

# SOP: Documentation and Reporting of Cash Discrepancies

This SOP details the **documentation and reporting of cash discrepancies**, outlining procedures for identifying, recording, investigating, and resolving any inconsistencies in cash handling. It ensures accurate record-keeping, timely communication of discrepancies to appropriate personnel, and adherence to internal controls to prevent cash loss and maintain financial integrity.

## 1. Purpose

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To establish a standardized process for documenting and reporting cash discrepancies, ensuring prompt resolution, transparency, and prevention of future occurrences.

## 2. Scope

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This procedure applies to all employees involved in cash handling and reconciliation processes within the organization.

## 3. Responsibilities

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- **Cashiers/Handlers:** Identify and report cash discrepancies immediately.
- **Supervisors/Managers:** Investigate and review discrepancies reported by staff.
- **Finance/Accounting Department:** Maintain records, support investigations, and oversee resolution.

## 4. Procedure

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1. **Identification**
  - Count cash at the end of each shift or transaction period.
  - Compare actual cash with recorded amounts in the cash register/system.
2. **Documentation**
  - Complete a *Cash Discrepancy Report* detailing:
    - Date and time of discrepancy
    - Amount over/short
    - Name(s) of personnel involved
    - Circumstances and possible reason(s)
    - Any supporting evidence (e.g., receipts, register tapes)
3. **Reporting**
  - Submit the completed report to the immediate supervisor or designated authority within the same business day.
  - Escalate high-value discrepancies (*above specified threshold*) to the Finance or Loss Prevention department promptly.
4. **Investigation**
  - Supervisor/Manager reviews documentation and interviews relevant staff.
  - Audit cash transactions and review surveillance footage if necessary.
5. **Resolution**
  - Determine root cause and corrective actions (e.g., training, process changes).
  - Document the resolution in the *Cash Discrepancy Log*.
  - Report outcomes and recommendations to senior management as needed.
6. **Record Keeping**
  - Retain all reports, investigation records, and correspondence for a minimum of 3 years, or as required by company policy/regulation.

## 5. Internal Controls

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- Segregate duties among staff involved in cash handling and reconciliation.
- Conduct random audits of cash drawers/registers.
- Provide ongoing training on cash handling and discrepancy reporting.

## 6. Related Documents

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- Cash Discrepancy Report Form
- Incident Investigation Guidelines
- Cash Handling Policy

## 7. Review & Revision

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This SOP will be reviewed annually, or as needed, to ensure its effectiveness and relevance.