

Standard Operating Procedure (SOP)

Cash Handling and Register Discrepancy Processes

This SOP details the **cash handling and register discrepancy processes**, covering procedures for accurate cash transactions, cash drawer management, identification and resolution of register discrepancies, and reporting of any inconsistencies. The objective is to maintain financial integrity, prevent losses, and ensure accountability during daily cash operations.

1. Scope

Applies to all staff responsible for handling, managing, counting, or reconciling cash and operating register drawers during retail operations.

2. Responsibilities

- **Cashiers:** Follow cash handling protocols, report discrepancies immediately.
- **Supervisors/Managers:** Review discrepancies, investigate, and report as required.
- **Accounting/Finance Team:** Maintain records, assist in reconciliation, and monitor trends.

3. Cash Handling Procedures

1. Always count and verify the opening cash drawer amount before beginning shift.
2. Accept cash only in designated areas and from authorized transactions.
3. Verify authenticity of currency; do not accept counterfeit notes.
4. Issue receipts for all transactions and provide correct change.
5. Do not leave cash drawer open or unattended at any time.
6. Segregate cash by denomination and organize the drawer throughout the shift.
7. Avoid co-mingling personal funds with register cash at all times.
8. At the end of the shift, count cash in the presence of a supervisor or designated staff.

4. Register Discrepancy Identification & Resolution

1. At close of shift, cashier and supervisor count cash and compare to register report.
2. **If a discrepancy is found:**
 - Recount cash and review transaction slips/receipts for errors.
 - If cause is found (e.g., miscount, mis-entered transaction), correct and document.
 - If cause is not found, record the discrepancy as outlined below.

5. Discrepancy Reporting

1. Document discrepancies using the **Cash Discrepancy Log** including the following details:
 - Date and time
 - Name of staff involved
 - Amount of discrepancy
 - Type (overage/shortage)
 - Possible cause (if identified)
 - Actions taken
 - Supervisor signature
2. Escalate discrepancies exceeding policy thresholds to management and accounting for further review.
3. Retain all supporting documentation and reports for auditing purposes.

6. Corrective Actions

- Coaching/training for staff if repeated discrepancies occur.
- Implement process improvements if systemic issues are identified.
- Initiate disciplinary action if theft or fraud is suspected, according to company policy.

7. Record Keeping

- Maintain cash discrepancy logs and reconciliation sheets for a minimum of **3 years** (or as per local regulations).
- Ensure accessibility of records for audit and compliance checks.

8. Appendix: Sample Cash Discrepancy Log

Date/Time	Employee Name	Overage/Shortage	Amount	Possible Cause	Actions Taken	Supervisor Signature
2024-06-15 20:00	Jane Doe	Shortage	\$20.00	Unable to locate cause	Reported to manager	J. Smith