

SOP: Cash Handling and Register Reconciliation

This SOP describes the procedures for **cash handling and register reconciliation**, including methods for accurate cash transactions, securing cash during and after business hours, balancing cash registers at shift changes, and conducting regular audits. The objective is to minimize errors, prevent theft, and ensure accountability through systematic cash management and thorough reconciliation processes.

1. Purpose

To establish standardized procedures to ensure secure, accurate, and accountable handling of cash transactions, register operation, and daily reconciliation at all points of sale.

2. Scope

This SOP applies to all staff responsible for handling cash or operating cash registers, supervisors, and managers overseeing retail operations.

3. Responsibilities

- **Cashiers:** Handle transactions, count cash, report discrepancies.
- **Supervisors/Managers:** Oversee cashiers, perform reconciliations, secure cash, conduct audits.
- **Accounting/Finance Team:** Review reconciliation reports and investigate variances.

4. Procedures

4.1 Cash Transactions

- Count and verify starting cash float before shift begins in the presence of a supervisor.
- Issue receipts for every transaction and return correct change to the customer.
- Confirm the denomination of bills before placing them in the register.
- Cancel or void sales per company policy and with supervisor approval.

4.2 Securing Cash

- Keep cash drawers locked whenever unattended.
- Do not leave large sums of cash in registers; transfer excess to a secure safe periodically, following dual-control procedures.
- Access to safes restricted to authorized personnel only.
- At end of business day, ensure all cash is removed from registers and safely stored.

4.3 Register Reconciliation

- At the end of each shift, cashier and supervisor must count cash and compare against sales records and receipts.
- Document overages/shortages and escalate discrepancies over set thresholds to management immediately.
- Complete and sign a Cash Reconciliation Form detailing counts, discrepancies, and explanatory notes.

4.4 Audit Procedures

- Conduct random cash drawer audits during shifts to ensure compliance and accuracy.
- Review daily reconciliation reports for repeated discrepancies or patterns indicating potential errors or fraud.
- Document all audits and follow-up actions taken.

5. Documentation

Document	Description	Retention Period
Cash Reconciliation Form	Record of end-of-shift cash counts and discrepancies	1 year
Deposit Log	Record of cash transfers/deposit to safe/bank	1 year
Audit Log	Details of audits conducted and findings	2 years

6. Related Policies

- Employee Code of Conduct
- Cash Loss Prevention Policy
- Internal Audit Policy

7. Revision History

Date	Version	Description of Change	Approved By
2024-06-29	1.0	Initial SOP Release	Operations Manager