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Cash Handling Procedure

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1 Purpose

This procedure applies to all Department for Education, Children and Young People (DECYP) employees involved in the handling of cash. The purpose of this procedure is to ensure cash handling practices are consistent and transparent across all areas of DECYP that handle cash.

2 Overview

This procedure provides a clear set of cash handling procedures to ensure all cash collected is receipted and recorded in a timely manner. For guidance on the management of petty cash and other cash floats, refer to the [Petty Cash and Other Cash Floats Procedure](#).

In view of the diverse range of activities across DECYP, it is impractical to detail procedures on every aspect of cash handling. This procedure provides the structure that must be included as a minimum in local receipting processes.

3 Roles and Responsibilities

3.1 School Principal / Centre Leader / Workplace Manager / Business Unit Manager

- Ensure a safe and secure cash handling working environment.
- Provide a secure storage location for funds received.
- Ensure user accounts are not shared between employees for issuing receipts.
- Ensure work processes for cash handling on site are clearly documented.

3.2 Line Manager for Employees Handling Cash

- Document work processes for handling of cash at the site level.
- Ensure segregation of duties or implement and monitor appropriate mitigating controls where segregation of duties is not possible.
- Proactively manage those handling cash who report frequent discrepancies (once a week or more) and resolve any discrepancies promptly.
- Report unresolved discrepancies to the School Principal / Centre Leader / Workplace Manager / Business Unit Manager.
- Verify and countersign the daily receipting reconciliation.
- Verify and countersign banking.
- Randomly verify cash held (at least twice a year, more often where frequent discrepancies are reported).
- Seek advice from DECYP Financial Services on best practice cash handling as required.

3.3 Employees Handling Cash

- Follow all cash handling work processes for the site under the direction of the Line Manager.
- Promote and encourage non-cash means (via direct credit such as BPAY, EFT, Qkr) for receiving payments.
- Receipt payments and immediately record and issue receipts.
- Process electronic receipts in their own user account. User accounts must not be shared.
- Ensure cash and cheques received are securely stored at all times.
- Immediately report any potential security incidents related to the cashiering environment to their line manager.
- Prepare (and sign) the daily receipting reconciliation.
- Report any discrepancies in the daily receipting reconciliation to their line manager and resolve the discrepancy promptly.
- Perform the banking and/or coordinate the cash collection service under the direction of the line manager.

3.4 Financial Services

- Reconcile cash receipts to bank statements and ensure cash receipts are correctly applied in Finance One.
- Prepare debtor and bank reconciliations regularly.
- Manage debtors for non-schools and school referred debts.
- Manage access rights to Enterprise Cash Receipting (ECR) and ensure only authorised employees have access to post deposits to the system.
- Provide guidance and advice to receipting areas as required.

4 Process

4.1 Cash Receipts

- Receipts must be issued for all payments received.
- Monies received at a primary collection point (e.g. school office, service desk or reception area) are to be immediately recorded and an official receipt issued to the payer:
 - All sites using ECR for receipting must ensure receipts are processed in ECR as soon as practicable upon receiving the funds.
 - If manual receipts are issued, while not a recommended practice, they must be promptly entered into ECR on the same day. Each manual receipt must be matched with an ECR receipt. That is, the manual receipt number must be entered into the ECR description field and the ECR receipt number written on the carbon copy of the manual receipt.
 - Those sites using receipting methods other than ECR must record all receipts in a timely manner and forward to finserv@decyp.tas.gov.au for recording in Finance One.

- ECR receipts must not be altered:
 - Where a mistake has been made by the employee handling cash, approval must be sought from their line manager, who is responsible for reversing the incorrect receipt. Copies of the incorrect receipt must be retained with details of why it was reversed along with evidence of the approval.
- All monies collected away from a primary collection point are to be forwarded to the primary collection point following the site-specific procedure as soon as possible after collection.
- Monies received away from the primary collection point (e.g. canteen) are to be double counted at the point of collection.
- Two people are to be designated as 'Responsible Persons' for all fundraising or other events involving the collection of monies:
 - Records are to be maintained.
 - The School Association must have approved the fundraising activity (e.g. camps, fundraising activities) and the relevant approval noted in minutes or otherwise appropriately evidenced.
- All cheques received are to be receipted on the same day they are received and all cheques which have not already been crossed 'not negotiable', must be crossed immediately upon receipt.
- Cash or cheques denominated in a foreign currency must never be receipted:
 - Payers must be encouraged to make payment by electronic means or, if not possible, directed to convert funds to Australian dollars through a financial institution.
- Change is only to be given when a payer has tendered cash:
 - Adequate cash floats must be maintained to enable the provision of change for cash transactions.
 - Change must not be given from a cheque payment and cheques must never be exchanged for cash.
 - If a cheque payment is for more than the amount of the transaction, the name and address of the payer must be recorded, and a refund mailed out. A copy of the cheque and receipt must be provided to the School Business Manager (if a school) or Financial Services (if not a school) along with a request to have a refund issued.
- Any floats kept for employees providing customer change must not be used for petty cash or employee reimbursements and petty cash must not be used for providing customer change.
- Cash and cheques not banked on the day they are receipted must be securely stored.

4.2 Issuing Receipts Using an EFTPOS Terminal

When accepting payments via an EFTPOS terminal, a receipt must be issued after the transaction is approved.

The cash out facility of an EFTPOS terminal must not be used under any circumstances.

EFTPOS transactions are to be settled each day an EFTPOS receipt is processed. The 'banking' balance must match the daily Merchant Summary report provided by the EFTPOS machine. This is electronic banking and is not taken to the bank.

For sites using ECR, refer to the [ECR Receipting and Banking Manual](#) for detailed instructions on how to complete this process.

4.3 ECR Daily Receipts Reconciliation

An ECR Active Session report is to be printed and reconciled with the total of receipts for each day, and with the total of cash/cheques to be banked. This report must be printed and retained with the banking records along with a copy of the bank deposit form.

Funds are to be banked regularly in accordance with section 4.5 of this procedure.

Refer to the [ECR Receipting and Banking Manual](#) for detailed instructions on how to complete this process.

Daily Receipts Reconciliation

Daily cash receipts must be reconciled to the ECR Active Sessions report at the end of each day. If there is a difference in the cash receipts and the amount recorded in ECR, the Line Manager must be immediately notified. Discrepancies that cannot be accounted for must be reported to the School Principal / Centre Leader / Workplace Manager / Business Unit Manager.

4.4 Security of Cash Received but not yet Banked

All daily cash receipts are to be counted by payment type (e.g. cash, cheque, card payments) by the responsible employee at the end of each day, regardless of whether they are physically banked on that day or not. A record of this count must be maintained and evidenced by a second employee wherever possible.

Monies are to be kept in a secure location during the day. If funds are kept on premises overnight, they must be locked in a secured location in accordance with site-specific work instructions. No funds are to be held onsite during holiday periods.

4.5 Banking of Cash Receipts

Cash and cheques must be banked frequently to minimise the risk involved with holding cash or cheques onsite. Frequently for the purposes of this procedure means weekly, at a minimum, or where minor amounts are receipted, when the balance of receipts reaches \$50. Cash must be banked more regularly where large amounts are on hand. Cash is to be banked at different times of the day.

Using the Cash Collection Service

DECYP's contracted cash collection service is the preferred method of banking and is to be used wherever practicable. It is strongly recommended that the service is used for the banking of over \$2 000 in cash.

At the Bank Teller

A Bank Deposit form must be prepared, ensuring that the cash and cheque totals match the totals of cash and cheques to be banked. Individual bank deposit slips must be able to be reconciled.

It is important for each DECYP site to ensure that the agent number/site has been recorded and confirmed by the bank or post office agency against all deposits made. When the agent number/site is not quoted, Financial Services cannot accurately allocate the deposit.

The employee performing the banking must ensure that the bank teller dates and stamps the deposit slip as proof that the banking was completed. The stamped and dated deposit slip must then be provided to the line manager and retained in accordance with DECYP record keeping requirements.

Using a Quick Deposit Envelope

Quick Deposit envelopes can be used for cash and/or cheque only deposits with the bank. If this method is to be used for banking, the employee performing the banking must ensure that the agent number/site is written on the front of the envelope so that the money is deposited to the correct site. If the agent number/site is excluded from the envelope, the deposit will remain in the Central Account until Financial Services receive notification of where the funds are to be allocated.

Banking Variances

Any banking variances must be reported to FinServ@decyp.tas.gov.au using the [Banking Variance Report](#) immediately and investigated as appropriate. The [Accounts Receivable – Banking Variance Report Quick Reference Guide](#) provides further detail on banking variances.

4.6 Private Cash Receipts

Private monies are not to be kept on a DECYP site or banked with DECYP funds.

School association funds must not be receipted or deposited into a DECYP bank account unless:

- the association has made a decision to donate the funds to the school.
- the association has received a grant on behalf of the school.

It is recommended that school associations operate their own bank account if they wish to maintain control of their funds. Any funds receipted or deposited into the school's bank account or given to the school for safekeeping will become funds of the school in accordance with the [Financial Management Act 2016](#).

For the same reason, school associations must not use school systems such as a school Qkr account or EFTPOS machine to receipt funds unless they have decided to donate the funds to the school at that point in time. School associations must make their own arrangements for receipting and management of funds if they wish to maintain control of the funds.

If it is unclear whether monies are DECYP or private funds, advice must be sought from Financial Services.

4.7 Segregation of Duties

Segregation of duties must be maintained wherever possible so that no one individual has the responsibility for more than one of the following:

- Receipting of cash and issuing receipts
- Preparing the banking
- Taking the monies to the bank
- Completing the bank reconciliation.

If segregation of these duties is not possible due to lack of available staff, the line manager or delegate must randomly verify the cash handling and recording process has been correctly

undertaken. A minimum of four checks are to be carried out per year, more than this is preferable, and a signed record of the checks performed is to be maintained.

With regard to the counting of cash, two people must count the cash and a signed record of the count must be kept.

It is recommended that responsibility for the cash handling process is transferred to another employee at least once per year for a minimum two-week period.

Access and ability to post to the finance system is to be restricted to authorised users only.

4.8 Reconciliation

A daily bank transactions statement is provided by the bank to Financial Services. Financial Services:

- Ensures the daily bank statements are reconciled.
- Prepares the bank reconciliations.
- Prepares the accounts receivable reconciliations.
- Applies cash receipts to debtor accounts.
- Investigates, corrects and adjusts unmatched receipts and discrepancies on a timely basis.

4.9 Fraud

Any cases of suspected or actual theft of money, fraud, misappropriation or corruption are to be immediately reported to a Fraud and Corruption Control Officer in accordance with the [Fraud and Corruption Control Policy](#).

4.10 Record Retention

All original supporting documentation relating to cash receipts and banking are to be stored in a secured location for a minimum of seven years or in accordance with the [Records Management Policy](#), whichever is longer.

4.11 Key Controls

The key controls in place around cash handling are documentation of procedures, system access controls, segregation of duties, authorisation and oversight, review and reconciliation, secure custody of cash and regular banking.

Cash handling is subject to audit.

5 Related Policies

- Bank Accounts Policy ([in development](#))
- [Cash Handling Policy](#)
- [Fraud and Corruption Control Policy](#)
- [Records Management Policy](#)

6 Related Procedures

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

7 Supporting Information/Tools

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

8 Definitions

ECR

Enterprise Cash Receipting. The receipting system recommended for use within DECYP.

EFT

Electronic funds transfer.

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.

Qkr

Convenient and flexible payment option available to parents in a one-stop shop application.

Segregation of Duties

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

9 Legislation

- [Treasurer's Instruction FC-7 Managing Receipts, Payments and Bank Accounts](#)

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