

Ysgol Gynradd Herbert Thompson

Herbert Thompson Primary School



INCOME, CASH HANDLING AND SECURITY POLICY 2021-2022

INCOME, CASH HANDLING AND SECURITY

1.1 It is important that there are effective income collection systems to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the School's cash flow and also avoids the time and cost of administering debts. This policy should be used alongside the School's Financial Regulations Policy, the Authority List and the Gifts and Hospitality Policy.

2. SCOPE

2.1 This procedure should be followed by all staff responsible for collecting, receipting and banking of income. Any alternate system must be discussed with the Audit & Risk Manager.

3. Key Controls for income are:

3.1 All income due to the School is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed;

3.2 All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;

3.3 All money received by an officer on behalf of the School is properly recorded and promptly banked;

- 3.4 The responsibility for cash collection should be separated from, that for identifying the amount due, and that for reconciling the amount due to the amount received;
- 3.5 Effective action is taken to pursue non-payment.
- 3.6 Formal approval for debt write-off is obtained from the Local Authority.
- 3.7 Appropriate write-off action is taken within defined timescales;
- 3.8 Appropriate accounting adjustments are made following write-off action;
- 3.9 All appropriate income documents are retained and stored for the defined period;
- 3.10 Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

4. Collection and receipting

- 4.1 Reception areas and back offices, where money may be taken for counting, must be secure, with restricted access.
- 4.2 All establishments must have adequate systems for receipting income and use official receipts for this purpose. Where it is considered impractical to issue receipts, alternative arrangements must ensure accountability and a clear audit trail. Official receipt books are used and receipts issued when income received.

- 4.3 All receipt books should be held securely at all times and only authorised members of staff should be allowed to issue receipts.
- 4.4 All receipts must be issued consecutively and adequately accounted for when banked. If a receipt is issued in error, where possible the original receipt should be retained and the copy in the receipt book marked with the reason for error and signed by the authorising officer.
- 4.5 Where cash registers are used standard control procedures must be adopted for dealing with reconciling income, voids, refunds and deposits. These will be outlined in service area work instructions.

5. Division of duties

- 5.1 At least two people must be involved in the collection, checking, recording and banking of income. The person completing the paying in slip must be different from the person entering the banking into Cash Flow.
- 5.2 Reconciliation of income at the end of the day should involve two members of staff. Where this is not practical, another person must carry out an independent check. Where two members of staff are involved in checking income both should sign the appropriate records to evidence this.

6. Sources of income

- 6.1 Where practical, all post received should be opened by two members of staff. Any cash or cheques received should be entered into a postal remittance register or an official receipt book. In exceptional circumstances, one officer can handle postal remittances, but this requires Chief Officer approval and Internal Audit should be advised of this. If the sender does not require a receipt, the top copy of the receipt should be retained in the receipt book.

6.2 Cheques should be made payable to Herbert Thompson Primary School and when received should be immediately endorsed with the establishment's name so that any unpaid 'refer to drawer' cheques can be easily identified.

6.3 Income for any private telephone calls should be collected and banked in the normal manner.

6.4 Receipts should be issued for all donations received. Office staff should record the receipt number on the letter/note accompanying the donation.

7. Documentation and accountability

7.1 It is important that there is adequate documentation to demonstrate full accountability and provide a clear auditable trail from the time income is collected and receipted, until it is banked.

7.2 All financial records should be completed in ink to ensure that they are of a permanent nature. Correction fluid should not be used and any errors made should be neatly crossed through and amended.

7.3 There needs to be adequate reconciliation of income collected to tickets, receipts or cash register prints prior to banking, to ensure all income is properly accounted for. All income received must be banked intact unless specific approval is granted by the Audit and Risk Manager.

7.4 To ensure accountability and protect the interest of those staff involved, when income is transferred from one person to another there needs to be adequate evidence of this. This may be by way of official receipt or a record maintained detailing the following details: amount transferred, date of transfer and the signatures of the two persons concerned.

8. Cash handling and security

8.1 Each establishment should have suitable arrangements in place for securing cash and cheques e.g. a safe appropriate to its needs.

8.2 There must be limited access to safes and locked receptacles. Only nominated staff should have access to keys and these should be regularly reviewed. A register of key holders and transfers of keys between staff must also be maintained. Keys to safes and locked receptacles should be held securely at all times. Keys should be kept on an officer's person or held securely in another Council property. Keys held on the premises used to facilitate thefts will nullify any insurance claims. The Council's insurance policy stipulates that there must be forced entry for a claim to be successful and is subject to a £100 excess for each incident. If keys are lost, this must be reported immediately to a Line Manager and steps taken to secure the safe/receptacle contents.

8.3 Where all income, valuables or client's property (including cash) are kept in a safe, a safe contents register should be maintained for items added or removed from the safe. The register should be stored securely, separate to the safe.

8.4 Any unofficial fund or personal items held in the safe should be kept separate from Council income or property. Depositors should be informed that the Council will not be held liable for any loss of personal property.

8.5 Maximum limits for cash holdings should be in accordance with those agreed by the Council's insurers. Cash/cheques held in a safe are insured up to £1,000 and in a locked drawer up to £250. Above this the Council's insurers need details of the safe to provide figures of the maximum cash holding limit. A standard form to record these details is available from the Insurance Section.

- 8.6 All cash/cheques received should be immediately stored in a safe place or in an approved locked receptacle/safe. The keys to the receptacle/safe should be kept on the person responsible for the income or persons nominated to have access to the key. Unofficial fund money/records kept in the receptacle/safe must be kept separate from Council income. Security seals (where used) should be kept locked in the receptacle/safe with only authorised staff having access to these.
- 8.7 All income received should be banked promptly with the appropriate details recorded in the bank paying in books and the supplementary cheque listing books. Paying in books and supplementary cheque listing books are available from Financial Services – Service Accountancy, Control Team.
- 8.8 Regulations require a record of all cheques paid in to the bank to be listed and referenced to the debt to which they relate. The person undertaking the bankings should not be the same person who collected and receipted the income. Banking should be undertaken on a regular basis, at least weekly.
- 8.9 Where staff take their cash/cheques to the bank there are obvious risks that management need to try and minimise, both in the interests of the individual and the authority. Reducing exposure of personnel to attack and injury is paramount when carrying money.

9. Independent Verification

- 9.1 Income records maintained by the establishment should be periodically examined by an independent member of staff not involved with the system to ensure that all income due has been received and banked. After examination, the records should be signed and dated as evidence of verification.

Date	Review Date	Coordinator	Nominated Governor
01.09.2021	01.09.2022		

Headteacher:		Date:	
Governor:		Date:	

