

Cash Handling Policy and Procedures

This Policy applies to all colleagues who handle cash and sets out the processes, procedures and responsibilities required when receiving and banking money. It provides secure and robust processes reducing the risk of unauthorised access and the possibility of any discrepancies.

This policy applies to all Council properties, schools and establishments, e.g. care homes and sections which may be running as a 'business', e.g. Derby LIVE, Building Control, and represents the minimum standard that must operate throughout the Council, and is designed to ensure compliance with Financial Procedure Rules.

Chief Officers must ensure that all managers within their departments have read and understood this policy and that it is complied with at all times. Furthermore, all colleagues involved in cash handling and banking should be made aware of the requirements of and have access to the Policy. Management and colleagues should be advised that disciplinary procedures may be taken against them if they fail to comply with the Policy.

Managers may incorporate additional procedures only if they enhance the requirements of the Policy.

Any occurrences of non-compliance with the policy should be reported to the Head of Internal Audit for investigation.

This document will be provided in alternative formats on request as reasonable adjustments for disabled colleagues



Document Control

Version control	2.0
Authors	Gill Robinson, Corporate Finance Paula Davies, Income Management Alan Hetherington, Principal Auditor
Lead Directorate	Corporate Resources
Approving Body	Resources DMT
Approval Date	
Revised / Updated Date	July 2019
Review date	July 2020

Version History

Version	Date	Author(s)	Description
1.0	22 Mar 2012	Cash Review Group	Issued approved Version
2.0	June 2017	Gill Robinson, Corporate Finance Paula Davies, Income Management Alan Hetherington, Principal Auditor	Issued version following full review, rewrite, and EIA assessment.
3	Sep 2017 and July 2019	Ann Webster- Lead on Equality and Diversity	EIA not required on this occasion as this is about official financial regulations and processes, rather than it affecting people with protected characteristics, but document checked for equality by Ann Webster Lead on Equality and Diversity. Emergency number included for Deaf employees and alternative versions on request for disabled employees. Acknowledgement made that colleagues may need to use petty cash for voluntary groups, Equality Hubs and Forums
3	July 2019	Lisa Stevenson – Income Manager	Review of policy - no significant changes required



1 CASH SECURITY

- 1.1 There are **two** permitted options for the secure keeping of cash, depending on amounts of cash held:
- A safe
 - A locked cash tin (or similar) in a locked drawer
- 1.2 All safes need to be authorised by the Insurance Section. Each safe will be given an insurance limit, dependent on the actual type of safe in use. If you are not sure whether your safe falls into an acceptable category, please contact the Insurance Section.
- 1.3 If you do not have a safe, then the maximum amount that you can keep in a locked cash tin in a locked drawer is £200.
- 1.4 A set of keys should be allocated to **two** officers as follows:
- **Primary Key Holder** - who has overall responsibility for the day-to-day security of money held within the Section.
 - **Secondary Key Holder** - who should be consulted during periods of holiday and general absenteeism of the Primary Key Holder to ensure that continuity of security is maintained.
- 1.5 Both officers will ensure continuity of security by ensuring that, as a key holder, each set of keys is permanently secured on their person, to prevent unauthorised access.
- 1.6 If this is not practical and there is a requirement for more than two keys, an exemption has to be applied for from a Head of Finance or the Director of Financial Services, and must be signed off by Internal Audit, and is at the discretion of these officers.
- A copy of the exemption application form is included at Appendix B to this policy.*
- 1.7 If keys are transferred between colleagues, a key transfer register should be completed to ensure a record of who the keys are currently allocated to is maintained and who is currently responsible for the contents of the safe.
- See Appendix C for sample key transfer register.*
- 1.8 All keys must be removed from the premises overnight and when the office is unattended.
- 1.9 Any loss of keys must be reported immediately to Internal Audit and the relevant Head of Service.

NOTE:

The Authority's Insurance cover will be invalidated if the authority fails to ensure correct security measures.

Under NO circumstances should personal cheques be cashed from officially receipted money held at an establishment before banking. (**Financial Procedure Rule E2.22**)

Under NO circumstances should money be borrowed, or loans issued, from officially receipted (or any other) money held at an establishment before banking.



2 SEPARATION OF DUTIES

Financial Procedure Rule E2.14 requires that duties are segregated so as to ensure adequate internal controls and minimise the risk of fraud or other malpractice in relation to the receiving, recording banking and reconciliation of income.

- 2.1 At each cash-handling location, **at least one** named Cash Handling Officer (CHO) must be nominated to have primary responsibility for receiving and receipting money and **at least one** named Cash Handling Officer (different to the first) with the primary responsibility of preparing money for banking. The CHOs should be agreed with the relevant departmental manager.
- 2.2 If there are insufficient colleagues to allow appropriate separation of duties, regular spot checks must be carried out by the relevant managing officer (see section 10 for details of surprise / unannounced cash ups).

NOTE:

In extremely rare cases where separation of duties is not possible, the manager must raise the issue with their relevant Head of Finance.

- 2.3 The CHO responsible for receiving and receipting money will collect money, in whatever format presented, e.g. cheque, cash, Postal Order, etc., from members of the public in the designated cash handling location only.
- 2.4 All income collected must be kept in a locked safe / cash tin until paid into the Council / Bank / Post Office or collected by the designated Cash Collection Provider.
- 2.5 Cash / cheques may also be received via external mail. Two officers should always be responsible for opening the post and should sign each entry in the postal remittance register. **(Financial Procedure Rule E2.17)**
- 2.6 A daily check of incoming mail to the section should be conducted to ensure all money is receipted and secured at the earliest opportunity.
- 2.7 A postal remittance register should be completed for all cash/cheques received by post detailing who the money was received from (name on cheque), whether cash or cheque, date of receipt, the amount of receipt and who the monies were passed to for processing.
- 2.8 Monies should always be passed to a designated cash handling officer only.
- 2.9 During holiday periods and general absenteeism clear segregation of duties must be maintained. The Senior Officer will nominate an additional CHO to undertake the cash receiving duties.
- 2.10 During such periods the Senior Officer will take full responsibility for the preparation of money for banking.



3 RECEIPTING

3.1 Receipts must be completed for all income at the time of receiving it. (**Financial Procedure Rules E2.16 and E2.19**)

3.2 Where an electronic receipt is not used, a Council approved receipt must be issued.

3.3 Receipt books can be obtained from Business Support and will only be issued to authorised individuals in accordance with the Controlled Stationery Procedure.

3.4 The receipt issued by the Cash Handling Officer will contain the following information:

Date	date money received
RECEIVED from	name of person / company making the payment
the Sum of	amount received in words
In respect of	detail of service to be provided or invoice number where relevant
Signed	The initials of the officer receiving the money
VAT Rate	relevant VAT percentage
P.O. Cheque, Cash, M.O.	circle the relevant option based on the form of the payment tendered
Sum Of: £:	amount received in numbers

3.5 The receipt is proof of payment for the service user. In the event of a query, the service user will always be asked to produce the receipt.

3.6 Receipts should be issued for all amounts of cash received via the post. However, receipts are not necessary, unless specifically requested, for cheques received in the incoming external mail.

3.7 Receipts must be used in sequential order.

3.8 All receipt books must be kept securely, either in a safe or locked drawer. Do not leave the receipt book unattended.

3.9 Cancelled receipts must be kept in the book; both copies should be held together, and crossed through as "cancelled". Alterations should not be made to receipts. Correction fluid should not be used on any official documents, including receipts. If mistakes are made when completing receipts, these should be cancelled, left in the receipt book, and a new receipt issued instead.

3.10 Completed receipt books should be kept in accordance with the Retention of Documents policy. There should be no unused receipts in the book. (**Financial Procedure Rule E2.18**)

3.11 Where using manual receipt books, for collections of cash over £500 the person receipting the income should also ask a senior colleagues to re-count the cash before the receipt is given. This second check should be evidenced by initialling the receipt book.

3.12 When receipting cheque or Postal Order payments:

- If there is an invoice in place which relates to this payment, ensure the invoice number, establishment and date are written on the reverse of the cheque or postal order.



- If there is no associated invoice, ensure that the customer name, address, the service they have requested, the receipt number, and your location are written on the reverse of the cheque or postal order.
- Ensure the cheque / Postal Order is made payable to 'Derby City Council' and contains a signature and date (making sure it is not post-dated).

3.13 Receipts should be issued for all income received. However, where each transaction does not exceed £2 and the total amount collected does not exceed £50, a lower level of receipting is acceptable, subject to successful application for an exemption.

3.14 In these cases, either 'ticket receipts' from a master roll should be issued and all income recorded on a cash collection form, or a receipting sheet should be completed which details all the payees and the amounts paid. The number of tickets issued / amount recorded on the receipting sheet should be agreed to the income collected by a second officer.

3.15 If you do not believe full receipts are required for your cash handling duties, and you meet the value criteria described above, you may apply for an exemption. Exemptions can only be approved by a Head of Finance or the Director of Financial Services, and Internal Audit and are at the discretion of these officers. Exemptions will only be granted where the risk associated with the transactions is low.

A copy of the exemption application form is included at Appendix B to this policy.

NOTE:

Colleagues handling cash must be aware of the Anti-Money Laundering Policy, especially if asked to receipt large amounts of cash. Colleagues should report suspicions of money laundering to the Money Laundering Reporting Officer (MLRO). This is currently the Director of Finance.

To safeguard against money laundering, payment in cash in excess of £5,000 for any single transaction will not be accepted from any source. (**Financial Procedure Rule E2.20**)

4 MISCELLANEOUS BANKING

4.1 Coin Operated Telephones / Vending Machines / Car Parking Machines

A number of establishments have coin operated telephones / vending machines / car parking machines that are paid for by the City Council. It is the responsibility of the Senior Officer to ensure that the cash box is emptied at least once each week and that the cash is paid into the Council's bank account. The cash box should be emptied and counted in the presence of **two** officers who should **both** sign the official receipt.

4.2 Donations / Collection Boxes

A number of establishments have collection boxes to collect for either ourselves (DCC) or external bodies. Again the collection boxes should be emptied and counted by **two** officers who should **both sign** the official receipt.



5 GENERAL BANKING

- 5.1 All money received by an employee on behalf of the Council must be banked without delay. **(Financial Procedure Rule E2.3)**
- 5.2 Income received is paid fully and promptly into the appropriate Council bank account in the form in which it is received. **(Financial Procedure Rule E2.20)**
- 5.3 **At least one** named Cash Handling Officer (CHO) should be nominated to have the primary responsibility of preparing money for banking. This should be a different individual to the CHO responsible for receiving and receipting money.
- 5.4 If money is transferred between employees of the Council prior to banking there should be a formal record to evidence the transfer. **(Financial Procedure Rule E2.21)**
- 5.5 The Council has set minimal standards for cash collection procedures.

Please see Appendix D for more details.

- 5.6 If cash collections exceed **£2,500** within a one month period a collection by the designated Cash Collection Provider should be set up at the establishment. A collection can be requested for smaller amounts. Contact the Procurement Manager for the initial form to request collection and the designated Cash Collection Provider once forms have been completed.

See Section 6 for Cash Collection for Banking.

- 5.7 If your collection exceeds **£2,500** within a one month period but you do not wish to have a collection by the designated Cash Collection Provider you must apply for an exemption. Exemptions can only be approved by a Head of Finance, or Director of Financial Services, and must be signed off by Internal Audit, and are at the discretion of these officers. Exemptions will only be granted where the risk associated with the transactions is low. A copy of the exemption application form is included at Appendix B to this policy.
- 5.8 All managers must be aware of their safe insurance limit. This must be communicated to all colleagues who undertake a banking role. If you require details of your safe limits, please contact the Insurance section.
- 5.9 If safe / cash holding insurance limits are exceeded, an interim collection will be required.
- 5.10 Never leave income that is ready for banking or collection unattended. If there is a delay in the collection or transportation of income to the bank, the money must be locked away in the safe/ cash tin until it can be taken to the bank.
- 5.11 Only the CHO should remove cash and cheques from the secure cash holding location, ensuring that any float required is remaining.
- 5.12 The CHO should complete a paying in slip for cash. **A separate paying in slip** should be completed for the cheques and Postal Orders, entering details of any Postal Orders on the reverse of the slip. All cheques and Postal Orders must be date stamped. Appropriate details should be recorded on to paying in slips to provide an adequate audit trail. **(Financial Procedure Rule E2.20)**



6 CASH COLLECTION FOR BANKING

- 6.1 All cash / cheques should be reconciled to cash collection records (postal remittance registers, receipt books, etc.) and put into the official envelope as supplied by the designated Cash Collection Provider, together with the paying in book slip.
- 6.2 A copy of the reconciliation must be printed and filed for audit purposes. An appropriate referencing system must be used, e.g. in week order, to ensure an adequate audit trail is maintained.
- 6.3 The cash bags must be sealed by the site making the deposit in accordance with the Provider's Security Procedures. The procedures were provided when the site was set up for cash collections.
- 6.4 The only information required on the designated Cash Collection Provider's bag itself is the name, address and reference of the collection point, the date and the total amount in the bag and customer signature.
- 6.5 The designated Cash Collection Provider will collect the bag on a predetermined day; they will scan the bag and take the money away.
- 6.6 Upon collection, the uniform, ID card and Authorised Collector's Card (ACC) of the Cash Collection Provider should be verified in accordance with the Provider's Security Procedures. The procedures were provided when the site was set up for cash collections.
- 6.7 When the designated Cash Collection Provider collects the deposits, ensure that a receipt is obtained. The receipt should be signed by the provider and the colleague making the deposit; this will confirm that the deposit has been handed over.

7 DIRECT BANKING

- 7.1 Direct banking of income must always be undertaken by an employee of Derby City Council.
- 7.2 Banking should be carried out on a regular (minimum of at least weekly) basis, but without any regular pattern where possible.
- 7.3 Income will normally be banked at the nearest branch of the Lloyds Bank or Post Office. Other banking points are subject to the approval of the Head of Finance, or Director of Financial Services
- 7.4 There must be one paying-in slip for cash and one paying-in slip detailing the cheques when using a Lloyds paying in book. Each paying-in slip has a reference number.
- 7.5 Cheques should be placed in the cheque envelope provided (if paying in at the Post Office).
- 7.6 A senior colleague should check and sign off the banking before it leaves the premises.
- 7.7 When banking deposits, ensure that the counterfoil of the paying-in book is stamped. This is the confirmation that the deposit has been handed over. When there is discrepancy, obtain an itemised print from the cashier individually confirming the amount being deposited.
- 7.8 Further supplies of Bank / Post Office paying in books and cheque envelopes can be obtained from the Income Team. Email Income.Team@derby.gov.uk



8 eRETURNS

- 8.1 At the time of each banking, the CHO must also complete an electronic return in accordance with the eReturn Submission Instructions.

Current [eReturn Submission Instructions](#) are available in iDerby

9 RECONCILIATIONS

- 9.1 A local reconciliation record should be kept to record details of income and receipts.
- 9.2 At the end of each week, the Primary Key Holder, or the Secondary Key Holder (as per Section 1) should check the total amount entered on the reconciliation record. Once this has been agreed the appropriate key holder will print and sign their name on the reconciliation record.
- 9.3 Monthly reconciliations are permitted if cash collections do not exceed £200 per month.
- 9.4 The local reconciliation record should be completed for all transactions detailing all items of income and receipt numbers, in chronological order. The local reconciliation record should be kept in a secure location with the Receipt Book.
- 9.5 Each individual banking and date of banking should be entered in the appropriate column adjacent to the last item which it includes. Cancelled receipts should be included with a note indicating the reason for the cancellation.
- 9.6 The 'total daily income' column should agree with the 'payments to bank' columns.
- 9.7 The form must be checked and signed by the officer in charge of the Establishment and their designation shown.
- 9.8 The local reconciliation record should be signed and dated by both the preparer and the reviewing officer. A copy of all reconciliation records should be retained by the department.
- 9.9 Reconciliations should regularly take place between eReturns and source documentation / systems.

10 SURPRISE / UNANNOUNCED CASH-UPS

- 10.1 In order to reduce the risk that cash received may not be accurately or appropriately accounted for an independent Officer will, on a six monthly basis, undertake a surprise / unannounced cash-up of cash and cheques to ensure they reconcile with the local reconciliation record as follows:
- Remove Receipt Book and local reconciliation record from secure location.
 - With the exception of any 'float', ensure all money, cash and cheques held reconcile with the local reconciliation record.
 - Enter comments in box indicated as 'Notes on Surprise/Unannounced Cash-up' on the local reconciliation record.
- 10.2 If issues are identified during the surprise / unannounced cash-ups, or there is insufficient segregation of duties as described in section 2 above, they should be raised with Internal Audit.



- 10.3 If Internal Audit visit to perform a surprise / unannounced cash up colleagues must check their ID and ensure that they are a DCC employee. This may require a phone call to the Head of Audit for confirmation.

11 HEALTH AND SAFETY CONSIDERATIONS

- 11.1 Make sure that a health and safety risk assessment is carried out for any operation involving cash, so that employees know what to do in the event of, for example, attempted theft and robbery. The template for a full risk assessment is included in Appendix E.

Further information on risk assessment is given in the Council's [Health and Safety Risk Assessment Policy - Managers' Guidance](#) on iDerby.

- 11.2 We have issued guidance for employees who carry or move cash about. This is in the Council's [Abuse, Aggression and Violence Code](#).

- 11.3 If there is a robbery, employee safety comes before securing money.

The guidance is in Appendix F.

12 Equality Considerations

- 12.1 We have not completed an Equality Impact Assessment of this document as it is based purely on financial regulations and processes – we have made sure we have included emergency details for Deaf employees and that the document is provided in a range of formats on request for disabled colleagues.

- 12.2 We have acknowledged that some colleagues may need to sue petty cash for voluntary groups and our Equality Hubs and Forums.

13 FURTHER INFORMATION

- 12.1 If you require further information / guidance about this policy please contact the relevant Head of Finance / Group Accountant.

- 12.2 The following links may also be used for further information,

[Abuse, Aggression and Violence Code](#)

[Cash Collection Information](#)

[eReturn Submission Instructions](#)

[Health and Safety Risk Assessment Policy - Managers' Guidance](#)

[Controlled Stationery Procedure](#)

[Anti-Money Laundering Policy](#)



LIST OF CASH HANDLING DOCUMENTATION

CONTROLLED STATIONERY

DOCUMENT	PURPOSE	AVAILABLE FROM
Receipt Books	To record all receipts issued (See Section 3 for further details)	Business Support
Paying-In Slips for Cash	To detail all cash paid in to the bank	Corporate Accountancy (Income)
Paying-In Slips for Cheques / Postal Orders	To detail all cheques / postal orders paid into the bank	Corporate Accountancy (Income)

OTHER DOCUMENTATION

DOCUMENT	PURPOSE	AVAILABLE FROM
Exemption Forms	To apply for an exemption to an element of this policy, providing details of why the exemption is required and appropriate authorisation by a Head of Finance or the Director of Financial Services, and by Internal Audit.	Available at Appendix B to this document. Copies of relevant approved exemptions to be retained by individual cash handling locations.
Sample Key Transfer Register	To record transfers of cash storage keys (e.g. safe keys) between named officers	Available at Appendix C to this document To be maintained by individual cash handling locations
Postal remittance register	To record details of monies received by post including who the money was received from (name on cheque), whether cash or cheque, date of receipt, the amount of receipt and who the monies were passed to for processing.	To be maintained by individual cash handling locations
Cash Collection forms / Receipting Sheets	Where an exemption to receipting rules, based on criteria detailed at section 3, has been obtained, a cash collection form or receipting sheet should be completed to record monies received	To be maintained by individual cash handling locations
Local reconciliation record	To provide a record of all cash and cheques held at any given time and to provide an appropriate audit trail of cash handling activities. To detail all monies included within each individual Cash Collection Provider collection.	To be maintained by individual cash handling locations



CASH HANDLING POLICY APPLICATION FOR EXEMPTION

Directorate	
Department	
Cash handling location	
Responsible officer	

DETAILS OF EXEMPTION REQUESTED
EXPLANATION OF WHY EXEMPTION IS REQUIRED
ALTERNATIVE CONTROLS PROPOSED
ASSESSMENT OF REMAINING RISK

Signed:

Requesting Officer:	Date:
---------------------	-------

Approval:

Responsible Officer:	Date:
Head of Finance / Dir of Financial Services	Date:
Internal Audit:	Date:

Cash Handling Council Insurance Limits

Cash / Open Cheque Carryings	Minimum Standards
Up to £500	One person carrying a mobile phone
£500 - £2,500	Two people carrying with a dye discharge bag and mobile phone or three people carrying with a mobile phone
£2,500 and over	Security Company or specialist vehicle to be used only.



RISK ASSESSMENT FORM

DEPARTMENT AND SECTION		WORK ACTIVITY OR ENVIRONMENT
LOCATION		
DATE OF ASSESSMENT		
NAME OF ASSESSOR/S		

List significant hazards - anything that could cause harm	What harm could occur and who might be affected?	What measures are already in place to protect people?	What harm could still occur and how likely is this? Rate by high, medium or low.	What more needs to be done? List extra measures needed the person responsible for action and timescales.



List significant hazards - anything that could cause harm	What harm could occur and who might be affected?	What measures are already in place to protect people?	What harm could still occur and how likely is this? Rate by high, medium or low.	What more needs to be done? List extra measures needed the person responsible for action and timescales.

Assessment agreed by all team members	Formal Review Date
Date sent to Health and Safety Representative	Date sent to Health and Safety Advisor



RISK ASSESSMENT - GENERAL GUIDANCE

HAZARD - Impact

5	Very High:	Causing multiple deaths and widespread destruction.
4	High:	Causing death or serious injury to an individual.
3	Moderate:	Causing injury that may keep an individual off work for three or more working days.
2	Slight:	Causing minor injury that would allow an individual to continue work after receiving first aid treatment.
1	Nil:	No injury

RISK - Likelihood

5	Very Likely:	If work proceeds, without action being taken, there is a high percentage of certainty that an accident will occur.
4	Likely:	The effects of human carelessness, negligence or unsafe practices would cause an accident to occur.
3	Quite Possible:	An accident is liable to occur if other additional factors are present, for example, in poorly lit conditions failing to provide illumination.
2	Possible:	If additional factors are present, an accident might occur but the probability is low.
1	Not Likely:	There is no real risk present.

ACTION PRIORITIES

25	Very High	Work is totally unsafe and must be stopped until a safe working method can be introduced and controlled.
20	High	A serious incident is imminent. Urgent corrective action must be taken.
16	Medium	Current controls are inadequate and so must be reviewed monthly in a programme of continual improvement.
12 - 15	Low	Risks under control but must be reviewed twice yearly or when any change made to the task. Attempt to reduce to an acceptable 10.
01 - 10	Very Low)	Risks well under management control and only minimal reviews annually are necessary unless any changes in circumstances or task introduced.



COUNCIL CASH EMPLOYEE GUIDE

Firstly remember **'save life - not money'**. Cash is recoverable, your health is not. Don't put yourself in danger to protect cash at any time.

Always try to follow these sensible guidelines:

- Don't carry money in an obvious way.
- Try to split it, perhaps carrying notes on your person and coins in a bag, taking care not to mix with personal cash.
- Make sure your office knows where you are, your route, start and finish times.
- Try to vary route and collection times. Avoid quiet streets and short cuts.
- Don't give or accept lifts.
- Don't use public transport.
- Normally money should not be left in a vehicle but, if unavoidable, place it out of sight in the boot or under a seat. Always lock all doors.
- Carry your personal alarm at all times and check regularly that it's working. It is designed to surprise. If you feel using it would endanger you, then don't use it.
- Be alert. Watch out for people loitering or just sitting in stationary cars.
- If you are suspicious, get somewhere safe, quickly. Go into the nearest house / building or drive away and dial 999 for the Police. Deaf employees can use the Police [emergency SMS](#), but make sure your mobile is registered with them. Deaf people can also use the New Generation Text Relay Service to contact the Police in an emergency.
- Then inform your office or manager.

If you are attacked then:

- Obey instructions.
- Avoid sudden movements.
- Hand over money - don't be a hero.
- Try to get a good description of your assailant.
- if you can, write details, however brief, as soon as possible.
- if a vehicle is used, try to get the registration, colour and make, if possible.
- Dial 999 for the Police - . Deaf people can use the Police [emergencySMS](#),

