**NEWTON POPPLEFORD AND
HARPFORD PARISH COUNCIL**

**CASH HANDLING AND
BANKING POLICY**

**Adopted by resolution of council, minute entry 363, 3rd August 2017**

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*Policy adopted by resolution of Council*

*Dated 03.08.17 (minute entry 363) PPSC*

# Introduction

# Newton Poppleford and Harpford Parish Council (NPHPC) has adopted a Cash Handling and Banking Policy to conform with good accounting and auditing practices and to fulfil its own obligations under Council’s Internal Financial Reporting review.

# Throughout this document, the Council’s RFO (Responsible Financial Officer) is the Clerk to Council.

The management and safekeeping of cash is of prime importance to NPHPC.
It is essential that all NPHPC staff adhere to the Cash Handling and Banking Procedures in place to reduce the risk of misappropriation of funds to NPHPC and to protect all staff, dealing with cash, as part of their duties. Failure to adhere to this policy is a serious matter and breaches may be dealt with in line with NPHPC’s Disciplinary Policy.

Throughout this policy document, Cash not only relates to GBP notes and coins but also to foreign currency, cheques, bank drafts and postal orders.

This policy document applies to **all** locations where cash is located.

# Accountability

It is the responsibility of **all** staff and members of Council handling cash or coming into contact with cash as part of their duties and activities to understand and adhere to the Cash Handling and Banking Procedures in place. Failure to do so may result in appropriate disciplinary action being taken or sanctions applied as per the Council’s adopted Code of Conduct.

# Payment methods

Income can be received by the following means:

# Bank Transfers/ BACS

Payments can be made directly by bank transfers. Full payee information and invoice number must be clearly included on all transfer documentation provided to the RFO as soon as possible after the payment has been remitted. Please be aware that bank transfers can take up to a week to arrive in the Councils account. It must be recommended that the customer keep a copy of the transfer documentation as their receipt.

Bank details will be made available upon request to facilitate BACS payments to made direct to NPHPC.

# Payment by cheque

All cheques should be made payable to ‘**Newton Poppleford and Harpford Parish Council’**. or to ‘**NPHPC**’. Please ensure the payee’s full name and payment reference is quoted on the reverse.
All cheques should be drawn on a UK bank account and be paid in Pounds Sterling.

Cheques should be posted to Newton Poppleford and Harpford Parish Council, at the address found on the Council’s website, for the attention of the RFO.

# Payments by cash

Payments by cash are received for a variety of functions. Cash must be receipted to the customer and a copy retained for consolidation of banking. The purpose and details of transaction must be clearly written on the receipt to allow for accurate appropriation of income.

**Invoicing**

This is a function carried out by the RFO of NPHPC. This is a paper based function and invoices should be generated in good time and mailed to the customer, clearly showing what the charge relates to and when payment is expected.

**4. Receipt of Income (Cash and Cheques)**

On receipt of payment in cheque, the RFO shall complete the next sequential paying-in slip in the paying-in-book and take the payment to the bank at the earliest opportunity, retaining the duly stamped paying-in-book to show that the payment has been received by the bank. The paying-in-book counterfoil should clearly show what the payment was received for, name of payee and the invoice number where appropriate. The paying-in slip number should be recorded both in the CashBook and on the Bank Receipts monthly summary for audit purposes.

On receipt of payment by cash, the RFO should provide a receipt to the customer and complete the next sequential paying-in slip and bank the cash at the earliest opportunity. Cash should be kept safely and securely and banked on the day of receipt if possible, or held in a suitable safe until such time as the cash can be banked, certainly within 5 working days of receipt. Cash receipts should be banked separately from cheque receipts wherever possible.

The paying-in slip number should be recorded both in the CashBook and on the Bank Receipts monthly summary for audit purposes.

Other forms of income should be allocated and appropriated to the correct budgetary codes and relevant invoices by the RFO eg. BACS, Direct receipts etc.

# Cash handling

**Should a member(s) of staff be challenged and threatened for the cash, no resistance should be made or risk taken to endanger the member of staff / Member of Council. As much detail as possible regarding the assailant should be remembered in terms of appearance, height, age, accent, dialect, clothes, vehicles, direction of travel etc.**

# When physically counting cash, staff or members of council should always take their time and, if unsure, count the cash again. If staff or members of council are handed a large volume of mixed notes, it is useful to split them into their denominations before counting to avoid confusion. Don’t be distracted or intimidated by others. If in doubt, then ask a colleague to double count it.

# Cash

Any unbanked cash should be kept secure and kept to a minimum.

Cash to the value of £250 can be taken to the bank in a non-descript, but secure bag by one person.

Cash to a value over £250 to £1000 should be taken to the bank by two members of staff, or a member of staff and a member of Council.

Cash to a value over £1000 should be divided to amounts lower than £1000 and taken to the bank in tranches and at irregular intervals.

All cash should be counted in a secure location such as an office, behind locked doors. Access to the counting area should be restricted whilst the money is being counted.

Money should be banked on the day of receipt where at all possible.

Whenever practicably possible, two staff or council members should be present to count the money. All errors should be reported to the RFO / Chairman and any explanations or reasons known for a discrepancy noted clearly with the cash and paperwork.

# Cheques

When taking a cheque from a customer, verify the following before receipting:

i) Valid date, and valid year

ii) Correct Payee ie NPHPC

iii) Amount in words and figures match

iv) Signature

v) Any amendments are to be countersigned in full by the issuer

# Allotments

Cash received for payment of Allotment Tenancy rents can be collected by RFO and /or Site Manager, upon creation of a suitable cash receipt, a copy of which is retained by the RFO / Site Manager for auditing purposes. This cash is to be banked as per Section 4 above.

1. **Community Events**

All Cash transaction relating to a NPHPC Community Event are to be overseen by the RFO or a Designated Member of Council (DMC). All persons handling / receiving cash at such an event must report to, and be registered by, said personnel.

*Reconciliation*

After an event, the cash must be reconciled against floats or expected income.

Details of monies received for each stall / concession must be kept which record note and coin denominations, using form in Appendix A, which are then compiled using the summary form in Appendix B.

*Discrepancies*

If there is a discrepancy between the amount in hand and the amount expected, then the monies must be checked by another team member. If the discrepancy remains follow the following protocols:

* 1. Under £5 value of discrepancy:- the RFO / DMC to make clear notes of the reasons for the discrepancy and any findings. Check that the cash has not been misplaced.
	2. £5 - £25:- RFO / DMC to investigate the cause and make clear notes to accompany the reconciliation sheet, signed and dated.
	3. Over £25:- The RFO / DMC must inform the Chairman with their findings and a full file note on actions, findings and reasoning to be attached to the reconciliation sheet.

Cash received should be taken to the bank at the earliest opportunity in a non- descript bag subject to the provisions of Section 5 above.

The maximum total value of cash insured to be retained in any Council safe is £2000 in total.

# Banking preparation

Following the reconciliation of income, income should be prepared for banking ready to be taken to the bank. Cash and cheques must be banked with separate Bank Giro Credit (BGC) slips being completed.

**Cash banking (GBP coins and notes are banked on the same BGC slip)** Separate cash from the till into coin denominations and note denominations.

*Coins:*

Coins are bagged into clear bank coin bags adhering to the denomination limits on the front of each bag.

Remaining coins not equalling a denomination limit should be treated as oddments and placed in one clear bank coin bag.

The breakdown of denominations should be filled in on the righthand side of the BGC slip and the total for the banking entered in the ‘£ boxes’ on the two left hand side counterfoils.

*Notes:*

All notes should be face up with the largest value at the bottom (£50 on bottom, £5 on top). Notes must be flat, not rolled or folded.

Notes must be bundled together using an elastic band.

The breakdown of denominations should be filled in on the righthand side of the BGC slip and the total for the banking entered in the ‘£ boxes’ on the two left hand side counterfoils.

Completing the banking:

On the Paid in by line clearly write your name. The completed BGC should be taken (in the book) to the bank, where it is receipted and the counterfoil date stamped by the bank. Take the Banking Advice Form and record the BGC number, monetary value and return the Banking Advice Form to the Town Clerk/RFO.

# Cheque banking

Carry out validation checks to verify that cheques are able to be banked:

i) Valid date, and valid year

ii) Correct Payee ie NPHPC

iii) Amount in words and figures match

iv) Signature

v) Any amendments are to be countersigned in full by the issuer

All cheques should be written on the BGC slip. On the *Paid in by* line clearly write your name. The cheques should be paid in at the earliest opportunity and the counterfoil clearly marked with the source of income such as invoice number or specific activity and date.

# Insurances

Council has a valid insurance policy which indemnifies against cash loss as long as these regulations have been followed / accorded with.

# Cash Floats for Community Events

The Parish Council does NOT operate a Petty Cash policy. No cash is ordinarily held by the RFO nor any Member of Council in conjunction with their day-to-day council activities.

Any Cash Floats withdrawn for community events should be stored in a secure and discrete location prior to use. Maximum Cash Float is £50 per designated officer or person / stall / concession. Two authorised bank signatories are required to withdraw cash for floats.

All cash floats are to be signed out to nominated persons and these signed receipts recorded in consequential / chronological order until such time as the float is returned and the receipt corroborated against this schedule. The RFO or designated person must sign to acknowledge receipt of ALL cash floats issued. The sum total of all Cash Floats issued must be recorded and reconciled and this sum returned to the bank on a separate BGC to offset the relevant Cash Float withdrawal remittance transaction subject to the timescales detailed above.

# Staff Acknowledgment:

I have received, read and understand the Cash Handling guidance as it applies to myself and my position with Newton Poppleford & Harpford Parish Council.

Signed:

Name:

Date:

**Notes:**

Council operates under extant Financial Regulations adopted 31/10/2016

Council undertakes an annual risk assessment and carries out Internal Financial Reporting reviews as required.

All Council computer records are backed up as per recommendations.

All income received is recorded in daily cashbook.

The Council shall complete a financial audit on 31st March annually.

RFO shall provide Members of Council with monthly financial reports including details of income received.