

# SOP: POS System and Cash Register Reconciliation

**Purpose:** This SOP details the process of **POS system and cash register reconciliation**, including daily transaction verification, cash count accuracy, discrepancy identification and resolution, end-of-day reporting, and secure handling of funds. The procedure ensures financial accuracy, prevents theft or errors, and maintains clear records for auditing purposes, supporting efficient and transparent retail operations.

## Scope

This Standard Operating Procedure applies to all front-line retail staff, supervisors, and managers responsible for daily cash handling, register balancing, and POS operations.

## Responsibilities

- **Cashiers:** Accurately process transactions, perform end-of-shift cash counts, and report discrepancies.
- **Supervisors/Managers:** Oversee reconciliation, review reports, investigate discrepancies, and ensure compliance with procedures.
- **Finance/Accounting:** Audit reports, investigate recurring problems, and file records for official purposes.

## Procedure

1. **End-of-Day Preparation**
  - Ensure all sales transactions are closed in the POS system.
  - Remove customers from checkout area.
2. **Counting Cash Drawer**
  - Remove the cash drawer in a secure area.
  - Count all bills and coins physically, separating denominations.
  - Record totals on the **Cash Count Sheet**.
3. **POS System Reconciliation**
  - Generate the end-of-day (Z) sales report from the POS system.
  - Note total cash, card, and any other payment method amounts.
4. **Comparison and Verification**
  - Compare cash counted against the POS cash sales report.
  - Identify discrepancies between physical cash and POS totals.
5. **Discrepancy Resolution**
  - **If matched:** Sign and date the reconciliation report.
  - **If not matched:** Review transactions, receipts, voids, and refunds for errors.
  - Report unresolved discrepancies to management immediately for investigation.
6. **Secure Funds Handling**
  - Prepare the deposit with cash and other payments for the day, following dual-control procedures if required.
  - Securely store cash in a safe or locked box until bank deposit.
7. **Reporting and Record Keeping**
  - Attach the signed Cash Count Sheet to the printed POS report.
  - File documents in accordance with company policy.
  - Send summary and any discrepancy documentation to the Finance/Accounting department.

## Documentation

Document	Description	Retention
Cash Count Sheet	Manual record of counted cash breakdown by denomination	Retain for 1 year or as per financial policy
POS Z Report	End-of-day POS sales summary	Retain for 1 year or as per financial policy
Discrepancy Report (if applicable)	Details of mismatched cash & POS data, investigation steps, and resolution	Retain as per auditing requirements

## Compliance & Security

- Always handle cash in designated, secure locations out of customer view.
- Limit cash access to authorized employees only.
- Use safes, locks, or approved containers for storing funds awaiting deposit.
- Immediately report theft, fraud, or repeated discrepancies to management and security.

## Revision & Approval

Version	Date	Description of Change	Approved By
1.0	2024-06-01	Initial release	Finance Manager