**Cash Handling Policy & Procedure**

**Preamble:**

This policy explains Jakeman Nursery School’s Cash Handling Policy. All employees that handle cash must be aware of this policy and show a strong commitment to controls over cash funds.

**Objective:**

All income received and held by the school is completely and accurately accounted for and banked promptly. All Income is held securely.

All employees that handle cash must be aware of this policy and show a strong commitment to controls over cash funds. This policy and procedure to be read in conjunction with Birmingham City Councils ‘’Income and Cash Handling Guidance’ (September 2017).

**1.0 INTRODUCTION**

1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who handle cash are aware of this policy as it sets out good business practices for handling cash receipts. Cash receipts include coin, currency, cheques, money orders, bank drafts, electronic fund transfers as well as in the future payments by debit card and credit card.

**2.0 THE POLICY**

2.1 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 responsibilities in the cash handling process.

2.2 The policy requires the office receiving cash to be a cash collection point, that is to say an office which handles cash on a regular basis.

Required policies for cash collection points include the following:
• Accounting for cash as it is received.
• Segregation of duties that includes cash collecting, depositing and reconciling.

• Pre-numbered receipts given for any cash received.
• Safeguards for handling and storing cash.
• Promptly depositing cash directly at the bank.
• Reconciliation of deposit documentation to the bank statement.

2.3 The use of any other bank account other than Jakeman Nursery School Funds for depositing cash is prohibited. Periodic reviews of cash handling procedures will be conducted by internal audit and external audit. Anyone not complying with approved procedures will be subject to disciplinary action.

**3.0 SCOPE**

3.1 Any employee with responsibilities for managing cash receipts and those employees who are entrusted with the receipt, deposit and reconciliation of cash for school related activities.

**4.0 ROLES AND RESPONSIBILITIES**

4.1 This section states the roles and responsibilities of Jakeman Nursery School employees in the handling of cash. **Handling Policy and Procedure**

* **Executive Head Teacher, David Aldworth**Review the establishment of cash collection points, conduct periodic reviews of the cash collection points.
* **Executive Head Teacher, David Aldworth**Design and implement adequate segregation of duties in cash handling. Develop a method of accounting for cash as it is received. Provide adequate safeguards for storing cash. Establish procedures for promptly depositing cash receipts directly at the bank. Reconcile deposit forms to supporting documentation (bank statements).
* **Office Manager – Victoria Brennan**Provide details of any voided cash receipts to the Executive Head Teacher for approval.
* **Cash Collection Point (MUST HOLD TWO SIGNATURES), Victoria Brennan, staff member.** Conduct cash transactions with parents / carers.
Count the cash. Office Manager (Victoria Brenan) then logs funds in Cash Book alongside the person who was the second signature.
* **Deposit Preparer, Carli McCallin, Janine Maidment and David Aldworth**Count the cash receipts, prepare the deposit and deliver it directly to the bank. Store the cash in a safe until it is deposited. (No more than £500 is to be kept within the school safe) as advised in BCC ‘Handling of Cash’ (September 2016).
* Keys to the safe are held by the Executive Head Teacher (David Aldworth) and Senior Nursery Manager (Janine Maidment).

**5.0 PROCEDURE**

***Receipt of Cash***

*5.1 Cash received in person.*

A receipt must be given to the parent / carer for all cash received. It is advisable to have pre-numbered receipts a copy of the receipt must be retained by the school. The cash collection point must maintain a clear segregation of duties. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing or reconciling unless approval has been received from the governing body.

In addition the following procedures should be adhered to:

• Refunds and expenditures must be paid by the school via a cheque unless other arrangements have been approved by the Executive Head Teacher.

* Cash received must be reconciled to the pre numbered receipts at the end of the day or at banking.
* Cash must be stored in a safe or other secure place until it is deposited.

*5.2 Balancing of Cash Receipts*

All cash collected must be balanced at regular intervals by comparing the total of the cash, cheques, credit cards receipts, etc. to the cash register totals, the pre numbered receipts totals.

Over/ short amounts must be separately recorded, and investigated and resolved. Executive Head Teacher (David Aldworth) notified straight away. Failure to report an Over/ Short amount may lead to disciplinary procedures.

*5.4 Preparation of Deposits*

The deposit must be prepared by the named people. The deposit should be hand delivered directly to the bank at least weekly. All funds received must be deposited intact. However, cheques issued incorrectly may be returned to the payer.

*5.5 Reconciliation of Cash Collected*

This function must be performed by the School Business Manager who has no cash handling responsibilities. Monthly, the validated deposit tickets must be reconciled to the bank statements. Proof of reconciliation must be maintained.

*5.6 Pre-Numbered Receipts*

Pre-numbered receipts will be issued by Finance and a log will be maintained that will include the number(s) of the receipts, and the date and name of the person receiving the receipts.

*5.7 Record Retention*

All cash receipts and related documents must be maintained in accordance with record retention schedules, normally seven years for deposit slips, credit card receipts, copies of manual cash receipts etc.

**Policy and Procedure**

**6.0 REPORTING OF IRREGULARITIES**

Any member of staff who thinks that there has been a theft or other case of misappropriation of the school’s income must inform their line manager immediately. Where it is suspected that their line manager may be involved then Internal Audit Service should be informed.

The manager to whom the matter has been reported must inform the Executive Head Teacher or Head of audit.

Any member of staff who has any query with regards to these procedures must ask their line manager for assistance. If the query is not answered then advice can be sought from Internal Audit.

Date Policy Adopted: 07.11.2018

Date for next renewal: Autumn Term 2020

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Sue Sidaway

 **Chair of Local Committee**

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ David Aldworth

 **Executive** **Head Teacher**