

Standard Operating Procedure (SOP)

Cash Handling and Reconciliation Protocols

This SOP details **cash handling and reconciliation protocols**, encompassing procedures for secure cash collection, accurate recording, storage, and deposit of funds. It outlines responsibilities for counting, verifying, and balancing cash drawers, documenting transactions, identifying discrepancies, and conducting regular audits to ensure financial integrity. The objective is to minimize risk of loss or theft, maintain accountability, and ensure accurate financial reporting within the organization.

1. Purpose

To establish secure, standardized procedures for the handling, recording, and reconciliation of cash to reduce risk, ensure accuracy, and maintain accountability.

2. Scope

This SOP applies to all staff involved in the collection, handling, recording, storage, and depositing of cash within the organization.

3. Responsibilities

Role	Responsibility
Cashier	Collect, count, and record cash at the point of transaction; report discrepancies.
Supervisor	Verify cash counts, approve reconciliation, and manage discrepancies.
Finance/Accounting	Oversee deposits, maintain records, conduct audits, and prepare reconciliation reports.

4. Procedures

- Cash Collection**
 - Cash must be collected at designated locations only by authorized staff.
 - Issue receipts for all cash received.
- Recording Cash**
 - Record every transaction in the designated cash log or POS system at time of receipt.
 - Update records promptly and accurately.
- Cash Storage**
 - Store collected cash in a secure, locked cash drawer or safe.
 - Limit access to authorized personnel only.
- Counting & Verifying Cash**
 - At shift close or at designated times, count cash in the presence of a supervisor.
 - Verify total matches transaction records and receipts.
- Reconciliation**
 - Document total cash on the reconciliation form.
 - Investigate and document discrepancies.
 - Both the cashier and supervisor must sign off on reconciliation forms.
- Deposit of Funds**
 - Deposit cash to the bank or central safe per established schedule (daily or as required).
 - Complete and attach deposit slips to cash records.
- Audit and Review**
 - Conduct regular (at least monthly) internal audits.
 - Report findings to management and address discrepancies promptly.

5. Documentation

- Cash collection log
- Daily cash reconciliation form
- Deposit slips/receipts
- Audit reports
- Discrepancy/incident reports

6. Security Measures

- Limit cash on premises; make deposits frequently.
- No single individual should independently handle all stages of cash handling.
- Install surveillance where appropriate.
- Provide periodic cash handling training to all relevant staff.

7. Review and Updates

This SOP shall be reviewed annually or upon any significant change in process or regulation, and updated as needed.