



WARRNAMBOOL  
CITY COUNCIL

# Cash Collection & Handling Policy

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## INTRODUCTION

### 1.1. Purpose

This policy defines the actions and responsibilities of officers that are involved in cash handling on behalf of the Warrnambool City Council (Council)

### 1.2. Scope

This policy applies to Council employees who are involved in the handling of cash.

The scope of this policy covers the following aspects that are associated with the handling of cash, including the handling, safeguarding and reporting of cash.

Where a cash receipting site is not able to comply with all the requirements of this policy (for example, due to limitations in system capabilities), this issue must be communicated with, and formally approved by the Manager Financial Services and other compensating controls must be established and documented.

Due to the different software solutions utilised by various cash receipting sites throughout the municipality, each relevant service manager in conjunction with the Manager Financial Services, should ensure that a procedural manual is available to Council staff and that all relevant Council staff receive adequate training in the requirements of this policy.

### 1.3. Definitions

For the purpose of this document the term “monies” will include:

- Cash
- Cheques/Bank Cheques/Money Orders
- Credit Cards/EFTPOS

**Cash Handling** – Receipting, reconciling, issuing, depositing, and safeguarding of cash

**Supervising officer** – the immediate supervisor of Council staff responsible for the receipting of cash

### 1.4. References

- Warrnambool City Council Collection and Handling Procedures
- Warrnambool City Council Parking Management Operational Procedures
- Warrnambool City Council Procurement Policy
- Warrnambool City Council Fraud Prevention and Control Policy

### 1.5. Cash handling sites

Council currently has designated cash collection sites across the municipality, including:

Civic Centre Customer Service desk	Lighthouse Theatre
Warrnambool Art Gallery	Flagstaff Hill Maritime Museum
Aquazone	Warrnambool Stadium
Archie Graham Community Centre	Warrnambool Animal Shelter

Situations may arise requiring the establishment of temporary receipting points that collect cash on an ad-hoc basis (eg. Festivals, community events, community bus bookings etc).

## 2 POLICY

The establishment of strong internal controls for cash collection is necessary to prevent mishandling of funds and to safeguard against loss.

Strong internal controls are also designed to protect employees from inappropriate charges of mishandling funds by defining his/her responsibilities in the cash handling process. In addition, strong internal controls should minimise the risk of staff being placed in dangerous situations such as theft of cash.

The elements of an effective cash handling process include controls around receipting, reconciling, depositing, and safeguarding of cash as well as reporting of variances and anomalies.

### 2.1. Cheques

The Commonwealth Government have announced that the cheque payment system in Australia will be wound down no later than 2030. Council will continue to receipt cheques as a payment method until the system is wound down.

All cheques received must be recorded through a cash register. If a cash register is not available, a pre-numbered receipt form must be issued to the customer and a duplicate copy retained by the cash collection point.

All cheques shall be made payable to the Council. No post-dated or third party cheques are to be accepted. Council shall not in any circumstances cash cheques. Cheques must be included in daily receipting reconciliations along with cash and electronic payments.

### 2.2. Cash

All cash received must be recorded through a cash register:

- If a cash register is not available, a pre-numbered receipt form must be issued to the customer and a duplicate copy retained by the cash collection point.
- For such collections as car parking fees and laundry fees collected from Holiday Parks, internal controls will be specifically implemented, as per the Manager of Financial Services, to enable reconciliation of these.
- The cash received must be reconciled to the cash register or to the pre-numbered receipts daily or on a schedule as agreed with Financial Services.
- A bank deposit slip must be written for the total amount of the deposit.
- A secure area for processing and safeguarding funds received is to be used and restricted to authorised personnel. When cash is being counted by Council staff it is to be conducted out of sight of the general public
- Cash funds must not be left unattended. Cash funds must be stored in a cash box within a safe or locked cabinet, to which access is restricted to preferably the cashier or person in a department acting as a cashier.
- Delivery of bank deposits to the bank must be done by the security firm contracted to the Council.
- Cash received must be deposited intact and expenses must not be paid from cash receipts.

- The daily banking reports at the Civic Centre, inclusive of the register of receipts, shall be reviewed by the Senior Customer Relations Officer or their delegate on a daily basis, and signed as correct. The daily banking details shall then be updated to the Council's financial system as soon as practicable.
- Locations with cash registers will be issued a cash float for the purpose of making change. These cash floats are to be kept for that purpose and are not to be used for personal loans, or for payment of expenses.
- Cash collections and deposits from the collection of parking fees will be performed in line with the procedures set out in the Council's Parking Management Operational Procedures.

### 2.3. Petty Cash Funds

- It is the responsibility of departments and staff who maintain petty cash floats to adhere to this policy.
- A petty cash float may be applied for or increased by completing a payment request form and forwarding to Manager Financial Services, stating reasons for the request, and the amount requested.
- The petty cash float must be kept in a safe or locked cabinet under the control of the responsible person. Only the responsible person may have access to the petty cash float.
- The petty cash float must at all times contain the authorised amount in cash and/or paid vouchers, the fund must be reconciled regularly to ensure this is the case. The funds may not be used for personal loans, cashing cheques, or for salaries.
- The person responsible for each petty cash float should ensure that petty cash payments do not exceed the Council's stipulated \$100 maximum from their petty cash float.
- Petty cash should be used as a convenient method to pay small claims and is not intended for larger or frequent payments, which should be paid through Council's regular Purchasing processes.
- To replenish the petty cash float, a Petty Cash Reimbursement Form must be completed. The form will show persons reimbursed, the amounts and the account numbers to be charged. All receipts must be attached with approvals from the signing authority for the account charged. Funds received from any source must not be added to the petty cash float, but must be processed per the procedures for a cash collection point.

### 2.4. Electronic Funds Transfer

- Receipts from customers received via electronic funds transfer (EFT) shall be uploaded to the Council's accounts receivable system in a timely manner, usually on the business day following receipt into the Council's bank account. The upload of EFT details to the Council's financial system shall form part of the daily banking process.

### 2.5. Refunds, voids, "no-sale" and cash discrepancies

- All refunds, voids, 'no-sale' and cash discrepancies (additional cash/shortfall) transactions are to be authorised by the employee's supervisor - cash discrepancies occur where the physical cash holdings differ to that specified by the cash receipting system.

- Two checklists have been provided (attachments 1 and 2) that may be used to assist with processes relating to refunds and cash discrepancies

### 2.6. Cash handling procedures

- Cash handling procedures must be in place for each designated cash collection site and be subject to review by the Manager Financial Services on an annual basis, or upon changes relevant to the process (software updates for example).

### 2.7. Reporting

- Supervising officers should ensure that appropriate reports are kept on daily balances and variances, that these are provided to the revenue department on a monthly basis. All variances must be documented and approved by a supervisor, and any variances exceeding \$100 must be forwarded and approved by the Manager Financial Services.
- Reports should provide all necessary information on receipts, refunds, voided entries, and any cash overs or shortfalls by each receipting session. Where there is a variance relating to additional or shortfall of cash, an explanation should be provided on the report by the supervising officer, advising of the steps taken to attempt to prevent similar situations occurring in the future.
- Regardless of the amount, missing or stolen money must be reported to the Manager Financial Services. Any stolen money must be reported to the police and to Council's Governance Manager. Should a staff member identify or suspect that money has been stolen or missing, or is aware of suspicious activity, they must report this to their supervisor. Should a robbery occur, staff must immediately provide a written detailed account of the events to the Manager Governance.

### 2.8. Delegation of Authority

- Where practicable, the Council shall ensure that segregation of duties is maintained at all times for cash handling and other conflicting roles including cash, bank reconciliations, banking, and invoice and credit note processing.

### 2.9. Insurance of Cash Held and in Transit

- The Council shall ensure that adequate insurance is held to provide for loss of cash held and in transit.

### 2.10. Supporting Documentation

#### 2.10.1. Forms and Records Management

Adequate records will be maintained to by the Council for a period of no less than 7 years.

## 3 GOVERNANCE

### 3.1. Owner

Manager Financial Services.

### 3.2. Review

The Manager Financial Services will review the policy for any necessary amendments no later than three years after its formulation or after the last review.

### 3.3. Compliance Responsibility

#### 3.3.1. *Management Executive Group (Chief Executive and Directors)*

The Chief Executive & Directors are responsible for ensuring Managers, Supervisors, Employees, Contractors and Volunteers under their control comply with actions detailed in this policy (and related procedure).

#### 3.3.2. *Managers and Supervisors*

Managers/Supervisors are responsible for ensuring employees under their direct control comply with the actions detailed in this policy (and related procedure).

#### 3.3.3. *All Employees*

Comply with the actions detailed in this policy (and related procedure).

### 3.4. Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007).

Warrnambool City Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee health and safety representatives in any workplace change that may affect the health and safety of any of its employees.

### 3.5. Gender Equality Act

In accordance with the Gender Equality Act 2020 (Vic), Council is committed to ensuring a gender lens is applied to all new policies, programs and services that directly and significantly impact the public and ensure that a gender impact assessment (GIA) is conducted as needed. Records of GIA conducted must be saved in the records management system with the relevant procurement in accordance with the GIA Policy.

A review of this policy has not identified any direct or significant gender impacts.

### **Appendix 1 – Checklist – Cash Discrepancy Procedure**

- ☐ Re-count the cash;
- ☐ Check the cash drawer to see if any cash is left in it or has become stuck to the sides of the cash drawer;
- ☐ If the float has been put aside, check to see that it is correct;
- ☐ Check the work area including waste paper bins, to see if any cash has been accidentally thrown out or dropped;
- ☐ Review the cheque and EFTPOS totals to determine whether a cheque or EFTPOS transaction has been processed as cash;
- ☐ Scan through cheques to ensure that no cash has been mixed up with the cheques; and
- ☐ Review the transaction list for the day for any unusual transactions such as duplication of transactions.
- ☐ The cash overs/shortfall must be entered into the cash receipting system using specified general ledger numbers (the list of numbers can be obtained from the Finance Department).
- ☐ At the end of day/shift, a report listing the total takings for the day should be run and any refunds, voids or 'nosale' transactions should be listed separately and signed by the cashier and their supervising officer, noting the reason for the transaction.
- ☐ Where the transaction relates to an additional or shortfall of cash, the supervising officer must sign to verify that the above checklist has been performed.

### **Appendix 2 – Checklist – voids, refunds and 'no-sale' transactions**

- ☐ The reason for the refund, void or 'no-sale' transaction must be recorded on the computer system and the appropriate end of day reports. Cash discrepancies must also be recorded on the end of day reports and authorised by the employee's supervisor.
- ☐ The refund is to be processed to the customers' account that it was purchased from and should only be given in cash, where cash was used to purchase the goods.
- ☐ Voiding of cash receipts should only be used on the same day/shift that the transaction occurred and should only be used to correct an error. Such transactions must be authorised by a supervising officer.
- ☐ 'No sale' transactions should only be used to give change to customers or when performing a cash reconciliation. As with void transactions, 'no sale' transactions must be approved and initialled by a supervising officer and reported similarly to void transactions. It is expected that the number of 'no sale' transactions will be minimal.
- ☐ Supervisors should also advise Council staff that such reports are being prepared and reviewed monthly as part of the development of an awareness program amongst Council staff that cash transactions and register operations are constantly being reviewed and monitored.
- ☐ Advise finance of the discrepancy ☐ If there are instance of suspected fraud refer to the fraud policy guidelines