the cash and cheques are correct. He/she should check for post-dated cheques.

Two people should bank the deposits, for security purposes.

Reports should be printed on a daily basis, after the cashing up has been done. The following reports are required:

- A cashier summary
- A list of bank deposits
- Daily cash list & cash summary

The cash list should be posted & reconciled on a daily basis.

## ***Advances***

Administration Offices	R1000.00
Vanzylsrus	R 200.00
Roads	R 200.00
	<hr/>
	R1400.0
	0

### ***Monthly reports and other activities***

An audit trail should be printed on the 14<sup>th</sup> of every month.

If, in the case of water & electricity metres, old metres are replaced, they should be removed from the computer and the new metres included.

When people move from one house to another or to another town, the metre reading should be processed on the computer at the date of the move.

The following reports should be printed on the 1<sup>st</sup> of every month:

- A cut off list
- A debtors list
- A metre reading list

A metre reading exception report should also be printed on a monthly basis and where necessary, a new reading must be taken, and the necessary adjustments made.

All journals should be posted on the computer.

A transaction list should be printed daily and balanced with the receipts for the day.

### ***Monthly debtors***

A debtor report should be printed before the month-end processing and this report should be balance to the previous months transaction error listing.

A debtors report after month-end should be printed now and balanced. Ensure that this report is clearly indicated as after month-end.

Journal reports should be printed.

All accounts should be printed and mailed on the 25<sup>th</sup> of every month.