

Ace Finance Cash Handling Policy



Policy Number: 1001

Policy Date: 01/01/2020

Purpose of the Policy

This policy sets out the requirements for the handling and receipting of cash and cheques.

Scope

This policy applies to Ace Finance employees who are involved in the handling of cash.

Responsibilities

Cash handling involves special security control measures that managers must continually monitor. The elements of an effective cash handling process involve controls around receipting, reconciling, depositing and safeguarding of cash and reporting of variances and anomalies.

Ace Finance Security Measures

Cash receipting

Cash receipting, covered in this policy, encompasses the following:

- Cash received must be banked within 24hrs and entered into the Ace Finances accounting system.
- Cheques received in the mail are to be receipted and banked within 24hrs.
- EFTPOS transactions must be recorded concurrently with a corresponding entry in the accounting system.
- Sequentially numbered receipts must be issued for all cash and cheques received. Copies of the receipts must be retained to support the daily cash collection totals and included in the daily payment spreadsheet.

Adequate separation of duties

A clear separation of duties must be maintained at all times. The practice of maintaining a clear separation of duties includes:

- Employees responsible for collecting cash should not be responsible for preparing banking or banking cash into Ace Finances bank account.
- All refunds and cash discrepancies (additional cash/shortfall) transactions are to be authorised by a manager - cash discrepancies occur where the physical cash holdings differ from that specified by the cash receipting system.

Banking cash

Cash must be deposited into Ace Finances bank account daily.

Cash is to be deposited through a cashier at your nearest CommBank branch. It is preferable, where practical, for employees who deliver the cash deposit to be escorted by another employee.

Ace Finance Safety Measures

Safeguarding of cash

The safeguarding of cash relates to the processing, storing and transporting of money and also to the safekeeping of keys and safe combinations.

Processing of cash

A secure area for processing and safeguarding funds received is to be used and restricted to authorised staff only. When cash is counted by staff, it is to be conducted out of sight of the general public.

Storing of cash

Cash and cheques must be stored in the safe.

Once the deposit slip has been prepared, it must be stored in the safe with the cash and cheques until deposited at a CommBank branch.

Under no circumstances should deductions be made (i.e. to replenish petty cash floats) without the prior approval of the Finance Manager

Keys and safe combinations

Keys to the safe should be given to a designated person, who should keep the keys secure and ensure they are not left unsecured in the office overnight. Sensible precautions should be taken to ensure that any room in which cash is regularly stored is locked when unoccupied.

A register should also be kept that record's the allocations of keys.

Reconciling Daily Payments

Proof of deposit verifies the amount of funds in our account are from legitimate sources.

A bank reconciliation must be completed daily to confirm proof of deposit. Before the reconciliation process, the Bookkeeper must ensure that all daily transactions have been recorded in the accounting system.

1. Download the bank statements from the bank.
2. Compare the deposits and withdrawals.

To do this, match the business records' with those in the bank statement. Compare the amount of each:

- deposit recorded in the Cash at Bank column in the Cash Payments Journal with the debit side of the bank statement
- withdrawal recorded in the Cash at Bank column in the Cash Receipts Journal with the credit side of the bank statement

Mark the items appearing in both records.

3. Investigate any errors

Errors or omissions by the bank can lead to a difference between the balance as per the bank statement and the balance as per the cash book.

If an error or omission is identified, alert the Small Business Manager as soon as possible.

Review Date	Reviewed by	Role	Changes
01/01/2021	Peter Paul	Admin Manager	No Changes