

Standard Operating Procedure (SOP): Closing Procedures for Cash Reconciliation and Tip Distribution

This SOP details the **closing procedures for cash reconciliation and tip distribution**, covering cash drawer balancing, sales verification, discrepancy resolution, documentation of cash totals, accurate calculation and allocation of tips, and secure handling of all cash and tip transactions to ensure financial accuracy and accountability at the end of each shift or business day.

1. Purpose

To provide a standardized procedure for closing out cash registers, reconciling sales, documenting transactions, and distributing tips to ensure accuracy, transparency, and security.

2. Scope

This procedure applies to all staff responsible for handling cash and tips at the close of business each day or shift.

3. Responsibilities

- **Cashiers/Servers:** Execute closing activities and preliminary counts.
- **Shift Supervisors/Managers:** Oversee reconciliation, authorize tip distribution, investigate discrepancies, and ensure proper documentation.

4. Procedure

1. **Cash Drawer Balancing**
 - Remove the cash drawer and count the cash (bills and coins) in a secure area.
 - Record the amount of starting cash (till float) based on the opening record.
 - Count and document the total cash in the drawer at close.
2. **Sales Verification**
 - Print out daily sales reports from POS/register, including cash, card, and other payment methods.
 - Verify that sales totals match expected revenues and cash on hand.
3. **Cash Reconciliation**
 - Calculate the expected cash: $(\text{Total Sales} - \text{Card/Online Payments}) + \text{Starting Float} = \text{Expected Cash}$.
 - Compare physical cash with expected cash.
4. **Discrepancy Resolution**
 - If the cash does not match, recount both sales and cash.
 - Document any discrepancies and inform the supervisor/manager.
5. **Tip Calculation and Distribution**
 - Collate all tip sources: cash, credit card, and other.
 - Calculate the total tip pool and the share for each employee, following company policy.
 - Document tip amounts and distributions on the daily closing sheet.
 - Distribute tips securely to staff; require signatures for receipt.
6. **Documentation**
 - Complete the cash closing report including reconciled cash, card payments, tip amounts, discrepancies, and note the staff involved.
 - Attach POS reports, cash count sheets, and tip distribution logs to the daily closing packet.
7. **Secure Closure**
 - Place reconciled cash and documentation in the designated safe or drop box.
 - Lock the cash register and secure all records.

5. Documentation Requirements

- Daily Cash Count Sheet
- Sales Report from POS
- Tip Distribution Log
- Discrepancy Report (if applicable)
- Manager Approval/Sign-off Sheet

6. Forms and Records (Sample)

Document	Description
Cash Count Sheet	Used for initial and closing counts of cash in drawer.
Tip Distribution Log	Records the allocation of tips per employee.
Closing Report	Summarizes all closing information including cash, sales, tips, and discrepancies.

7. Review

This SOP should be reviewed annually or after significant changes in procedures or systems.

8. Revision History

Version	Date	Description	Approved By
1.0	2024-06-15	Initial SOP release.	Operations Manager