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Cash Handling Policy

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1 Purpose

The purpose of this policy is to:

- ensure that the Department for Education, Children and Young People (DECYP) has in place an effective internal control framework for cash handling and banking to ensure cash from all sources is completely and accurately identified, banked and recorded.
- minimise the risk involved in the handling of cash.
- protect employees involved in the receipting and collection of cash.

2 Policy Statement

- Employees involved in cash handling must comply with this policy, associated procedures and associated guidance documents.
- The use of payment methods that do not involve cash must be encouraged wherever possible.
- Payments in currency other than Australian Dollars must not be accepted.
- Change is only to be given where payments are received in cash.
- All cash on hand must be always kept secure and in a secure storage location, ensuring that minimal cash is kept on site wherever possible.
- All discrepancies must be immediately investigated. All unresolved discrepancies must be reported in accordance with the [Cash Handling Procedure](#).
- Cash floats held for providing change for payments received must only be used for cashier's change. These floats must not be used for petty cash or reimbursements to employees etc. Where required, a petty cash float must be maintained for petty cash reimbursements. Reimbursements to employees must be made electronically wherever possible.
- Payments received in person must be immediately receipted and a copy of the receipt issued to the payer.
- All cash receipts must be recorded and reconciled daily. Variances must be investigated immediately.
- [Private monies](#) must not be kept on a DECYP site nor receipted or deposited in a DECYP bank account. School association funds must only be kept on a DECYP site or receipted or deposited into a DECYP bank account when the school association has made a decision to donate the funds to the school.
- Cash must be banked frequently, weekly at a minimum, or where minor amounts are receipted, when the balance of cash receipts reaches \$50. Cash must be banked more regularly where large amounts are on hand.
- Any discrepancies between receipting and banking must be recorded and reported in accordance with the [Cash Handling Procedure](#).
- All cash deposits are to be reconciled to DECYP bank accounts by the Financial Operations team.
- Bank reconciliations are to be performed by the Financial Operations team daily and all discrepancies identified are to be promptly investigated and resolved.

- Segregation of duties must be maintained at all times. Where segregation of duties is not possible, additional controls must be in place and working effectively. Refer to the [Cash Handling Procedure](#) for further guidance.

3 Related Policies

- Bank Accounts Policy ([in development](#))
- [Fraud and Corruption Control Policy](#)

4 Related Procedures

- [Cash Handling Procedure](#)
- [Fraud and Corruption Control Procedure](#)
- [Petty Cash and Other Cash Floats Procedure](#)

5 Supporting Information/Tools

- [Accounts Receivable – Banking Variance Report](#)
- [ECR Receipting and Banking Manual](#)
- [Manage Petty Cash](#)
- [Qkr for Tasmanian Schools Best Practice Guide](#)
- [Receipting and Banking Best Practices](#)
- [Financial Reconciliations Guideline](#)

6 Definitions

Cash Float

A specified amount of cash held for an approved purpose such as a petty cash float for minor purchases or a cash drawer float to provide change for payments received.

ECR

Enterprise Cash Receipting. The DECYP recommended electronic receipting system.

Private Monies

Monies that are not DECYP monies, such as parents and friends association or school association funds not yet given to the school, a collection of employee funds to contribute towards staff gifts, morning teas, Christmas lunches and other social events.

Segregation of Duties

Segregation of duties means that not one employee is responsible for the entire cash handling process.

7 Legislation

- Treasurer's Instruction FC-7 *Managing Receipts, Payments and Bank Accounts*

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