

## **Harlow Council cash handling requirements**

### **1. Introduction**

- 1.1 These rules govern all cash handling by Harlow Council employees and agents. They are intended to make using cash safe and secure.
- 1.2 They expand on the rules in Financial Regulations in a way that is intended to be helpful to officers handling cash.
- 1.3 If, in particular circumstances, you feel that you need to apply different procedures, you must obtain prior written agreement from the Head of Finance. This will not be withheld unreasonably.
- 1.4 Failure to follow these processes as set out below could result in disciplinary action.
- 1.5 This note provides corporate guidance. Where there are extensive cash-handling arrangements, the manager should ensure that there are detailed procedure notes to explain them. Any such procedures should be consistent with these rules and comply with 1.2 above.
- 1.6 The Internal Audit section will be happy to provide advice on control issues.

### **2. Types of cash holding**

- 2.1 There are four types of cash holding in Harlow Council:
  - Change floats
  - Cash income (which may include cheques and credit card transactions)
  - Petty cash
  - Private and unofficial funds
- 2.2 This guide covers all of the above.

### **3. Manager's duties**

- 3.1 Managers whose areas handle cash must:
  - for cash income, minimise the number and amount of cash transactions by seeking payment in advance and by electronic means. Direct Debit is the Council's preferred option, giving the Council certainty of cash flow and security.
  - for cash expenditure, minimise the cash held by ordering goods with an Agresso order well in advance, wherever possible.
  - reduce the cash held to the minimum level necessary.

- minimise risk by avoiding unnecessary cash handling and ensure staff have the maximum protection from the layout of the workplace.
  - ensure that income is processed and banked regularly and accurately.
  - ensure an independent check of actual income processed against expected income; and an independent reconciliation of income processed to income banked.
  - take appropriate action to investigate discrepancies and maintain a record of action taken.
  - ensure separation between staff raising charges and receiving cash payment.
  - advise staff not to resist robbery attempts.
  - get advice on security and insurance from the Senior Insurance Officer.
- 3.2 The manager is responsible for ensuring that any member of their staff handling cash follow these rules. They should make sure that staff understand what they have to do, and should monitor activity regularly.
- 3.3 In the event of any problems, the manager should seek advice from the Cash Control Team. If there is any suspicion of theft or fraud by clients or employees, they should also inform Internal Audit.
- 3.4 Managers should ensure that they are familiar with the Council's Fraud Response Plan. If their area deals with large sums, they should also ensure that they and all of their staff are familiar with the Council's procedures for dealing with suspected money laundering.
- 3.5 You must make sure that any staff working for you know the procedures to follow, and make suitable, secure arrangements for receiving, holding and banking cash.

#### **4. Supervisor duties**

- 4.1 Where one or more cashiers are working on tills, their supervisor should check that the tills are cleared down at the start of the shift, and deal with any problems the cashier(s) identify.
- 4.2 At the end of each shift, the supervisor is responsible for taking a "Z total" to verify the total amount taken in cash.
- 4.3 They should check this against the amount that the cashier has declared and handed over for banking.
- 4.4 Any discrepancies should be recorded in the "overs and shorts" book, and investigated. An electronic record is an acceptable alternative to a book providing access is restricted to it.
- 4.5 Supervisors should report discrepancies exceeding £10 to the Cash Control Team. They should report any regular or repeated discrepancies to the Cash Control Team and Internal Audit.

- 4.6 The Council will investigate persistent or major overs or shorts as a potential competency or gross misconduct matter, and will take appropriate action on the outcome of the enquiries.

**5. Cashier duties (applicable to all staff who receive cash income on behalf of the Council) – holding cash**

- 5.1 If you receive cash, cheque or credit card payments, you must:
- keep cash secure. No-one but the cashier must be able to obtain access to it;
  - keep cash in a locked cash box, with the cash box and records in a safe, locked drawer or cupboard;
  - for large cash imprests, keep all documents in a locked safe with careful control on access;
  - ensure cash and cheques are processed and banked as soon as possible, (usually the same day, unless the arrangement has been agreed with the Head of Finance).
- 5.2 You should take great care of cash, as it is very easy to steal. Get expert advice on handling cash from the Customer Services Manager, who will consult the Audit Manager on control issues.
- 5.3 You should understand the rules before starting work. If you don't, ask your line manager to clarify things.
- Don't mix your own money, or anyone else's, with council funds.
  - You must give an official Harlow Council receipt for every payment you receive, to record the money in the council's systems.
  - Always put the code for the income on the council documentation, along with any other relevant information.
  - Receipt books are controlled stationery. To request a new receipt book, contact the Cash Control Team.
  - Used and unused receipt books must be returned to the Cash Control Team, together with income returns, remittance advices and details of banking.
  - You must look after the money you receive until you bank it, or hand it to another employee or a security collection service.
  - When you hand the money to someone else, get a receipt. You should both check how much there is.
  - Bank cash income intact - don't make cash payments out of money collected. Use a separate petty cash float for any payments (see petty cash section below).
- 5.4 If you receive or handle cash, you must not operate any debtor system, or reconcile any debtor or cash accounts.

## **6. Change floats**

- 6.1 A change float (as the name suggests) exists to allow an employee to give change to customers. Usually, it is associated with cash income, but occasionally a small float may exist simply to provide change where a service user needs to put money in a machine.
- 6.2 The cashier should check the float at the start and end of each shift. The amount should always be the same.

## **7. Cash income**

- 7.1 The Council receives cash in a number of different ways and locations. These rules apply to all of them, but are particularly important for those areas which deal with smaller sums, and do not have their own detailed procedures.
- 7.2 At the start of every shift, the cashier should check the change float, and sign for it if taking over from another member of staff. If taking over a till, they should check and sign for any other money that the previous operator leaves in the till.
- 7.3 The cashier should always give the person paying money either a receipt (which may be hand-written or from a till or computer system) or a ticket.
- 7.4 At the end of the shift, the cashier should count and record the cash taken, deduct the float, and declare the total sum for banking.
- 7.5 The cashier should hand the income to the person designated to receive it, and get a receipt for the sum. Ideally, both parties should count the cash together at this point.
- 7.6 The cashier should always bank the full amount taken, irrespective of suspected "overs" or "shorts". The supervisor or manager will investigate these later.

## **8. Petty cash**

- 8.1 Petty cash is a convenient way to pay minor expenses.
- 8.2 Get a VAT receipt for anything that you want to claim as petty cash. Make the claim on a standard form, and include the code to charge for the spending.
- 8.3 The budget holder (or an appropriate deputy) should check and approve every petty cash payment by signing the form.
- 8.4 You may not sign if you are claiming the money, or if you are the cashier.
- 8.5 When the petty cash float is getting low, the cashier should fill in a reimbursement claim form. The claim should match the total payments made (this is called 'reconciling the float').
- 8.6 Report any problems to Accountancy for investigation.

## **9. Cashier duties – petty cash records**

### **9.1 The cashier must:-**

- Record all transactions immediately in a bound book, on pre-numbered reimbursement forms, or on software approved by Finance and ICT
- Only pay claims the appropriate budget holder has authorised.
- Record the claimant's name.
- Record the date and the amount claimed.
- Keep a running total of claims since the last reimbursement.
- Get the claimant to sign the book or form, to confirm receipt of the money.
- Keep the petty cash voucher and the VAT receipt, numbering the form and cross referencing it to the record.

### **9.2 The cashier must never accept IOUs, or cash personal cheques from the cash held under any circumstances whatever.**

## **10. Petty cash limitations**

### **10.1 The following limitations apply to cash floats:**

### **10.2 Amounts over £10 should be paid through the payroll or other expenses process.**

### **10.3 Ideally, avoid paying such amounts by using Agresso orders or procurement cards.**

### **10.4 Do not use petty cash to pay employee travel expenses. Use the travel expenses system, as the Council may have to deduct tax and National Insurance.**

### **10.5 The Head of Finance may limit the size of cash floats, or impose additional constraints in the interests of efficiency and security.**

## **11. Petty cash float reimbursement and reconciliation**

### **11.1 Use the cash float reimbursement form to claim cash expenditure and reconcile the cash float. Enter:-**

- all cash expenses paid out and claimed and
- the total value of cash in hand held at the reconciliation date.

### **11.2 Authorise and send the completed claim form to the Payments Team.**

## **12. Handover of cash**

### **12.1 If you hand cash over to someone else, you should both count the money and sign a receipt to confirm that you have agreed the amount.**

- 12.2 However, if the cash is in a sealed tamper-proof security bag, you only need to get a signature for the bag itself.

### **13. Cash holding risks, and health and safety considerations**

- 13.1 Managers should always assess the risks of holding cash.
- 13.2 Unless you have agreed with the Insurance Manager that other arrangements apply, do not:-
- Hold more than £200 overnight in a locked receptacle.
  - Ask or allow any member of staff to carry more than £500 in cash.
- 13.3 Managers must take precautions to reduce risk to staff who handle or hold cash.
- 13.4 In the event of attempted robbery, always treat the personal safety of staff and bystanders as the most important consideration.
- 13.5 The police provide detailed advice on security in general and Health and Safety Officers will address safety issues.

### **14. Claiming cash expenditure – guidance for claimants**

- 14.1 Please note:
- you can only claim money spent on behalf of the council
  - you must get a VAT receipt, where applicable
  - you must describe and code the goods or services purchased using cash adequately and correctly on the imprest reimbursement claim and reconciliation form
  - you must reconcile the cash float for each reimbursement, and at least once a month, to identify errors
  - the total value of the cash and vouchers should always equal the float total
  - you must report any deficiency or excess of more than £10 to Accountancy promptly. They will arrange investigation and remedial action with the Audit Manager
  - the budget holder must sign and authorise the imprest reimbursement claim and reconciliation form
  - cash reimbursement may not be authorised by the claimant; if the claimant is also the budget holder, another manager must authorise the claim
  - the claim form must be completed correctly and authorised before sending to the Payments Team
  - claim promptly; claims over a month old will not normally be paid.

## **15. Private and unofficial funds**

- 15.1 In some areas, there will be private or unofficial funds - money that does not belong to the council, but which is looked after by council staff, and is used for purposes related to the council's business.
- 15.2 Private and unofficial funds should only exist where they serve a specific service objective, and should be controlled using suitable procedures. If they belong to a specific body, such as a charity, should get them independently audited each year.