

# Standard Operating Procedure (SOP): Cash Handling and End-of-Day Reconciliation

This SOP details **cash handling and end-of-day reconciliation procedures**, covering cash receipt management, secure storage protocols, accurate transaction recording, daily cash counting, identification and resolution of discrepancies, preparation of cash deposit documentation, and reporting requirements. The objective is to maintain financial accuracy, prevent theft or loss, and ensure accountability in all cash transactions by implementing standardized and secure processes.

## 1. Purpose

To provide clear and standardized procedures for handling, storing, recording, and reconciling cash transactions, maintaining accuracy and security at all times.

## 2. Scope

This SOP applies to all personnel involved in handling cash transactions, including front-line staff, supervisors, and finance staff responsible for end-of-day reconciliation.

## 3. Responsibilities

- **Cashiers/Front-line staff:** Handle cash receipts, ensure correct transaction recording, and count cash at the end of each shift.
- **Supervisors/Managers:** Oversee reconciliation processes, verify cash counts, investigate discrepancies, and authorize deposits.
- **Finance Staff:** Monitor compliance, prepare deposit documentation, and process end-of-day reports.

## 4. Procedure

### 4.1. Cash Receipt Management

- Record all incoming cash transactions immediately using the approved POS or manual log system.
- Issue receipts to customers for every transaction; retain duplicate copies for records.

### 4.2. Secure Storage Protocols

- Store all cash in designated, locked cash drawers or safes.
- Limit access to cash storage to authorized personnel only.
- Do not leave cash unattended at any time.

### 4.3. Transaction Recording

- Ensure each cash transaction is accurately recorded in the transaction system or log, including date, amount, purpose, and responsible employee.

### 4.4. End-of-Day Cash Counting

- Two employees (e.g., cashier and supervisor) must be present for cash counting at the close of business.
- Count all cash in presence of both staff and document totals on the Cash Count Sheet.
- Compare the counted total with the POS or transaction log totals.

### 4.5. Identification and Resolution of Discrepancies

- If discrepancies are found, recount the cash and review transaction logs and receipts.
- Document any discrepancies found and notify the supervisor or manager immediately.
- Investigate and resolve discrepancies according to company policy. Major discrepancies must be reported to Finance within 24 hours.

### 4.6. Preparation of Cash Deposit Documentation

- Prepare deposit slips indicating cash totals by denomination and attach the Cash Count Sheet and supporting transaction logs/receipts.
- Deposit cash as per company schedule (daily/next business day), accompanied by authorized personnel.

4.7. End-of-Day Reporting

- Complete the End-of-Day Cash Report summarizing total cash received, discrepancies, corrective actions (if any), and deposit information.
- Submit the report and documentation to the Finance Department before the next business day.

5. Documentation

- Cash Count Sheets
- Transaction Logs
- Deposit Slips
- Daily Cash Reports
- Discrepancy Investigation Reports (if applicable)

6. Review and Compliance

- This SOP will be reviewed annually by the Finance Department.
- Non-compliance may result in disciplinary action in accordance with company policy.

7. Revision History

Version	Date	Description	Author
1.0	2024-06-10	Initial release	Finance Department