# MaSP CASH MANAGEMENT POLICY

## DOCUMENT CONTROL

| | |
|---|---|
| **Approved by** | MaSP Board of Directors |
| **Responsible Owner** | Risk Management Lead/Champion |
| **Created** | 26th June 2025 |
| **Policy version** | 1 |
| **Revised** | N/A |
| **Approved on** | 26th June 2025 |
| **Next Policy review** | 26th June 2027 |

| POLICY APPROVAL | |
|---|---|
| **AFAHR CHAIRPERSON – Mr. Lucky Crown Mbewe** | **Signature:** |
| **CHIEF EXECUTIVE OFFICER – Ms Linda Dembo** | **Signature:** |
| **DATED: 26th June 2025** | |

## INTRODUCTION

The safe handling of cash is an important part of MaSP management of project resources. This has some implications for the security of project staff and MaSP recognises that consideration be given to the handling and movement of cash.

## 1. Cash movement

i. The Cash management policy provides guidance on minimum and maximum levels of cash to be maintained at every material time in MaSP. The policy emphasises the need for cash balances to be kept to a minimum level. There should be no more than two weeks supply of cash kept on the office premises in towns where an adequate banking system exists.

ii. Cash should always be kept in a locked metal cash box and stored in a secure safe, where possible, if there is no safe then the cash limits needs to be adjusted. Confidentiality should always be maintained around the storage and movement of cash.

iii. When moving cash, personal security of staff should be considered at all times. Sending people out alone with large amounts of money should be avoided and confidentiality about their movements should be maintained.

iv. If regular withdrawals of cash are made from the bank, vary the timing of these withdrawals, avoid fixed routines.

v. Cash will be disbursed in the following circumstances:

- for direct payments to suppliers where the amount payable is less than MKW 100,000
- for reimbursements of claims to staff less than MKW 100,000

- if any cash payment for more than MKW 100,000 is requested, special permission from the Chief Executive Officer (C.E.O) must be sought with the approval clearly stated on the document

vi. Cash is held in the following currencies and only small balances are held in order to minimise the risk of loss:

- Malawian Kwacha

vii. The office has no capacity to hold or deal in any other currency. Visiting staff seeking to exchange any other currency should be directed to a foreign exchange bureau. Personnel seeking to account for working advances by returning cash in a currency other than Malawian Kwacha will be advised that, that currency is not acceptable.

**2. Cash boxes – general**

i. Cash collections (from any Income Generating activities, sale of items etc) and Petty Cash Imprest Funds are to be kept in separate cash boxes, which should be kept locked at all times.

ii. The original keys to the safe, and Petty Cash Box should be held by the Assistant finance and Administration officer only and no other person may have access to these facilities without the authority of the Chief Executive Officer.

iii. The cashbox should be locked away in a cabinet when monies are not received or paid during working hours and should be locked away in the safe after working hours.

iv. Personal or third party funds should not be kept in the cashboxes or in the safe and should never be mixed with MASP's funds.

v. Whenever cash changes hands in local currency, it must be signed for by the person receiving the cash as well as the person handing over the cash and both parties should retain a copy each of the signed documents stating the date, the amount involved and the reasons for the handover of cash.

vi. Under no circumstances are **IOU's (I Owe You)** acceptable as part of the Petty Cash system.

**3. Petty cash imprest**

i. The imprest system must be in place; with this system, you have a fixed float of MWK 500,000.00 and when the cash balance gets low, it is topped up by exactly the same amount that was spent since the float was last reimbursed.

ii. The maximum cash balances held on the premises on a routine basis should not be more than MWK 500,000. Minimum cash balances should be MWK 200,000 before a top-up is made. As only small balances are held, the Finance Office should be advised of significant individual needs at least two days in advance.

iii. The reimbursement (imprest top-up) is a payment voucher which is prepared by the Assistant Finance and Administration Officer. To the voucher, will be attached a print-out of the Petty Cash ledger from the accounting system (QuickBooks) indicating actual amount of purchases made with cash. This is sent to the F.A.O who will review the vouchers to ensure their total agrees with the amount on the Payment Voucher.

iv. The Payment Voucher will then be processed as per the Cheque payment system detailed above.

v. The petty cash floats are to be controlled by the responsible AFAO and in his/her absence the person appointed by the CEO.

**a. Payments**

i. As a general rule, payments made in cash should be limited to absolute necessary. No individual purchase of goods/services can be made without the prior approval of the FAO and the consent from the CEO.

ii. All disbursements are to be substantiated by fully documented receipt payment vouchers, which have been approved and passed for payment within approval limits.

iii. The payments are to be recorded on a petty cash QB ledger and balanced daily with the petty cash float and initialled by the AFAO against the balance at the close of each day.

**b. Internal check**

i. The petty cash boxes are to be checked by the FAO at least once a week. Reimbursement requests must be signed by the AFAO and approved by the CEO.

ii. Cash reconciliations should be done on a monthly basis, on the last day of the month to ensure that the actual cash held agrees to the cash balances in the accounting system or QuickBooks and in the manual cash sheet.

iii. All outstanding cash advances must be shown on the reconciliation. Differences should be investigated.

iv. The senior management staff member who will be doing the cash count must also sign the cash count reconciliation to confirm that he / she agree to the cash balances.

v. Occasional surprise cash counts must be done by CEO and MaSP Board Members.

vi. All unidentified surpluses discovered during surprise cash counts are the property of the organisation. A General Receipt will be issued using a miscellaneous income allocation so that the money can be banked.

vii. Any shortage must be refunded immediately by the AFAO to bring the total amount back to the imprest level for Petty Cash.

viii. Where AFAO have persistent unexplained shortages/surpluses or when such shortages/surpluses are material, further corrective action must take place.

**c. Petty-cash issued to employees**

All imprest issued to employees must be refunded within 72 hours. Every month, AFAO will circulate a list of un-reported petty-cash withdrawals to the employee in question and also the FAO.

**d. Petty Cash Payments**

i. When employees wish to draw petty cash, AFAO will prepare a manual Petty Cash issuing form. These forms are pre-printed and pre-numbered. They are maintained by the relevant AFAO and can be obtained from him/her. AFAO will record the following details:

a) Date
b) Name of employee drawing the money
c) Description of the expenses to be incurred using the money (recorded by the requesting employee)
d) Total amount in figures
e) Total amount in words
f) QuickBooks account codes for corresponding expense item.

ii. The signed petty cash issuing form constitutes supporting documentation for the QuickBooks entry. A maximum of petty cash issued to constitute one full voucher will be MK 100,000.00. All supporting documents with a copy of petty cash issued forms will be then summed up to make MK 100,000.00 (to constitute one voucher. (This will reduce waste of stationery for small amounts spent. A summarized excel attachment will be attached to the voucher with all receipts and petty cash issuing forms)

MALAWI SCOTLAND PARTNERSHIP
PETTY CASH ISSUING FORM

Gross amount MK____________________
Payment in respect of ____________________________________

____________________________________

Name of Recipient____________________________________

Phone Number____________________________________

Signature____________________________________

Date____________________________________

Issued by____________________________________
Designation____________________________________
Signature____________________________________
Date____________________________________

MALAWI – SCOTLAND PARTNERSHIP

| PETTY CASH PAYMENT VOUCHER | |
|---|---|
| **DATE**: XX/XX/2025 | **P.V. NO**: |

| PAYMENT DETAILS | | | |
|---|---|---|---|
| Please pay: | | In respect | |
| MODE OF PAYMENT | | | |
| | | CASH | |
| | | Cash Details | |
| | | Payment | |
| Amount In Word | | | |
| | | K | T |
| | | | |
| AUTHORISED BY | | APPROVED BY | |
| Name: | | Name: | |
| Signature: | | Signature: | |
| Date: | | Date: | |
| FINANCE AND ADMIN OFFICER | | CHIEF EXECUTIVE OFFICER | |
| CODING | | SIGNATURE OF RECEPIENTS | |

| Project | Activity/Item | K | | |
|---|---|---|---|---|
| MaSP | | | | |
| | | | | |
| | | | | |

**MALAWI – SCOTLAND PARTNERSHIP**
**GENERAL EXPENDITURE REQUISITION**

**TO : Chief Executive Officer**
**FROM: Requesting officer**

**Please pay /Advance * to Mr. /Mrs/Ms/Dr**. Joe Doe
**MK;** 25,200.30
By charging the appropriate budget line /account of actual payment
**Purpose.** Fixing Tyre Puncture

| **SIGNATURE** | **NAME** | **POSITION** | **DATE** |
|---|---|---|---|

**Budget Line:** ..............................................................

| **Description** | **This Budget Line** | | **Overall Budget** | |
|---|---|---|---|---|
| | **Current Month** | **Cumulative to date** | **Current Month** | **Cumulative to date** |
| Budget | | | | |
| Actual | | | | |
| Budget Balance | | | | |

Signed;................................................

**Finance and Administration Officer** **Date;**............................

**CHIEF EXECUTIVE OFFICER'S APPROVAL**

MK________________________________Only is approved to the payee as requested above.

**Approving Officer**

| **SIGNATURE** | **NAME** | **POSITION** | **DATE** |
|---|---|---|---|