

NCG Cash Handling Policy



<u>Policy Title</u>	NCG Cash Handling Policy	
<u>Policy Category</u>	Cascade	
<u>Owner</u>	Senior Group Finance Assistant	
<u>Group Executive Lead</u>	Chief Finance Officer	
<u>Date Written</u>	October 2023	
<u>Considered By</u>	Policy Review Council	
<u>Approved By</u>	Executive Board	
<u>Date Approved</u>	November 2023	
<u>Equality Impact Assessment</u>	The implementation of this policy is not considered to have a negative impact on protected characteristics	
<u>Freedom of Information</u>	This document will be publicly available through the Groups Publication Scheme.	
<u>Review Date</u>	November 2026	
<u>Policy Summary</u>	The purpose of the NCG Cash Handling policy is to provide guidance to staff who handle cash on behalf of NCG and to ensure that procedures are in place across the Colleges for the recording and reconciliation of cash.	
<u>Applicability of Policy</u>	<u>Consultation Undertaken</u>	<u>Applicable To</u>
Newcastle	Yes	Yes
Newcastle 6th Form	Yes	Yes
Carlisle	Yes	Yes
Kidderminster	Yes	Yes
Lewisham Southwick	Yes	Yes
Southwark	Yes	Yes
West Lancashire	Yes	Yes
Group Services	Yes	Yes

<u>Changes to Earlier Versions</u>	
<u>Previous Approval Date</u>	<u>Summarise Changes Made Here</u>
January 2021	1st Edition of Document – to provide framework for existing local policies.
January 2021 (updated October 2023)	Date references updated

<u>Linked Documents</u>	
<u>Document Title</u>	<u>Relevance</u>
Financial Regulations	This policy is in place to provide a framework for the relevant controls for cash handling as outlined in the financial regulations.
Petty Cash Policy	Separate policy in place for the handling of petty cash.

1. Purpose

The purpose of the NCG Cash Handling policy is to provide guidance to staff who handle cash on behalf of NCG and to ensure that procedures are in place across all Colleges for the recording and reconciliation of cash.

Our overall objective is to reduce the number of physical cash transactions, moving towards electronic methods, with a view to becoming cashless.

2. Scope

This policy applies to all staff members involved in the handling and recording of cash. College Finance Leads are responsible for the implementation of local cash handling procedures, including recording and reconciliation of cash, cash collections and deposits, use of cash registers and other recording methods.

Colleagues handling cash are responsible for its security and accounting for it, until it has been sent to either local college finance or is collected by the Group's cash collection service.

Colleagues handling cash must ensure that policies and procedures are complied with.

3. Key Principles

The following are key principles that the local college policies should adhere to

- Cash must be recorded immediately using the following methods:
 - Unit-e (Student Course Fees).
 - NRS cash register (NCL commercial services).
 - Cash Registers (RWE / Refectories).
- All cash received must be reconciled on a daily basis using an approved NCG reconciliation template (per Appendix 1).
 - Income reconciled to cash register / unit-e Z reads.
 - Full cash count daily, by either supervisor / operator as per local policy.
 - Supervisor to check and authorise.
 - Cash counted after close of business (check local policy).
- Each site is responsible for their own cash which;
 - Must be kept in a locked safe as per the NCG group safe list while awaiting collection.
 - Approved safe list to be held by the Senior Group Finance Assistant.

- The location of safe keys and knowledge of safe combinations should be restricted to the key staff involved in the income collection process - Access to safes only as per NCG approved safe list.
- Floats must be checked and accounted for on a daily basis or whenever they are utilised if not on a daily basis.
- Cash should be counted / prepared for banking in a concealed and secure area by 2 members of staff, where possible. Where this is not possible, cash should be counted / prepared out of hours / when the outlet is closed.
- Movement of cash must comply with the below criteria. Money being transferred should be signed out of the department and signed in at the cash office.
 - Up to £500 1 person required.
 - Up to £1000 2 people required.
 - Over £1000 Security required Or
 - Collected using Group-approved cash collection company.
- Cash in transit collections must be organised locally using an approved group contract supplier, to collect and deposit cash as per below:
 - Security Plus – NCL / WLC / CAR / KID.
 - LSC – G4S.
- **Note:** no cash receipts should be used to make payments or as Petty cash (see Petty cash policy for petty cash requirements).

4. Reconciliations

Cash reconciliations must be completed daily to ensure that all monies received in the Colleges are accurately collected, recorded and processed in the system.

- Cash to be reconciled daily and;
 - Cash that is to be banked via Cash office must be transferred to the cash office daily (in accordance with security parameters above).
 - Must be banked within 5 working days as a minimum (both from the cash office and on site secure cash in transit collections).
- Reconciliations must be counter signed / authorised by a senior member of staff or supervisor, to ensure segregation of duties.
- Reconciled cash must be placed in a sealed bag immediately, before collection or delivery to the cash office.

- Reconciliations must be produced on an approved template as per Appendix 1.
- Templates must include as a minimum:
 - Cost Centre.
 - Account Code.
 - VAT code.
 - Description.
 - Amounts to be banked (cash / cheques / pdq).
 - Secondary authorisation.
 - Be in excel format (unless prior agreement with Senior Group Finance Assistant).
- Reconciliation templates are to be sent to College Finance teams or Group Finance (local procedure depending) for journal processing. These records are reconciled with the bank as part of the bank reconciliation.
- This should be done electronically, wherever possible, to avoid duplication or errors.

5. Reporting Discrepancies

- Any discrepancies must be reported to the line manager and entered as either 'under' or 'over' within the reconciliation.
- Any discrepancy of less than £20.00 must be investigated by the member of staff cashing up and if possible corrected. Any outstanding discrepancy following investigation should be recorded as an over / under and should be reported to their line manager.
- For any discrepancy of £20.00 or over, the discrepancy must be fully investigated by the line manager and findings recorded (as per criteria below). If there is any suspicion of fraud, theft or patterns in over / under banking's the matter should be escalated to the Senior Group Finance Assistant.
- Discrepancies of £100 or over must be reported to the Senior Group Finance Assistant.
- Discrepancies of over £250 must be reported to the Senior Group Finance Assistant and escalated to the internal audit team.
- Any suspicion of theft or fraud should be reported in line with the NCG whistleblowing Policy.

- Senior Group Finance Assistant must be informed of any unresolved issues or concerns immediately.

Note: Recording of discrepancy to be added to the daily reconciliation must provide the following details:

- Nature of discrepancy (e.g. over / under the expected cash amount).
- How did the error occur.
- How was it rectified.
- Outcome of investigation.

6. Segregation of Duties

There must be clear segregation of duties in place, so that one employee is not undertaking all cash handling duties. Cash must be reconciled by two nominated members of staff, who are responsible for cash handling, one to be a supervisor or senior member of staff for approval.

7. Cash Collections

Cash Collection services are to be arranged locally, for the collection and deposit of cash from individual sites. Daily collections should be arranged if required, or weekly as a minimum, volume depending.

- Sealed Cash bags should be placed in a safe ready for collection by the nominated security firm.
- A log of all cash bags awaiting collection should be kept by each safe.
- Cash bags will be scanned and a receipt issued by the security firm to confirm collection. This should be kept, along with the log, as evidence.
- Safe checks should be carried out monthly to ensure that all cash has been banked.
 - Supervisor / office manager to check that all bags have been collected by Security Firm, as per safe log.
 - Contents of safe to be checked and cleared, to ensure that all cash has been recorded and banked daily.
 - Floats should be counted and reconciled daily.
 - Safes and floats must be counter checked by a second member staff (per approved safe list) at least monthly.

Appendix 1

Reconciliation template

Daily Banking Reconciliation

Section	School/Service:	PDQ Merchant ID:	
	Reconciled by:	Date:	

1 - Reconciliation of cash banked:

CASH		PAY IN SLIP NO.	
CHEQUE		PAY IN SLIP NO.	
CARD		PDQ Z READ NO.	
TOTAL	£0.00		

2 - Income Allocation

2A - Unit E Income:

Payment Method	Receipt Reference	Student/Customer Reference	Student/Customer Name	£ value
TOTAL				£0.00

2B - Trip/Equipment Income:

Cost Centre	Account Code	Description	Spreadsheet complete (Y/N)	£ value
Z9999	212036	Trip Money		
Z9999	212036	Equipment		
TOTAL				£0.00

2C - Other income:

Cost Centre	Account Code	Description	VAT (Y/N)	£ value
TOTAL				£0.00

TOTAL INCOME £0.00
DISCREPANCY £0.00

3 - Authorisation: via email

Notes