

CASH HANDLING POLICY®

DOCUMENT SUMMARY/KEY POINTS

- Cash handling is a high-risk function and has been identified by Independent Commission Against Corruption (ICAC) as such, the most serious and obvious risk being that of misappropriation.
- The improper handling of cash in a public sector agency can constitute corrupt conduct as defined by the Independent Commission Against Corruption Act 1988.
- This policy and the procedures described thereunder apply to all the staff (Note: Staff includes volunteers for the purpose of this policy) of the Sydney Children's Hospitals Network (the Network) who are involved with handling of cash and cash equivalents. All the Network departments are responsible for complying with this policy and procedures outlined thereunder.
- The purpose of this policy and procedures outlined thereunder is to ensure cash and cash equivalents received by the Network follow the same process each time so that these can be deposited in a timely manner and easily tracked while keeping both the funds and personnel handling the funds secure and guarding against possible fraudulent activities.
- This document describes the basic policy and procedures for cash handling - receiving, recording, transporting and banking of cash, payments by credit cards, money orders, postal remittances and cheques. Refunds and process for refunds are not within the scope of this policy.
- These procedures include:
 - Receiving and receipting
 - Custody and security
 - Transportation and Banking
 - Thefts and losses
 - Sanctions for breaches
 - Administration

Approved by:	SCHN Policy, Procedure and Guideline Committee	
Date Effective:	1 September 2016	Review Period: 3 years
Team Leader:	Senior Accountant	Area/Dept: Finance

CHANGE SUMMARY

- The document has been updated at the three year review.
- Updated in line with current practices.
- All sections have been updated.

READ ACKNOWLEDGEMENT

- All staff involved with receiving, collection, receipting, recording, transporting and banking of cash and cash equivalents for, and on behalf of, the Network must read the amended policy and where necessary make changes to their processes to comply with the new policy.

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1 Definitions

For the purposes of this document:

- The word 'cash' denotes currency notes and coins and also includes cheques, electronic fund transfer (EFT) or credit or debit card payments; and money (including postal) orders.
- An officer is an employee of the Network who is responsible for and/or involved in cash handling.

2 Policy Statements

- a) All cash received must be receipted immediately upon receiving and acknowledged using only the Network's official receipts.
- b) Individual departments are not allowed to have their own receipts that are not authorized by the Network Director of Finance & Corporate Services (DOFCS) or his/her delegate.
- c) Proceeds will not be netted against expenses before deposit. All proceeds must be banked intact in accordance with the procedure detailed below.
- d) Payments by post-dated cheques are not accepted
- e) Cash handling accounts are designed for transacting business and should not be used as a cheque cashing fund for departments or staff. However, the Westmead Main Cashier and the Randwick Main Cashier are authorized to cash only petty cash cheques issued by the Network to departments within the Network at respective sites.
- f) At no time shall any refunds be made out of cash collected except if the receipt was just written and the payment for that receipt has not been banked yet; in which case, the original receipt would need to be voided and attached to the receipt book.

3 Procedures

The following procedures are required to be adhered to in relation to cash handling activities.

i) Receipting

The Network receives cash and cash equivalents as payments for goods and services and as donations. The payments may be received over the counter, through postal remittances, direct deposits, electronic or website.

Over the counter cash collections:

Main Cashier/s-

The Network would maintain two main cashiers, one at the Children's Hospital at Westmead campus and another at the Sydney Children's Hospital, Randwick. The Westmead Main cashier would operate from 09:00 am to 03:30pm Monday to Friday and Randwick Main Cashier would operate from 08:00 am to 04:00 pm, Monday to Friday excluding public holidays. However, the DOFCS or his/her delegate may alter the operating hours as necessary from time to time depending on business needs. Most of the cash receipting for each campus would be transacted through these cashiers at respective sites.

Cash Collection Outposts-

Apart from the two main cashiers, the DOFCS or his/her delegate may allow additional Cash Collection Outposts at departmental levels, if requested by the concerned departments clearly justifying the need for such outposts and approved by their respective Service Director.

Receipting process:

All payments received over the counter as well as remittances received by post must be acknowledged and appropriately receipted as described below -

- i) All the receipts, system generated and manual, must bear the following minimum information –
 - Network's name, logo, address and ABN,
 - The words 'Tax Invoice / Receipt'
 - A serial number of the receipt and date
 - Name of payer and account number, where available (not applicable for cash register)
 - Description of goods / services provided/ relevant information pertaining to the payment
 - Identification of payment made – cash / cheque / credit card / bank card (debit card)
 - GST status of the transaction (i.e. subject to GST; GST free or Out-of-scope)
 - Amount received showing amount excluding GST, amount of GST, if applicable, and total GST inclusive amount
 - Full signature of officer issuing manual receipt. Where a receipt is generated out of Oracle Financial Information System it would bear the name of the officer creating the receipt; no signature is required.
- ii) A receipt generated from Oracle Financial Information System must be issued on every occasion where payment is received. Where this is not possible a manual receipt using the Network's official receipt book must be issued.
- iii) Where the Network's manual receipts are used, these must be neatly written in pen, with relevant details as described in (i) above pertaining to the payment, and must be signed and dated by the cashier receiving the payment.
- iv) The original receipt should be given to the payer. Where a receipt is issued from a manual receipt book, the green copy of the receipt must be left in the receipt book.
- v) If a receipt is voided, the original receipt must be attached to the book copy (green copy) and retained in the receipt book with a brief explanation identifying the reason for cancellation with the serial number of any replacement receipt issued and the full signature of the officer cancelling the receipt. Skipped receipts should be voided similarly with the original kept in the receipt book.
- vi) Correction of errors, erasures, overwriting of figures or words or the use of correction fluid must not be permitted on any receipts or record. The receipt with incorrect details

- must be voided and a new receipt issued except in case of minor corrections, in which case, the incorrect word must be ruled through with a ballpoint pen and the correction substituted and initialled by the officer making the corrections. Where such minor corrections are required these must be made only on the original receipt before the receipt is issued to the payer.
- vii) Duplicate receipts must not be issued. If a replacement is requested by a payer who has lost a receipt, the Department Head shall issue a lost receipt letter giving the original receipt details and indicating the letter is issued in lieu of a replacement receipt. A photocopy of the receipt must not be issued in lieu of a replacement receipt.
 - viii) Where progress or partial payments are made, individual receipts must be issued against each payment.
 - ix) Postal remittances : The following procedures must be followed in relation to postal remittances –
 - a. All cash, cheques, Money Orders or remittance advice/slips with credit card details received by mail by any department within the Network shall be opened in the presence of two officers and recorded in a Mail Remittances Register. The Register would be signed by these two officers. In case of Network Revenue Department, a Revenue Supervisor shall check and confirm the correctness of the entries in the Register by signing and dating the Register. In case of other departments their respective Department Heads or his/her delegates shall check and confirm the correctness of the entries in the Register.
 - b. Cheques and Money Orders shall be stamped “not negotiable-SCHN”.
 - c. Receipting of postal remittances:
 - i. Where a department is already approved by Finance to receipt and bank their collections, the department shall receipt their own postal remittances using the Network’s Oracle Financial Information System and bank these collections.
 - ii. The departments that are not approved to receipt and bank their collections, shall fill in Cash Deposit Listing form, Credit Card Deposit Listing form, Cheques Deposit Listing form, as applicable and take these forms along with cash, credit card remittance slips, cheques, Money Orders and other supporting documents, if any, received with mail to the Main Cashier for receipting. The Main Cashier shall issue individual receipts generated from the Network’s financial system (currently Oracle, PBRC and HOSBIL) for each line item on the Deposit Listing, making sure that the aggregate of the receipts issued matches to the total of amounts on the submitted forms.
 - x) Takings of coin / card operated machines – boom gates at Westmead - Currently outsourced to a third party service provider. The Network Revenue Department is responsible for monitoring, receipting and follow up of deposits by the contracted third party of daily proceeds/takings.
 - xi) Unidentifiable or surplus amounts received, shall be receipted by the Cashier and credited to a Suspense Account pending further investigation. All amounts credited to Suspense Account shall be investigated and cleared within 30 days and appropriately credited to respective accounts and cost centres. The Cashier shall ensure that the Suspense items are cleared within 30 days. For the transactions that remain unidentified for over 30 days despite reasonable efforts, the Revenue Transactional Services Manager shall recommend to the Associate Director Finance Operations for these funds to be transferred to the **Miscellaneous Income** to the credit of **General Fund** and

action such transfers once approved by the Associate Director of Finance Operations.
xii) Thefts or losses – Refer to Section (iv) below.

ii) Custody and Security

An officer responsible for cash handling must follow the procedures detailed below:

- Officers, including Department Heads / Unit or Cost Centre Managers, whose duties include cash handling or supervision of cash handling must have these responsibilities recorded on their position descriptions;
- The officers must read, understand and acknowledge these procedures by signing the Memo, Mandatory Cash Handling Policies and Procedures issued by the Chief Executive of the Network which is available on the Network's intranet under: http://chw.schn.health.nsw.gov.au/o/forms/internal_audit/mandatory_cash_handling_policies_and_procedures_form.pdf and comply with it and also ensure all cash handling activities comply with these procedures.
- Department Heads / Unit or Cost Centre Managers should ensure that the staff involved in cash handling understand this policy and procedures and are trained in their duties and responsibilities.
- Department Heads / Unit or Cost Centre Managers should ensure staff rotation, where practicable.
- Amounts receipted must be stored in a secure place until the takings are appropriately banked.
- Where appropriate cash boxes or safes with lock should be obtained by the Cash Collection Outposts through Finance Department and used for storing cash until these are banked.
- Lock combinations and custody key for the safe, cash box or for the offices of cashiers or cash collection outposts must be kept 'on the person' and never stored in a desk drawer.
- Department Heads / Unit or Cost Centre Managers should ensure that lock combinations and keys are changed periodically and always when custody changes hands.
- Offices of the cashiers and Cash Collection Outposts should be located in safe and secure place limiting access only through secure windows and should have appropriate security arrangements including security alarm.
- Department Heads / Unit or Cost Centre Managers shall ensure that only one manual receipt book is in operation at any one time.
- Department Heads / Unit or Cost Centre Managers shall maintain a key register to record the identity and position of the officer responsible for each key to every cash storage facility (e.g. safe, cash box, cash register and coin-operated machine, cashier's office, etc.) and the instances (with dates and times) each officer had access to the cash storage facility. This would help ascertain responsible officer/s in case of loss or shortage of cash.

- Department Heads / Unit or Cost Centre Managers shall ensure appropriate procedures are in place for regular review and sign off by the Department Head / Cost Centre Manager or his/her delegate of cash transactions and balances so as to ensure integrity and legitimacy of the operations of cash float.
- Unused receipts / receipt books must be stored in a secure location unless these are no longer required, in which case these must be returned to the Finance Department as soon as reasonably possible.

iii) Transportation and banking of cash

The following procedures must be followed for banking of takings and the transporting such takings –

All the cash (or cash equivalent) takings of a day irrespective of the amount involved must be banked intact the **next business day** except for the takings of Cash Collection Outposts. A Cash Collection Outpost must bank its aggregate takings intact with the Main Cashier at the respective site the next business day following the day the aggregate unbanked takings exceed \$400.00 (excluding cash float).

Banking of takings by Cash Collection Outposts

Cash Collection Outposts, unless previously approved by Finance, are not to deposit their takings directly into the bank account; they must bank their takings with the Main Cashier at the respective campus during the Main Cashier operating hours. The Departments approved by Finance to bank their own takings shall follow the conditions attached to such approval.

When depositing their takings with the Main Cashier, the Cash Collection Outpost that issues manual receipts must take the manual receipt book/s to the Main Cashier along with the takings for reconciliation and issuance of an official receipt by the Main Cashier.

Transporting of cash

Two officers (where possible one should be a Security Officer) are to transport cash within a facility including transfers from Cash Collection Outpost to the Main Cashier's office. For regular movements of cash, the times and routes should be varied, wherever possible.

Reconciling cash balances

It is the responsibility of Department Head or his/her delegate to ensure that at the end of each business day cashiers complete full reconciliation of the day's takings, banking and balances carried over to next day. The completed reconciliation must be signed by the cashier and the Department Head on the same day. Any discrepancies noted must be investigated and corrected before close off.

iv) Thefts and losses

Following steps are to be taken in the event of loss or disappearance of cash or suspected thefts –

1. Report the loss or theft immediately to the Security Department. Please note Network Executive approval is required if the matter needs to be reported to the Police.
2. Report the matter promptly to the Network Associate Director of Finance Operations.
3. Report the matter promptly to the Network Manager Internal Audit.

4. Report the matter to the Network Manager Corporate Governance & Legal Counsel to determine if an insurance claim should be made to the insurer, the Treasury Managed Fund and for advice on reporting the incident under IIMS.

v) Sanctions for breaches

All officers responsible for and/or involved in handling cash, their supervisors/managers are required to comply with this policy and procedures outlined thereunder. No deviation is acceptable unless explicitly authorized by the Network's Director of Finance and Corporate Services in writing.

Instances of suspected or alleged fraud are to be dealt with in accordance with the Network's policy, Fraud Control Strategy which is available on Network intranet.

vi) Administration

The Network Finance Department maintains an Accountable Books Register as follows:

- All Accountable Books and documents, including manual receipts, are to be numbered and recorded in the Accountable Books Register.
- Cashiers and Cash Collection Outposts can obtain new manual receipt books from the Finance Department by submitting a duly completed Request for Receipt Book form along with a completed "Mandatory Cash Handling Policies & Procedures Form"; both these forms are available on the Network's intranet.
- All used / completed receipt books must be returned to the Network Finance Department.
- The nominated officer in the Network Finance Department shall ensure that the details of manual receipt books issued and of those returned are duly recorded in the Accountable Books Register.

4 Related Information and Forms

Security Policy and Procedure:

- [Security – CHW Policy and Procedure](#)
- Randwick Campus - Refer to the relevant SESLHD Security policy and/or procedure.

[NSW Health Policy manual – Protecting People and Property](#)

Network Forms (available on the Intranet; and amend/update from time to time) :

[Mandatory Cash Handling Policies & Procedures Form](#)