

# Standard Operating Procedure (SOP): Cash Handling, Payment, and Tip Processing Policies

This SOP details **cash handling, payment, and tip processing policies**, encompassing procedures for secure cash collection, accurate payment processing, proper record-keeping, and transparent tip distribution. It aims to minimize financial discrepancies, prevent theft or fraud, ensure compliance with financial regulations, and establish accountability among employees for all monetary transactions.

## 1. Purpose

To establish a standardized procedure for managing, processing, and documenting all cash, payments, and tips transactions, ensuring security, transparency, and compliance.

## 2. Scope

This SOP applies to all employees involved in the handling of cash, payment processing, and tip management within the organization.

## 3. Responsibilities

- **Cashiers/Servers:** Accurately process payments, handle cash and tips, maintain proper documentation, and immediately report discrepancies.
- **Supervisors/Managers:** Oversee adherence to policies, conduct cash counts, facilitate deposits, and handle exceptions or discrepancies.
- **Accounting/Finance:** Reconcile records, review tip distribution, and ensure financial compliance.

## 4. Procedures

### 4.1 Cash Handling

1. All cash must be counted at the start and end of each shift by the responsible employee, in the presence of a supervisor.
2. Cash drawers are assigned to one employee per shift and should not be shared.
3. Limit access to cash registers, drawers, and storage to authorized personnel only.
4. Store excess cash in a secure safe or drop box as per company guidelines.
5. Document any variance or discrepancy and report it immediately to management.

### 4.2 Payment Processing

1. Accept payments via approved methods (cash, credit, debit, mobile wallet, etc.) only.
2. Issue receipts for all transactions without exception.
3. Verify currency and amounts before finalizing the transaction; check for counterfeit notes.
4. Record all payment transactions in the point-of-sale (POS) system accurately and promptly.

### 4.3 Record-Keeping

1. Maintain a detailed and accurate log of all cash received, payments processed, and tips collected.
2. All voided or refunded transactions require manager approval and must be documented.
3. End-of-shift reconciliation must be completed by the employee and verified by the supervisor.
4. Retain all daily reconciliations and transaction records as per company policy and for audit purposes.

### 4.4 Tip Processing & Distribution

1. All tips received (cash or electronic) must be reported at the end of each shift.
2. Tips are to be distributed transparently, according to the company's policy (e.g., individual, pooled, or split by percentage/hours worked).
3. Maintain documentation for all tip-related transactions and distributions.
4. Ensure compliance with legal requirements regarding tip reporting and taxation.

## 5. Security & Compliance

- Adherence to all internal security procedures (e.g., not counting cash in public, locking cash drawers when unattended).
- Regular audits will be conducted to ensure compliance and detect discrepancies or unauthorized activities.
- Violations of cash handling, payment, or tip processing policies are subject to disciplinary action.

## **6. Training**

All relevant employees must undergo training on cash handling, payment processing, and tip policies before handling monetary transactions, and receive periodic refreshers or updates as necessary.

## **7. Review & Updates**

This SOP will be reviewed annually or as required by law/business needs and updated to ensure effectiveness and compliance.