



Cash Handling Policy

Crea Norfolk CIC

Latest version October 2022

CODE OF PRACTICE FOR CASH HANDLING

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Status of the Code

The Directors issue guidance to underpin Financial Regulations that all Directors, Employees, Volunteers and associated Freelance workers are required to follow.

The Directors must ensure that all relevant Managers and Staff have read and understood the Procedures and that they are complied with at all times. Furthermore, all staff involved in cash

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handling and banking should be made aware of the requirements of and have access to the Procedures. Failure to adhere to the Procedures could lead to disciplinary proceedings or termination of Service Level Agreement for non-compliance.

The Procedures represent the minimum standard that must operate within Crea Norfolk CIC.

Section 1 - Introduction

The following procedures will assist you in the collection and banking of monies due to the Crea Norfolk CIC.

The Procedures are intended to offer guidance to managers and staff and others on the minimum required procedures for the collection, control and banking of Crea Norfolk CIC income. For the purpose of these Procedures income includes that received direct by cash, cheques, credit cards and debit cards and cash floats held by Crea Norfolk CIC.

All Income is a vulnerable and attractive asset. It can easily be misappropriated if not effectively controlled. Effective controls over cash collection, retention and banking systems are necessary to ensure that all income due to or held by Crea Norfolk CIC is identified, collected, receipted and banked properly and promptly. Consideration should also be given to staff and the risk of holding such assets.

When reading this code, it is important to remember and always comply where possible the following Key Principles:

- All income due to or held by Crea Norfolk is identified and charged correctly, in accordance with the Income Code of Practice.
- All income is collected from the correct person, at the right time, using these procedures and the appropriate Controlled Stationery.
- All income received and held by Crea Norfolk is completely and accurately accounted for and banked promptly.
- All income is held securely.
- All income received by an employee, Director, volunteer or associated Freelance worker on behalf of Crea Norfolk is paid without unnecessary delay into Crea Norfolk CIC's Bank Account or by means of secure collection agents.
- All income collected and deposited is regularly reconciled to the bank account and is checked as part of the Budget Monitoring process.

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The Code is set out in discrete sections dealing with the various stages of cash handling.

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Should you have any questions, suggestions for improvement or need to report any issues, please contact the Senior Admin Advisor.

Section 2 - Roles and Responsibilities

Those who have the responsibility of collecting payments via Cash or Cheque must ensure that they are aware of the policies and procedures around Cash Handling and received relevant training during their induction.

It is the responsibility of Crea Norfolk CIC to ensure: -

- Collection of income with accordance to the income code of practice
- Ensure income is collected and recorded accurately
- Income is banked promptly
- Inform Senior Admin Advisor as necessary of income expected

The Senior Admin Advisor will be responsible for: -

- Ensure income is processed into budgets quickly and accurately
- Ensure that any discrepancies above £25 for funding or above £10 for subs are reported to the Directors immediately
- Will ensure that any banking received by Crea Norfolk CIC is banked quickly and at least monthly.

The Directors will be responsible for:

- Reviewing procedures and updating antifraud and corruption and money laundering policies.
- Investigate any allegations of Fraud Corruption and Theft

Section 3 - Types of Payment

Each Activity Provider is responsible for ensuring that all income due to their Service is received and is completely and accurately accounted for.

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Income can be received in several ways and it is important that the following checks are taken to ensure that income is banked accurately: -

Cheque payments: -

- Must be made payable to Crea Norfolk CIC
- Have a valid date
- Values, Words and figures must match
- Have a signature

Cash Payments: -

- Where possible cash received should be counted in front of the Customer, this allows for any discrepancies to be corrected immediately and avoids any suggestions of misconduct.
- A Receipt must always be offered when taking income from a customer or Service
- Where this is not possible Cash should be checked by two people to ensure that discrepancies are not over looked.
- Where Cash has been counted by another person in front of the customer, Cash should also be checked when handed to the person banking.

Credit/Debit Card Payments: -

All Card payments are protected by the Payment Card Industry Data Security Standard (PCI DSS).

When taking payment in person the following should be followed:

- Ensure that the value entered has been entered correctly
- Pass the terminal to the customer to process the payment either by contactless (up to £30.00, or via Chip and Pin).
- Never take the Card from the Customer
- Keep the Merchant Copy Receipt and if a customer copy is produced or required hand this to the Customer.
- Receipts must be kept securely at all times and not on display.
- Card receipts must not show the Card details, if you find that the card details are showing you must contact the terminal provider and ask for these to be removed.

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Credit/Debit Card Payment taken over the phone: -

- Take the payment whilst the Customer is on the phone.
- If the payment terminal is not available, take the customers telephone details and return the call when you are able to process the payment.
- Under no circumstances must the card details be written down, even if the customer is happy for you to do so.
- Never repeat the card details, expiry dates or security numbers in an open office.

Credit/Debit Card payments taken via the Internet: -

- Crea Norfolk CIC do not have the capacity to take payments via the internet at the moment.

BACS/Chaps/Bank Transfer Payments: -

Payment can be made directly into the Crea Norfolk CIC Bank Account.

It is vital that the following Key Points are understood to ensure that income is allocated quickly and accurately: -

- All remittance advices should be sent to the Senior Admin Advisor
- If the Payee is unable to provide a Remittance advice, then they should be told to quote something meaningful such as an invoice number
- Where possible if you are aware a payment being made to Crea Norfolk CIC and a unique reference can't be used to help allocate the payment contact the Senior Admin Advisor with as much information as possible including where the payment needs to be allocated.

Section 4 - Receipt of Income

All income received must be recorded. Receipts must be issued where requested or felt appropriate.

Income must be recorded in Cash books or on Spreadsheets away from the Safe or secure location of the income once received. The information recorded in Cash Books/Spreadsheets must show the following as a minimum:

- Date income received

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- The Payee
- Value
- Cheque Number or paying in slip number if appropriate
- Why the payment was taken or made

Where appropriate or requested receipts can be issued via the Senior Admin Advisor

Official receipts must only be used for acknowledging receipt of official Crea Norfolk CIC income. Under NO circumstances should they be used to acknowledge unofficial/non-Crea Norfolk CIC income.

The following key points should be followed when issuing a receipt: -

- Official receipts must be issued at the time the income is collected/received.
- All handwritten receipts must be written in ball point pen.
- If handwritten no amendments must be made to receipts. If an error is made the receipt must be cancelled. In the event of a receipt needing to be cancelled, both the top and all copies must be retained in the receipt book as proof of cancellation.
- Receipts must be dated, the payee's name recorded, and all required information completed. Only then should the receipt be signed by the member of staff collecting the income and the top copy issued to the payer.
- Receipts can be emailed but you must ensure that the email address is correct.
- A copy of the receipt should be stored by the issuing Senior Admin Advisor for Audit purposes to allow a clear trail should there be an issue with regards to payment being banked.

Section 5 - Reconciling Cash

It is important that Cash, cheques, Postal Orders and Card Receipts are reconciled and recorded monthly. Where possible there should be a clear record showing the income received and stored securely and this must be reconciled to ensure that all Cash, Cheques, Postal Orders and Card Receipts can be accounted for.

The follow procedures should apply:

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- Tills, Kiosks and other cash drawers must be emptied and reconciled at the end of the day.
- Cash Books/Spreadsheets must be up to date and show the income received for that day.
- Physical Cash, Cheques, Postal Orders and Card Receipts must be reconciled to the Cash Book/Spreadsheet, preferably daily.
- Z reads from Cash Terminals must be taken and Card Receipts must be reconciled to ensure all sales have been recorded correctly. This can also be checked for any unexpected refunds.
- Any documentation for the income received must be kept securely and be available should there be a query regarding payment received. Consider retention policies in place.
- Any discrepancies must be reported immediately, and all Cash must be checked by another person to confirm the discrepancy.
- All Monies must be kept in either a Safe or an agreed lockable receptacle as per the agreed insurance levels – Please refer to section 7 for further information.

Section 6 - Security

It is necessary to establish and operate basic controls over cash, including cheques, and safes as follows:

Where cash and cheques are received the following controls must be applied:

- All Cash and Cheque payments must be recorded when received. This record should be kept securely but away from the Safe to ensure that there is proof of what is held in the Safe.
- All cash and cheques must be held securely ideally in a safe or lockable unit/drawers or lockable cash boxes (also securely located) where a safe is not provided. Insured limits must be adhered to.
- Only Directors, staff, service providers and volunteers with authorisation from the Senior Admin Advisor are to have access to either floats or takings
- Any floats must be held in a safe, or lockable unit/drawer or cash boxes (also securely located) for smaller amounts when not in immediate use.

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- Cash and cheques held overnight before banking must be held in a safe or lockable unit/drawer or cash boxes (also securely located) pending the banking.
- Where lockable cash boxes are used these must be held in a lockable unit/drawer when not in immediate use.
- Access to safes will be in accordance to the section on security and access to safes.
- Access to lockable units, drawers and cash boxes must be controlled with designated key holders.
- Keys must be held on the person of the authorised key holder(s) at all times and must not be left unattended as this will invalidate insurance cover. Authorised key holder lists to be maintained by the Senior Admin Advisor.
- Keys must not be lent to others to help with cover due to sickness or annual leave as formal agreed and documented.
- Personal cheques (staff and public) must never be exchanged for cash.

Where safes are operated the following procedures must be applied: -

- A Register stating who holds the Key must be maintained at all times, this should not be easily accessible to members of Staff or Public to avoid any risk to those holding the keys.
- For each safe there must be at least two, but not more than six, members of staff with authorised access, e.g. authorised keyholder.
- Whenever access to the safe is required, a member of staff with authorised access must be on site.
- Safe keys must be retained on the person of the authorised keyholder at all times when on duty.
- Safe keys must not be left unattended.
- Records of combination numbers must not be left on the premises at any time.
- Where safe keys and/or combination numbers are given temporarily to a member of staff not normally authorised to hold them, e.g. holiday cover, written permission must be given by the Senior Admin Advisor or person designated by the them and a record kept that supports this.

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- The transfer of the safe key or combination number must be formally recorded by the members of staff concerned, who should sign, date and retain the record.
- Any loss of a safe key must be reported immediately to the Senior Admin Advisor. They must then take the necessary steps to replace the locks or keys and report the incident.
- A safe may be open only when in immediate use; and when a member of staff with authorised access is in the immediate vicinity.
- Whenever an authorised key holder leaves Crea Norfolk CIC, changes employment or temporary cover ends, the Senior Admin Advisor or designated person must ensure that the safe key is received, or combinations to Safes are changed and a record kept that supports this.

Where lockable units, drawers or cash boxes are operated the following procedures must be applied:

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- A Key Register showing who has access to the unit/drawer/cash box must be maintained at all times. This needs to be kept securely and not easily accessible by members of Staff or public.
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- Where a cash box is used this must be stored in a lockable unit/drawer when not in use.
- Where possible access to the unit/drawer/cash box must be restricted to no more than four members of staff.
- Keys must be retained by the authorised members of staff at all times when on duty.
- Keys must not be left unattended.
- Any loss of keys must be immediately reported to the Senior Admin Advisor. They must then take the necessary steps to replace the locks or keys and report the incident.
- Where a member of staff is given temporary access to the lockable unit/drawer/cash box written permission must be obtained from the Service Manager or designated person.
- The lockable unit/drawer/cash box must be open only when in immediate use; and when a member of staff with authorised access is in the immediate vicinity.

Section 7 – Insurance Subject to confirmation from insurance company

Money is any current coinage, current bank and currency note, bill of exchange, luncheon voucher, cheque, bankers' draft, national giro draft, money order, postal order, current postage stamp, unused unit in any postage stamp franking machine, revenue stamp, national savings stamp, national

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savings certificate, holiday with pay stamp, credit, debit or charge card sales voucher, phonecard, consumer redemption voucher, rail warrants and gift token accepted by SCC, Value Added Tax purchase invoice and trading stamp belonging to SCC or for which the SCC has accepted responsibility and held in connection with the business of SCC.

Crea Norfolk CIC maintains insurance cover for physical loss of money in the following situations:

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- Loss of Money in transit in the custody of employees
- Loss of Money in transit of in the custody or control of a security company
- Loss of Money in the premises in locked safes or strong rooms
- Loss of money in the premises of approved locked receptacles if a safe or strong room is not available

Please note that the following losses will not be covered: -

- Arising from an error or omission in Receipts, payments, accounting practices or depreciation in value.
- Resulting from a safe or strong room being opened using a key or a combination code which has been left on the premises whilst closed for business.

It is advisable that safe limits are agreed with the Senior Admin Advisor and that consideration to the type of Safe that is held. Records to be maintained locally. It is important that a risk assessment has taken place to ensure that the level of security from the safe is in accordance with the Service need. It is important that cash is minimised at all times to avoid any risk.

Where there is a need of cover for high values of cash it is advisable that a discussion with the Insurance Company takes place. This will ensure that the Safe level and the Crea Norfolk CIC insurance policy match and cover any unfortunate events that may take place.

Section 8 - Banking

It is important that where possible banking is completed monthly to avoid the value of monies held in the Safe or locked receptacle to a minimum, and that it does not exceed the insurance values agreed with managers.

Individuals are advised the following to keep themselves safe whilst banking:

- Think about yourself, if attacked, surrender money

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- Ensure that banking is completed at different times
- Take different routes to the bank
- Make sure someone in the office is aware that you are going to the bank
- Make sure that members of the public are not aware of where you are going or what you are carrying
- If you do not feel comfortable going to the bank/post office on your own take someone with you.

It is advisable that a risk assessment is carried out before any banking duties are carried out by a Service. The risk assessment must include:

- How and where the income is taken – think about open plan office space and members of the public
- How the income is receipted and where this information is kept – is this accessible to the public or non-finance staff in the office.
- Where is the income kept overnight?
- The value of Cash being kept in the safe - how can this be minimised?
- Who has access to the income
- Who will go to the bank – consider routes, number of people, different days and times so that it doesn't become obvious it is time to take the income to the bank
- Cover arrangements for Sickness and long-term sick.

The following basic procedures must be applied in order that assurance can be gained that all income received by Crea Norfolk CIC is banked to the credit of Crea Norfolk CIC's bank account: -

- All income received by Crea Norfolk CIC must be banked intact. Where floats are kept these must be counted off from the income at the end of the day and kept separately. Floats must be reconciled daily.

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- Where different types of income are kept in the Safe or locked receptacle the income must never be mixed or used to provide change. For example, petty cash must be kept separately from daily takings.
- Under NO circumstances must retentions or deductions be made to the takings to be banked.
- Any shortages in income identified during the cashing up process must not be made up from other sources.
- All 'overs' identified in the cashing up process must be banked and under NO circumstances must they be removed from takings to be banked.
- All overs and shortages must be recorded on the record analysing income collected and any significant or persistent discrepancies reported immediately to the Senior Admin Advisor. This should then be investigated and reported accordingly.
- Insured limits must be considered in the retention of income pending banking.
- All income must be supported by sufficient documentation to ensure that it can be adequately identified and accounted for. Where documentation is not available it should be noted, and the income still banked. The missing documentation must be investigated by the Service Manager and resolved as soon as possible after banking the income.
- Care must be taken to ensure that where paying in slips are completed they are written clearly in order that income can be identified by the Senior Admin Advisor.
- Where set banking days have been established for secure collections these must be adhered to, except for official bank holidays where banking may be done on the first appropriate working day following the official holiday.
- Income passed to the Senior Admin Advisor for banking must be clearly marked with the Activity which originally received the income, value received and appropriately coded and any useful references which will help should the income be queried.

When depositing income into the bank, the following stationery should be used to ensure that the banking is recorded accurately and is identifiable on the bank statement.

Banking income into the Bank

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If a quick deposit drop is available Cash and Cheques can be deposited into the account using the clear bags available from NatWest. A paying in slip from the NatWest paying in book, must be completed and inserted into the clear bag in the window available for cheques. The strip at the top of the envelope must be torn off and kept with the receipt given by the machine. This allows you to query the missing deposit with NatWest and provides evidence that the income has been deposited.

If a quick deposit drop isn't available the income must be banked at the counter, it is important that a paying in slip has been completed accurately.

Banking income into the Post Office

It is advisable to bank income into the post office using the NatWest paying in book. This allows income to be allocated more quickly and effectively by the Cashiers Team as the bank statement is received electronically daily and income can be allocated in any order. NatWest have issued the following guidance:

- Complete a Paying in Slip for the Cash you want to deposit in to the bank account. A separate slip is required for cheques.
- Locate the nearest post office – you can do this by searching their website
- Approach the Post Office Counter and advise you want to make a deposit. Hand over the cash and paying in slip. For cheques you will need to put these and the paying in slip into a NatWest branded envelope which will be given to you at the post office.
- Once complete, the Post Office will hand you a receipt containing the information of your deposit. Please check this to make sure the details are correct. If depositing cash, you will have the paying in slip handed back as well.

There is a limit to Cash deposits of £2000 per day and £250 of full bags of coin for denominations of less than a £1 i.e. £5 of 5p and 10ps.

Banking income via Secure Collections

Where Secure Collections have been arranged please follow the guidance provided by the company supplying the Service. Ensure that a paying in slip has been completed and that cash is secure at all times.

What happens after banking income?

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It is vital that once the income has been deposited to the bank that the relevant banking form is completed and handed to the Senior Admin Advisor. This is important to make sure that the income can be input and cleared to budgets as soon as possible.

The Senior Admin Advisor will promptly allocate your income using the information that is received. The Senior Admin Advisor will only be able to allocate your income according to that received on the bank statement. See discrepancies paragraph below.

What happens if the value received at the bank is not the same as my paying in slip?

The Senior Admin Advisor may be occasionally notified by the bank that during processing a discrepancy has been noticed. When this happens, the Senior Admin Advisor will forward the notification to the relevant Service.

Cashiers will be able to ask the bank for a cheque listing if required to see how or where the discrepancy has occurred.

Section 9 - Controlled Stationery

Paying in Books for the NatWest bank account is the only controlled stationery available, and should be used for the collections, recording and banking of income. Paying in books can be ordered from the bank.

It is important that the following procedures take place in controlling Controlled Stationery: -

- All Controlled Stationery must be held securely.
- All Issues of Controlled Stationery must be in strict Numerical Order.
- A Record must be maintained to record Controlled Stationery received into Stock and issued from Stock showing:
 - A record showing stock levels
 - Date of issue
 - Number of books issued
 - Details of the officers receiving the Stationery

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- A copy of the request for Stationery where appropriate
- All records must be maintained in a secure and identifiable manner in line with retention policies or until an Audit has been carried out, whichever is the later.

Page BreakSection 10 - Petty Cash

The need for petty cash should be minimal and only in exceptional circumstances should petty cash be required and can only be obtained with prior authorisation.

Petty Cash must be included within the agreed safe limit values and therefore it is important to regularly reconcile petty cash to allow for acceptable levels of cash to be kept in the safe. Petty cash must not be mixed with any other income received and stored in the safe or locked receptible.

Petty Cash is the responsibility of the Senior Admin Advisor, it is therefore their responsibility to ensure that the following is applied to any Petty Cash Floats, Cheque books and receipts: -

- All cash, reimbursement cheques and cheque books for Petty Cash Bank Accounts must be held in a safe or where none is provided, in a locked unit, drawer or cash box.
- Where reimbursing cash to staff for expenditure incurred that expenditure must be supported by an invoice/receipt. Where an invoice/receipt cannot be obtained by the claimant a petty cash voucher must be used and held with the petty cash float.
- The receipt must be signed by the member of staff who made the purchase acknowledging that reimbursement from petty cash has been given.
- Under no circumstances must personal or other cheques be cashed using the petty cash funds.
- Where a cash advance is required pending expenditure, the following must be applied:
 - A petty cash voucher must be issued and retained with the float as evidence of the advance and the amount issued.
 - The receiving person must sign a petty cash voucher to acknowledge receipt of the advance. This will be necessary to reconcile the Petty Cash.
 - Subsequently the receiving person must produce invoices/receipts in support of expenditure incurred and return any balance unspent to the petty cash holder who should acknowledge the return of the balance on the petty cash voucher duly signed and dated.

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- Where expenditure is more than the advance, the balance is reimbursed by the petty cash holder. An additional signed and dated voucher will be required.
- The petty cash must be reconciled by the petty cash holder prior to the submission for authorisation and reimbursement. This will require the reconciling the cash in hand (including vouchers supporting expenditure to the petty cash account).
- Variances must be shown on the Petty Cash claim form and reported to the authorising officer. Significant and/or continuing discrepancies must be reported to the Senior Admin Advisor. This should then be investigated and reported accordingly.
- Under no circumstances will petty cash reimbursement cheques be paid/cashed into unofficial bank accounts or petty cash 'mixed' with other monies official or otherwise.

Section 11 – Retention of records

It is vital that all records relating to financial transactions are kept for audit purposes. All financial records must be kept for 6 financial years plus the current financial year. It is advisable to keep the previous financial year plus current in the office so that the records are easily accessible should there be any queries regarding any payments taken.

Records must be kept securely and access to these records should be limited to only those people who need access.

Please note that all Card Receipts from any Card Terminals must be destroyed within 13 months of the transaction being made. This is in accordance with Payment Card Industry Data Security Standards (PCI DSS) regulations.

Signed by Crea Directors October 2022