

# **CASH HANDLING PROCEDURES**

## **Introduction**

1. Although the Director of Resources & Deputy Chief Executive is responsible for the proper administration of the Authority's financial affairs, all staff have a responsibility to safeguard assets and protect them from misappropriation.
2. For the benefit of staff as well as the authority, the risk of loss should be considered on your service risk register Risk assessments should also be undertaken for staff involved in cash handling. The Health and Safety Support Team can provide further advice and guidance on this.
3. To help prevent the loss or misappropriation of cash, it is important that staff have a clear understanding of their own responsibilities, and the need for a definite division of duties so that the risk of loss is minimised.
4. These "Cash Handling Procedures" should be read by all staff involved in handling income, as they form part of the Authority's [Financial Regulations](#) and they must be adhered to. In the event of a loss or misappropriation of money, staff involved may be subject to disciplinary proceedings, prosecution and be required to repay any losses.
5. These guidelines focus on income but the principles can be applied to other areas where cash or other asset handling is involved. The principles can also be applied to voluntary funds administered by staff, for example school funds.
6. Separate guidance on use of Petty Cash floats can be found using the following link: '[Petty Cash & Cash Advance Procedures](#)'
7. In the context of these guidelines, the term 'money' includes cash and cheques.
8. Further information or advice can be obtained from Financial Operations by emailing: [corporatecontrol@solihull.gov.uk](mailto:corporatecontrol@solihull.gov.uk)

Please click on a link below to go to that section:

### **[Receiving Income](#)**

- In person
- By post
- Manual Receipts
- Cash Registers
- Kiosks / Vending Machines

### **[Transfer of Income Between Officers](#)**

- Security of Income Before Banking
- Designated Safe Key Holders
- Handover of Safe Keys
- Combination Safes

### **[Private and Official Funds](#)**

### **[Banking of Income](#)**

- Frequency of Banking
- Preparation of Money for Banking
- Cash Collection Service (SecurityPlus)

### **[Income Monitoring](#)**

### **[Controlled Stationery](#)**

### **[Irregularities](#)**

### **[Guidance / Information](#)**

[K:\Financial Maintenance\Financial Regulations\2020-21\Documents To Update\Cash Handling Procedures.Doc](#)[K:\Financial Maintenance\Financial Regulations\2019-20\Documents For Update\Cash Handling Procedures.Doc](#)

## Receiving Income

9. The person(s) responsible for income from receipt through to banking must be clearly designated. The designated person will be accountable for the income whilst they are responsible for it.
10. Officers with responsibility for income should ensure that it is held securely on Council premises prior to being banked. Any transfers of money between officers must be recorded, either in a safe register, cash in transit book, or other similar record.
11. **When collecting cash, either bank the cash at the cash office or lock the cash in a secure location in the office. Do not take Authority money home unless the cash is collected on a day where the Council offices are not open. If this is the case, ensure that two officers count the cash and record the amount recovered, signing that who has taken the cash home with them. Upon bringing the cash back into the office, a separate officer should independently count the cash and verify the amount received prior to banking in the usual way.**
12. **Never borrow / lend council money.**
13. **Do not cash personal cheques out of Authority money, including income.**
14. All cheques should be made payable to Solihull MBC. The reverse of the cheque must be endorsed with the name of the establishment together with an appropriate reference.
15. The main reasons for cheque rejections are usually as a result of avoidable errors. For example; no signature on the cheque, dates missing or the value being written differently to the numeric value. When you are handed a cheque, please ensure this information is included.
16. If money is found on any Council premises it must be paid in immediately, with as much detail recorded as possible to trace it at a future date.

## Income Received in Person

17. Before accepting payment, checks should be undertaken to verify that the amount being paid is correct. Cash payments should always be counted and agreed with the payee on handover and should then be held securely whilst the transaction is receipted using an official receipt, ticket or voucher.
18. All receipt books, tickets and other forms or documents used to officially acknowledge or record amounts received must be in a format approved by the Director of Resources & Deputy Chief Executive.

## Manual Receipts

19. Receipts must be issued in numerical order with a copy receipt retained as the Authority's official record of monies received.
20. Receipts must not be altered. If an incorrect entry is made, the receipt must be endorsed with the word "CANCELLED" and retained in the receipt book with all copies. A new receipt can then be issued.
21. All unused receipts/tickets must be stored in a secure place.
22. A control record should be maintained of stocks of receipts held, recording issues and returns of completed receipts books where applicable.
23. Completed receipt books should be held for a period of 7 years.

## Income Received In the Post

24. Where income is regularly received in the post, two people should always be present when post is opened.
25. Income received should be recorded in a postal log. Both officers must sign the postal remittance record.

26. Upon conclusion of the post opening, the remittance register should be underlined under the last entry and the income passed to a Connect Centre or the designated safe key holder for safe keeping until it can be banked at the earliest opportunity.
27. The safe key holder should sign the safe register as a record of the transfer of the income. (note – see Section below on ‘Safe keeping of income prior to banking’ for more details on safe registers)
28. Correspondence received with the postal remittance should then be forwarded to the addressee. The following details should be written on the correspondence: date payment received; amount and the remittance record reference number. This information is required in the event of any subsequent query in relation to a payment or in the event of say a refund being required.

### **Cash Registers**

29. At the start of the day, the till float should be collected from the safe, signed for in the safe register and checked before being placed in the till.
30. All transactions must be entered on the cash register and the income immediately placed in the till at the time of the transaction.
31. Tills should not normally be left unattended during ‘opening hours’ of the facility however, if this does happen, the operator should ensure that the cash drawer to the till is locked and the keys removed.
32. Till drawers should be kept closed between transactions and should not be opened to give change.
33. At the end of trading, the cashier should undertake a ‘blind’ cash up of the till, separating the float from the income received without checking the system’s record of income held (‘Z’ reading or End of Day print). The cash up should be undertaken in a ‘secure’ place, away from public view.
34. For electronic tills, the Line Manager should check the ‘End of Day’ print out and compare this with the income declared by the cashier.
35. For manual tills, the Line Manager should retain the ‘managers’ or ‘Z’ key in their possession during trading hours. Once the cashier has completed the cash up, the Line Manager should take a ‘Z’ reading from the cash register which should be compared to the income declared by the cashier.
36. A record should be maintained of unders / overs. The Line Manager should monitor unders / overs for trends / training issues. Where significant variances are noted, the Line Manager should notify Internal Audit on 0121 704 6067.
37. Income should be placed in a sealed bag and lodged in a safe until banked. The handover evidenced by being recorded in the safe register.
38. Till Floats collected and returned to the safe should be placed in a separate sealed bag or cash box and lodged in a safe, with the deposit recorded in the safe register. The floats should be checked and evidenced by two people.
39. No money should be left in the tills or cash drawers when the facility is closed.
40. Where the amount of daily cash income going through a till exceeds £1,000, then a risk assessment of ‘security arrangements’ for the till should be undertaken. If necessary, an interim cash up should be undertaken, with income being removed and lodged in a safe until the daily cash up is undertaken.
41. Where till rolls are used, ‘Audit’ copies of the till roll should be kept for a period of 7 years.

### **Kiosks / Vending Machine**

42. Cash boxes within machines must be kept locked. Machines should be emptied and the cash counted by two people. The key to the cash box should be kept in a sealed bag in a safe, signed in and out by the two people emptying the cash box.

43. Where machines have a management information facility, such details should be extracted and compared to the value of actual cash collected.
44. A control record should be maintained for each machine documenting: date emptied, income collected, the signatures of the collecting officers and the date banked.
45. In the event of a significant or regular variance between the management information facility and the income collected, the Line Manager should notify Internal Audit on 0121 704 6067.

### **Transfer of Income Between Officers**

46. When cash has to be transferred from one person to another, it should be counted and agreed by both officers and recorded. Only in this way can the possibility of a dispute regarding responsibility for a deficit be avoided. The occasions of cash transfer should be limited wherever possible.
47. Where income is transferred from one location to another, the money should be in a sealed bag and transfer recorded using a 'Cash in Transit' book. Where money is being transferred, a risk assessment should be undertaken of the most appropriate / secure means of transferring the money.
48. Two people should always be present to open and agree the contents of a sealed bag containing money.

### **Security of Income Before Banking**

49. All income received must be held securely from the point of receipt until being banked. Cash (excluding cheques) up to £1,000 can be held in a locked cash box in a locked receptacle i.e. till, desk or cupboard during working hours. Amounts over this and all money outside of working / opening hours must be lodged in a safe. Guidance on limits can be obtained from the Insurance Section (0121 704 8414).

Note: In the event of a loss, an excess of £675 applies to the Council's internal insurance arrangements.

50. Where several sources of income / funds are held by the same officer, the funds should always be kept separate in different sealed bags / cash boxes and be easily identifiable.
51. As good practice it is recommended that wherever possible, monies should be lodged in a safe. **Monies should never be left unattended or left for someone else to collect.**

### **Designated Safe Key Holders**

52. Wherever possible, access to safes / cash boxes should be restricted to a single designated key holder at any one time. The safe key(s) should be retained in the personal possession of the designated key holder during working hours and should be removed from premises at night or when offices are left unattended.
53. If it is not practical to restrict safe access to one person, Line Managers must be aware of and regularly review the risks involved.
54. The safe key holder(s) are responsible for all items lodged in the safe and so should not pass their safe keys to anyone else to use.
55. **Safes should be kept locked at all times.**
56. An official safe register must be maintained for all safes. The purpose of the safe register is to provide a record of the contents to support an insurance claim in the event of a loss occurring from a safe and to evidence handovers of money into and out of the safe.

Note: The safe register should be kept near to, but not actually held in the safe.

57. The spare safe key should be held securely off-site. Access to the spare safe key should be restricted to authorised officers only.

## **Handover of Safe Keys**

58. Planned Leave – On handover of safe keys, the safe contents should be checked and agreed to the safe register. On completion of this reconciliation, the handover of the safe key should be formally recorded in the back of the safe register. If the safe keys have to be handed over to another member of staff, the contents of the safe must be verified and agreed by two people in the safe register.
59. Unplanned Leave - On obtaining the spare safe key, the safe should be opened by two persons and the contents checked to the safe register. On completion of this reconciliation, details should be recorded in the back of the safe register, signed by the two people who carried out the reconciliation, along with the signature of the new 'designated key holder'.
60. Where monies are held in a sealed bag or locked cash box, this money does not have to be counted as part of the handover process.

## **Combination Safes**

61. Ideally, combination safes should not be used. Where they are already in use, officers with access to them should not share their code with officers to allow them to access the safe.
62. Combination codes should be changed regularly and whenever members of staff who know the combination leave the authority or that specific role.

## **Private and Official Funds**

63. Private funds are non-Authority monies, e.g. school funds, welfare funds, staff collections, tea funds. Official funds are all monies relating to Council Services.
64. Private and official funds can be held in the same safe; however, they must be kept strictly separate.
65. Officers taking responsibility for private funds should maintain suitable accounting records. School funds must be inspected by an independent auditor at least annually. All other private funds such as welfare funds should be reviewed at least annually by an independent officer.
66. For all funds private and official the principles outlined in this document must be adhered to.

## **Banking of Income**

### **Frequency of Banking**

67. All monies received must be deposited at a Connect Centre or banked via the Authority's cash collection service (SecurityPlus. All monies must be deposited daily, except where the weekly receipts do not exceed £500, in these instances bankings should be made each week.
68. All income received must be banked at the earliest opportunity. Income should not be held back until a future banking date or used as a float.

### **Preparation of Monies for Bankings**

69. Money should be counted and prepared for banking in a safe environment, which should not be in view of customers / the public etc.
70. Checks should be undertaken to source records to agree income being prepared for banking to income received / due. Variances must be reported to local management and investigated. Significant variances must be reported to Internal Audit for investigation. Small regular variances should be monitored by local management and reported to Internal Audit where necessary.

71. **Any surpluses must be banked.**
72. All cheques must be individually listed on the reverse of the paying in slip or other appropriate document, together with the postal remittance register reference number or receipt number where appropriate.

### **Cash Collection Service (SecurityPlus)**

73. When preparing income for collection by SecurityPlus, establishments must bank cash separately from cheques and put cash in a cash bag and cheques in a cheque bag.
74. These bags should then be placed in one of the large 'grey' plastic bags supplied by SecurityPlus. The unique identity number / 'seal number' on the large grey bag must be recorded on the bank paying in slips before any of the bags are sealed.
75. Bankings made up for collection by SecurityPlus must be "bulk checked" by a second officer. This involves a complete count of the notes and a check of the number of bags of coins. The second officer must initial the paying in slip, and witness the money being placed in the bag and sealed.
76. The identity of SecurityPlus staff must be verified before any money is handed over.
77. A signed acknowledgement must be obtained when money is handed over to the appointed SecurityPlus representative, who will issue a printed receipt for the bag(s) collected.
78. A check should be undertaken to verify that the bag 'seal numbers' recorded on the receipt, match those on the bags themselves.
79. Sealed bags should remain in the safe until handed over, in person, to SecurityPlus. **Under no circumstance should bags be left unattended for collection.**

### **Income Monitoring**

80. Line Managers should periodically undertake the following control checks:
  - Reconcile records of income received to income banked and posted on the ledger.
  - Verify that income is being handled in accordance with Financial Regulations and these instructions, by for example undertaking spot checks, 'surprise' cash ups.
  - Verify that accounting records are being completed promptly and kept up to date.
  - Reconcile receipts held to control records of receipt books.
  - Compare records of income due to income banked, to identify non payment.
  - Ensure that non-payment / arrears are followed up in line with corporate policy for the service area.
81. Line Managers should periodically review income streams to verify the existing arrangements for receiving / collecting the income are still appropriate.

### **Controlled Stationery**

82. Control records should be maintained for items that have a 'cash value', e.g. vouchers, bus passes, 'blue badges' etc. The control record should contain details of receipts, stock held and issues.
83. Stocks of such controlled stationery should be held securely in a locked desk, cupboard or safe, as appropriate. Access to these stocks should be restricted.
84. Periodic reconciliations of actual stocks to recorded stocks should be undertaken. Any discrepancies should be reported to the Line Manager and investigated. Variances should be monitored by local management and reported to Internal Audit where necessary. Internal Audit can be contacted on 0121 704 6067, or email [antifraud@solihull.gov.uk](mailto:antifraud@solihull.gov.uk)

### **Irregularities**

85. Internal Audit must be informed immediately of any loss or financial irregularity, whether it arises in official or unofficial funds or is a personal loss. Internal Audit can be contacted on 0121 704 6067, or email: [antifraud@solihull.gov.uk](mailto:antifraud@solihull.gov.uk)

**Guidance / Information**

86. If you have any questions about cash handling, or would like guidance on how you deal with cash, please email: [corporatecontrol@solihull.gov.uk](mailto:corporatecontrol@solihull.gov.uk)