



KARIBIB TOWN COUNCIL

CASH HANDLING POLICY



CASH HANDLING POLICY AND PROCEDURES

TITLE CASH HANDLING POLICY & PROCEDURES

PURPOSE: Ensuring proper internal control; be maintained over funds received by cashiers and agents at all times.

OBJECTIVES: To identify the practices for cash control, including cash receipts, credit cards, special tender items, cash payouts and reconciliation with deposits.

SCOPE: All personnel that deal with the cash transactions.

RESPONSIBILITIES:

Accountant, the second in command Debtors Accountant or Creditors Accountant is responsible for safeguarding, verifying and controlling all cash assets and direct supervision of the cashier.

Cashier is responsible for ensuring the completeness and accuracy of all cash transactions.

Accountant is responsible for overseeing all cash transactions and direct supervision of the Debtors Accountant, and cashiers.

DEFINITIONS:

Batch: All total of the day's cash flow (Pre-paid) and FINSTEL transactions per cashier shift. The batch is closed, usually at the end of the business day or the next business day for office transactions.

Chargeback's: A Chargeback is a process that occurs when a customer disputes a charge that appears on their monthly statement and the disputed transactions (Speed Point) is investigated for potential reversal.

ACCOUNTANT:

The Accountant or his/her delegate is responsible for authorizing credit cards transactions and settling each batch. The Accountant or his/her delegate also resolves all discrepancies or "Chargeback's".

PROCEDURE:

OPENING

Assign each cashier to his/her own shift. If there is only one cashier point and there is more than one person (Cashiers) in the office, then assign only one person to be the responsible for the cashier point. It is important to ensure that only one person has access to one drawer otherwise, the integrity of the cash drawer will be compromised.

Upon opening a shift, each cashier should count the opening balance of their cash drawer and enter the totals onto DAILY CASH REPORT (if any). The cashier should then prepare a cash change fund sufficient for operations during their shift, normally with the provision of a cash float in place. All change requests or questions regarding the balance of the drawer should be directed to the Accountant. Cashiers should avoid obtaining change from any other cashiers.

The cashier will then open the Financial System , process receipts for accounts payments and for Prepaid water and other municipal charges on the respective system, collect cash, cheques, process credit cards (Speed Points Transactions), etc., and give back change to customers if needed. Under no circumstances may any item be passed through a station without recording the transaction on the Financial System.

IN THE EVENT THAT THE RELEVANT GENERAL LEDGER VOTE NUMBER IS NOT AVAILABLE ON THE SYSTEM, THE CASHIER SHOULD ASK THE SUPERVISOR TO CREATE ONE TO ENABLE HIM/HER TO PROCESS THE TRANSACTION.

TRANSACTIONS

Proper cash register practices should be used for all transactions. Cash drawer should only be opened when a tendered amount is entered, whether cash, cheques or credit card.

Verify cheques with any of the three identity documents namely, national identity document, Passport or a driver's license. Write number of the identity documents on the reverse side of the cheque. Cheque for more than the amount of purchase should require specific approval from the Accountant. Cheques should be immediately restrictively endorsed (by stamp: "for deposit only – Karibib Town Council". Cheques exceeding N\$100,000.00 should not be accepted, and all cash payments to the amount exceeding N\$50,000.00 should be held and registered with FIA to avoid money laundering claims.

Credit card transactions must be authorized by calling in the card numbers or swiping through authorizing hardware or software and accompanied by a signed credit card receipt.

Always confirm the name of the account holder and amount tendered before completing the transaction.

CLOSING

At the end of the shift/business day, in the presence of the Accountant or second in command, the cashier should count the cash in the drawer and enter the totals onto DAILY CASH REPORT indicating the amount of the petty cash (Cash float), the cash and any changes made. This report should be compared with the computer cashier takings summary print out and any surplus/ shortage documented.

This type of report is always a sub-total of each day's transactions. It verifies sequential integrity and ensures that all transactions recorded through the system are accounted for. The cashier will then sign the reconciled daily cash report and submit the settlement sheet and collected funds to the Accountant or second in command. This report should always be available and subject to review by the supervisor and auditors.

The accountant or second in command together with the cashier will then prepare for a daily deposit and/or lock the monies in the safe if the cash collected for the day is less than N\$100.00. The safe is equipped with 2 keys (One for the supervisor, and one for the cashier) to limit the access to cash by one individual.

A summary of credit card transactions or Batch Report is also included on the Daily Cash Report, since credit cards are simply another form of payment.

CHARGEBACKS AND DISPUTED TRANSACTIONS

A Chargeback occurs when a customer disputes a charge that appears on their monthly credit card statement. Frequently this occurs when a charge is not recognized even though it may be a valid charge. This may also occur when someone, other than the cardholder, uses the credit card to make unauthorized purchases. Either way, the Accountant is responsible for justifying the charge.

Note: Without a signed credit card slip or receipt, the customer will usually win the dispute. Therefore, to protect Council, make sure a signed receipt is obtained and filed for every charge. The customers should identify themselves positively.

The merchant is notified, typically through the mail, via a chargeback notice from the merchant's processor. The notice provides the details of the transaction, a copy of the dispute description signed by the customer and instructions on how to proceed.

The options include:

Do nothing. If you agree with the dispute then nothing else is required. The Accountant will be the only designated official to reverse the double charged transaction.

Justify the charge:

The Accountant will need to write a letter to the Customer explaining the situation and the reason why the charge is valid. Provide as much documentation as is available to support the charge. The most important document is a copy of the signed credit card receipt. Other supporting documents include: Pre-paid tokens and cashiers receipts.

Partial Refund. Sometime special circumstances exist that warrant only a partial refund. In this case, explain the situation as above in order to justify the charge but provide a partial refund amount in the description.

SECURITY PRECAUTIONS

The Accountant should investigate all cancellations of receipts and free issues on the pre-paid system. Creative cashiers can avoid valid pre-paid tokens or return money to themselves. All cancelled tokens are authorized by the accountant and contain the customer name, address, phone, and signature. This will help to ensure the tokens cancellations and free issues are valid. A report should be provided to the Manager: Finance on a weekly basis.

Reason for the cancellation must be noted on the receipt and report of receipts.

Conduct periodic cashiers surprise check. This can include closing of the cashier at midday on a random basis and then re-opening it with a new batch.

No other person except an authorized employee working as a cashier should receive any money on behalf of the council during working hours on business premises.



DAILY CASH UP SHEET

DATE: _____

Cashier Name

: _____

NOTES		COINS	
N\$ 200.00		5-00	
N\$100.00		1-00	
N\$50.00		50c	
N\$20.00		10c	
N\$10.00		05c	
		Other	
Total Notes		Total Coins	
Total Cash		Speed point	
Total Cheques			
Total on Hand			
Financial System Total			
Shortages/Surplus			
Total Banked			
Total Cancellation			

CASHIER _____

SIGNATURE: _____

CHECKED BY _____

SIGNATURE: _____

CASH HANDLING**POLICY & PROCEDURES**

Employees who handle cash are expected to be careful and accurate and settle their funds each day without surplus or shortages. We recognize the possibility that differences may occur from time-to-time; therefore the development of this policy has been necessitated.

Written Warning

Any single shortage of less than and up to N\$100-00 guarantees a written warning following a final written warning if similar misconduct/ offences are constituted.

Termination

Termination will result upon the third written warning.

Any single shortages of N\$100-00 or more may be grounds for immediate dismissal.

Any misconduct will be dealt with in accordance with council's disciplinary procedures/guidelines.

Exceptions

Any exception on the above actions must be approved in writing by the Head of department.

NB: warning or exceptions involving cash surplus or shortages shall be retained in the employee's permanent file.

Employee _____

Date _____

Original : **Personnel File**Copy : **Employee**