



REVENUE POLICY

Policy registration: 2025-02

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II) DEFINITION OF TERMS

Term	Definition
Deficit	Shortfall in revenue after receipts and cash collected for the day have been reconciled.
Surplus	Excess amount after receipts and cash collected for the day have been reconciled.
Cashier	Occupation focusing on the handling of cash money.
Revenue	Income received by the department for goods and services sold
Suspense Account	An account in the general ledger in which amounts are temporarily recorded.
Tariffs	List or schedule of prices
Head Office	Head Office of the Department of Social Development.

III. ACRONYMS

PFMA	Public Finance Management Act
PMG--	Paymaster General Account
BAS	Basic Accounting System
HOD	Head of Department
CFO	Chief Financial Officer
MEC	Member of the Executive Council

IV. LEGISLATIVE FRAMEWORK

- 1) Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)
- 2) Public Finance Management Act No.1 of 1999 as amended
- 3) National Treasury Regulations of 2001
- 4) Provincial Revenue Strategy 2025-2030

1. PREAMBLE

This policy outlines the standards for collecting and recording money collected on behalf of the department of social development. The department has struggled to comply with the regulations governing income collection, necessitating a review of current internal controls. The policy is revised in accordance with the Public Financial Management Act and Treasury Regulations. In an effort to address the compliance issues, the department has decided to develop a policy on revenue collection. This policy will provide uniform guidelines which will be used in the collection points situated in the districts and the provincial office.

2. PURPOSE

The purpose of this policy is to establish uniform procedures for revenue collection and administration within the department.

OBJECTIVES

- a) To maximize the department's revenue collection by identifying additional income streams.
- b) To adhere to Treasury Regulations and the Public Finance Management Act.
- c) To ensure that the Provincial Revenue Strategy is implemented.

3. SCOPE AND APPLICABILITY

This policy primarily applies to the department's collection points and staff.

4. PRINCIPLES AND VALUES

The policy is underpinned by the following principles and values:

- a) **Transparency:** The department adopted a zero-tolerance approach on corruption; newly recruited staff shall undergo vetting and screening.
- b) **Honesty:** These values relate to the policy in the sense management of public funds shall be handled with highest standards of honesty and transparency.
- c) **Financially sound:** Officials designated to handle cash are capable and shall be vetted.

5. POLICY STATEMENT

In terms of Regulation of Treasury Regulations, the Accounting officer of the department shall manage revenue efficiently and effectively by developing and implementing appropriate processes to provide identification, collection, recording, reconciliation and safeguarding of information on revenue.

6. POLICY PROVISIONS

6.1. COLLECTION AND RECEIPT OF STATE MONEYS

6.1.1 Cashiers

- a) The duties of the official responsible for the collection and receipt of state moneys shall be assigned in writing by the Chief financial officer.
- b) Official duties include the receipt of state moneys.
- c) Officials shall also be responsible for the safe custody of state moneys under one's control.
- d) Cash shall be kept in a safe until it is deposited into department 's payment master general account.
- e) Officials entrusted with the receipt and handling of state moneys shall be rotated when necessary.
- f) If an official entrusted with the receipt or collection of state money is relieved of his/her duties either temporarily or permanently, receipts, cash book, and cash on hand shall be checked, balanced for correctness and cash on hand will be certified by the signatures of the following officials: an official being relieved, an official taking over and the supervisor.
- g) In the case the official being relieved is unable to certify the third official shall be called to certify the correctness of the balances by appending his/her signature.
- h) When an official is relieved, the handing over certificate shall be completed to reflect all documents, register, and all related the equipment that has been used by the official.

6.1.2 Supervisors

The Supervisor of the cashier shall be appointed in writing by the Chief financial officer.

6.2. CASH MANAGEMENT

6. 2.1. Revenue Identification

Cashiers accepting money on behalf of the department shall check the relevant documents and sources of information to ensure money received is allocated to correct revenue classification.

6.2.2 Sources of revenue

- a) Staff:** Recoveries relating to previous financial years from staff members who are indebted to the department.
- b) Suppliers:** Overpayments to suppliers relating to the previous financial years shall be recovered and recorded as revenue.
- c) Other revenue items:** include sale of tender documents, commission on insurance, boarding and lodging and sale of scrap.

6.2.3 Issuing of Official Receipt

- a) Moneys received shall be brought into account by the issuing official receipt.
- b) Manual receipts shall be captured into Basic Accounting System (BAS) on the same day of the transaction.
- c) Manual receipts shall be completed in full with a ballpoint pen and entries with erasable ballpoint pen are not permissible.
- d) Money received, which cannot immediately be allocated shall be credited to a suitable suspense account after an official receipt has been issued.
- e) The money shall be correctly allocated immediately when the allocation item has been identified.
- f) Entries in the suspense account shall be cleared within a month after being placed on the account.

6.2.4 Alterations and Cancellation of Receipt

- a) When issuing receipts, alterations shall not be made on the name of the payer; the amount in words, the amount in figures and the date of official receipt and no erasures shall be permitted.
- b) If the receipt is cancelled, the word "CANCELLED" shall be endorsed by means of a rubber stamp in bold across the faces of the original receipt as well as two copies and stapled together in the receipt book and these should be preserved for inspection.
- c) Persons cancelling receipt shall sign below double lines across the face of the original receipt.
- d) A cancelled receipt shall be indicated in the cash book.

6.2.5 Duplicate Receipt

- a) Under no circumstances will more than one original receipt be issued for the same payment. If a further a original receipt is issued by mistake, it will be cancelled in accordance with the correct procedure.
- b) When the payer did not receive, or lost the original receipt and requires evidence, a certified copy of the book shall be given.

6.2.6 Depositing of State Money

- a) All revenue received by a cashier shall be deposited daily into department's PMG account, for amounts less than R500, as soon as practicable shall be deposited not later than the last working day of the month and the funds will be kept in a safe.
- b) Where there are some exceptions, an authorisation in writing shall be obtained from the Chief Financial Officer.

6.2.7. Surplus or Deficit

- a) Surplus of cash discovered shall immediately be brought into account as surplus cash and deposited or paid to revenue.
- b) Receipt shall be issued indicating surplus cash as payment.
- c) Any shortage discovered in cash or face value form shall be dealt with by investigating the matter and the cashier shall have to refund the shortage in cash. A suitable note shall be made in the relative cash book.

6.3. RECONCILIATION OF ACCOUNTING BOOKS

- a) The supervisor of the cashier shall reconcile accounting books daily. Ensure the person entrusted with the collection of state moneys bring the amounts in care into account.
- b) The official designated for reconciliation of accounting books shall in writing reconcile accounting books once a month, sign and date the books to indicate instructions were complied.

6.3.1 The Supervisor shall:

- a) Reconcile accounting books not later than a day after banking is done.
- b) Indicate the deposit number, amount, signature and date on the back of the last receipts as indication that the receipts were checked against the deposit.
- c) Indicate on the back of the deposit slip the receipt numbers totalling to the deposit.
- d) Check moneys which shall have been banked, have not been withheld and the instructions regarding the receipt, custody and disposal of state moneys have been carried out.
- e) Certify the cashbook as correct and as true reflection of money received and banked.
- f) Take effective steps to correct any irregularities found.

6.3.2. Accounting Records

The following accounting records must be kept at every collection point:

- a) Cash Book
- b) Receipt Book

- c) Deposit Book
- d) Register of face value forms
- e) Register of surplus and deficit
- f) Stock register

6.4. REFUNDS

- a) Money incorrectly collected as revenue shall be refunded back to the payer.
- b) A copy of the original receipt, where the money was paid to the department shall be attached to the payment advice.
- c) Refunds shall be made by the revenue section.
- d) Only the Chief financial officer or designee shall approve claims for refunds.

6.5. SEGREGATION OF DUTIES

The custodian of the face-value forms and the official entrusted with the receipt of state money shall not be same official. The official shall be at the rank higher than the Cashier.

6.6. SAFEGUARDING OF DOCUMENTS AND CASH COLLECTED

- a) Face-value forms shall be entered in the register and kept in a safe.
- b) The supervisor appointed in writing by the Chief Financial Officer shall check the face-value forms in the safe against the register signed and date the register once a month.
- c) Used stock shall be kept numerically in a safe.
- d) The collection points shall keep collections in lockable cash trunks provided by the provincial office. The supervisor and cashier shall accompany each other to the bank.

6.7. REMITTANCE REGISTER

- a) Two officials shall open post and details of payments received by post and shall be entered into the remittance register.
- b) Details of the receipt number issued for a payment received by post shall be entered.
- c) The revenue supervisor shall once a month inspect the remittance register and verify the entries with the receipt issues.

6.8. REGISTER OF RETURNS

The provincial office of the department shall maintain the register of returns wherein the returns are recorded on when they are received.

6.9. REVENUE ITEMS

Particulars of revenue items collected, and tariffs shall be maintained at provincial office.

6.10. TARIFF STRUCTURE

- a) Tariffs shall be reviewed annually and a proposal for revision shall be sent to provincial Treasury for approval.
- b) Payments received shall be in accordance with the relevant approved tariffs.

6.11. ESTABLISHMENT OF THE COLLECTION POINTS

Any point where there is potential revenue collection, the revenue committee is tasked with a responsibility to adopt such a point.

7. APPROVING AUTHORITY

The Accounting officer and Member of Executive Council (MEC) shall approve this policy.

8. EXCEPTIONS /EXEMPTIONS

There are no exceptions nor exemptions to the provision of this policy.

9. ADMINISTRATION OF THE POLICY

The administration of this policy shall be vested on the Head of department who shall ensure employee adhere to the provisions of this policy.

10. ACCOUNTABILITIES AND RESPONSIBILITIES

a) Revenue Management Unit

Revenue unit shall compile submissions to provincial treasury. The submissions of revenue plan, annual cash flow projections, in year monitoring, budgets.

b) Chief Financial Officer

The Chief financial officer shall recommend submissions to EC provincial treasury and appoint revenue committee members before the commencement of the financial year.

c) Head of Department

The Head of department shall approve all submissions to eastern cape provincial treasury.

11. EFFECTIVE DATE OF THE POLICY

This policy shall be effective from the date of approval by the Head of department and Member of the Executive Council.

12. IMPLEMENTATION OF THE POLICY

This policy shall be implemented with effect from the date of approval by the Head of department and Member of the Executive Council.

13. MONITORING MECHANISMS

The monitoring of the policy shall be carried out through the following mechanism: Annually the revenue unit shall coordinate monthly returns prepared and submit to the provincial office by the collection points. The department shall compile monthly in year monitoring reports in compliance with the PFMA, and monthly reconciliation of revenue collected shall be prepared by collection points.

14. ENFORCEMENT

Failure to comply with this policy shall result in disciplinary action.

15. POLICY REVIEW

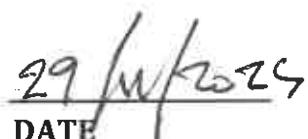
This policy shall be reviewed after three years of its effective date of approval or when there are changes on legislation.

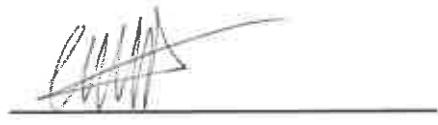
16. POLICY APPROVAL

Approved by:



**MR. M. MACHEMBA
HEAD OF DEPARTMENT
DEPARTMENT OF SOCIAL DEVELOPMENT**


29/11/2025
DATE


MS B. FANTA

**MEMBER OF THE EXECUTIVE COUNCIL
DEPARTMENT OF SOCIAL DEVELOPMENT**


15/12/2025
DATE