Standard Operating Procedure (SOP)

Payment Processing and Cash Handling Procedures

This SOP details **payment processing and cash handling procedures**, covering guidelines for accepting payments, verifying transaction accuracy, managing cash registers, balancing cash drawers, securing cash storage, and conducting regular audits. The aim is to ensure accurate financial transactions, prevent fraud, and maintain accountability and transparency in all payment-related activities.

1. Purpose

To establish standardized procedures for processing payments and handling cash to minimize risk, prevent fraud, and uphold financial integrity.

2. Scope

This SOP applies to all employees involved in accepting payments, managing registers, and handling cash within the organization.

3. Responsibilities

- **Cashiers:** Accurate processing of payments and proper cash handling.
- **Supervisors/Managers:** Oversight, cash drawer reconciliation, and conducting audits.
- **Finance Department:** Review and investigation of discrepancies, record keeping, and policy updates.

4. Procedures

4.1 Accepting Payments

- Verify accepted payment types (cash, credit/debit cards, mobile payments, checks-if allowed).
- Confirm the amount for each transaction against the sales receipt or system-recorded total.
- For card payments, verify identity if necessary (e.g., signatures, photo ID for credit cards).
- Endorse, stamp, or validate checks per policy before acceptance (if allowed).
- Issue receipts for all payments processed.

4.2 Verifying Transaction Accuracy

- Enter payment details accurately into the Point of Sale (POS) system.
- Confirm change due before handing over to customer for cash transactions.
- Check printed receipts for errors or discrepancies before completing the transaction.

4.3 Managing Cash Registers

- Start each shift by counting the opening cash drawer amount; record and sign cash log.
- Process each transaction through the POS and place cash/checks securely in the drawer.
- Never leave registers unattended or unlocked.
- Do not share register access codes or keys.
- Limit non-cashier access to cash register area.

4.4 Balancing Cash Drawers

- At shift end, count cash and compare against POS totals and sales reports.
- Document overages or shortages, and report significant discrepancies immediately to supervisor.
- Both cashier and supervisor should sign the reconciliation log.

4.5 Securing Cash Storage

- Transfer excess cash from registers to a safe at scheduled intervals or as needed.
- Safes and secure areas must be locked at all times; access given only to authorized personnel.
- Document all cash transfers using a log or receipt system.

4.6 Conducting Regular Audits

- Periodic, unscheduled audits must be conducted by supervisors or finance staff.
- Audit logs should include date, time, person(s) involved, and findings.
- Investigate and address any discrepancies or irregularities immediately.

5. Documentation

- Maintain records of all payment receipts, cash counts, reconciliation logs, transfer logs, and audit reports for at least 12 months or per organizational policy.
- Secure documentation in accordance with privacy and data protection guidelines.

6. Compliance and Training

- All employees handling payments and cash must complete relevant training upon hire and annually.
- Non-compliance may result in disciplinary action, up to and including termination.

7. Review

- This SOP will be reviewed annually by the Finance Department and updated as necessary.

8. Attachments & Forms

Form Name	Description
Cash Count Log	Daily record of opening and closing cash drawer counts.
Cash Transfer Receipt	Documentation of cash moved from register to safe.
Audit Checklist	List of items to review during regular cash audits.
Incident Report Form	Form for reporting discrepancies, losses, or suspicious activities.

Approved by: _____

Date: _____ / _____ / _____

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