
School Cash Handling Procedures

General

1. The following guidance notes represent the minimum requirement for cash handling and apply to **all members of staff handling ¹cash from day to day**. The cash referred to may be petty cash, school meals income, swimming pool income etc.

Use of Safes or Secure Containers

2. Keep all cash in a secure place at all times and never leave it unattended, or in a conspicuous position, even for a few minutes.
3. If a safe is available then this should be used at all times for the retention of cash. Otherwise, all such items must be kept in a locked, ²secure container. The key of the safe or secure container **must** remain in the possession of the person responsible for its contents. A duplicate key should be placed in a sealed envelope (signed and dated by the responsible person) and retained separately by the budget manager or another nominated member of staff on their person, or in a locked drawer.
4. If a foreseeable absence occurs, then the transfer of key and responsibility should be noted and a signature obtained from the recipient. If an unforeseeable absence occurs, then the use of the duplicate key by a nominated member of staff is permitted. When the requirement for the use of the key ceases, the key must be replaced in a sealed envelope and securely stored. A journal recording reason and date/time for using duplicate key should be maintained.

5. Cash Box or Till Security

- Never leave cash unattended or in a conspicuous position.
- The cash box should be removed from the filing cabinet/lockable drawer at the start of the working day and returned to the filing cabinet/lockable drawer at the end of the day, or during the day if not in use (e.g. lunchtimes).
- Tills must always be kept closed when not in use and locked when left unattended. Cash from the till must be transferred to a safe or secure container for storage, or banked, at the end of each working day. Tills must be left open at night to verify that they are empty.

¹ 'cash' is defined as – notes, coins, cheques or credits (pre-paid tickets)

² 'secure container' is defined as – 1) a purpose built cash box inside a lockable container (drawer or filing cabinet) or 2) a custom made till with the cash transferred to 1) above for any overnight storage.

- During the working day the cash box must be kept out of sight and locked when not in use.
- Do not leave the key in the cash box lock at any time.
- The filing cabinet/drawer must be kept locked at all times when cash is being stored and the key must not be left in the filing cabinet/drawer lock at any time, *particularly* overnight.

Income received by Cheque

- 6 When accepting a payment by cheque you must:
- 1) Ask for a cheque guarantee card and
 - 2) Write the number of the card on the reverse of the cheque
- or
- 3) If the person making the payment does not have a cheque guarantee card ask them to write their name and address on the back of the cheque
 - 4) Endorse the back of the cheque with the name of the school

Banking of Cash

- 7 All cash and cheques must be banked **at least once a week* or at the earliest possible opportunity if a significant sum is involved. The cash must be banked with the Council, or the Council's bankers. Where necessary, arrangements will be made for the mobile bank to visit individual school each week at the same approximate time. Accurate details on the source of each income item should be noted on the School Income and Banking return which should be e-mailed to the Cash Desk, Council Offices, Stornoway (cashdesk@cne-siar.gov.uk subject "School Income – name of school") on the day of banking. If e-mail is not available then the return must be faxed to the Cash Desk (01851 705349) on the same day. The signed hard copy must be submitted to the Cash Desk by post. It will be verified by Cash Desk staff to the Direct Bank Income and the e-mailed/ faxed copy will be filed. Income **must** be banked in its entirety. Under no circumstances may any be retained for the purchase of sundry items, which may be purchased by staff only where a petty cash float exists, or to increase floats or imprests.

*the exception to this rule is remote areas where the mobile bank visits every fortnight

**priority must be given to the following methods of depositing cash:

- 1) council cash desks
- 2) Royal Bank of Scotland / Mobile Bank
- 3) Other

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- 8 If for any reason cash items are handed to another member of staff for banking or the purchase of sundry items, the transfer must be properly recorded. This will require the signature of the transferring and receiving officers.
 - 9 Overnight retention of cash/cheques in excess of £100 is not permitted unless the property has a safe, a similarly secure container, or on the express written authority of the Director of Finance. Where such a safe or container exists Internal Audit will advise on the maximum permissible amount to be retained in it. If the necessity arises, nightsafe arrangements may be possible.
 - 10 A secure cash container may be used to store cash for different accounts providing the extra amounts are separately identified in appropriate moneybags with the amount and details for banking noted within them.
 - 11 When income is sent for banking, there should be documentary evidence in the school on the source of the income. This may consist of tick lists for photographs, uniforms etc. or ledger entries for school lets, sports centre usage etc.
 - 12 In general, receipts should be given for receiving amounts of income over £5 from pupils. This applies whether the money is to go to school fund or to the Comhairle accounts. Parents should be encouraged to pay by cheque for items over £5, which reduces the security risk in the school and removes the need to issue receipts. Receipt books can be obtained from the Department of Education on request.

Exceptions Applicable in Small Schools

A school is categorised as a 'small' school for the following purpose if they have only one or two full time teachers and a school secretary who is contracted for less than ten hours.

Key handling and Petty Cash Fund Management

In a 'small' school the Headteacher is responsible for the security of the cashbox/safe and the operation of the petty cash fund. The Headteacher may delegate the running of the petty cash fund and the handling of the cashbox/safe key to the secretary on the days that he/she is present or to other staff members as required. This delegation of duties does not preclude the fact that ultimately; the responsibility for the safety of all cash on the premises remains with the Headteacher. In their own interests, Headteachers should keep a journal detailing the whereabouts of the cashbox/safe key at any given time.

If the Headteacher is absent, the duplicate key should be available to the secretary or another member of staff who should document all movements of the duplicate key in the headteacher's journal or a similar one. Use of the duplicate key **must** be documented as its use during the absence of the headteacher transfers the responsibility onto the user until the key is replaced in the sealed envelope.

Procedures for Coin Operated Machinery in Schools

SECTION 1

General Key Handling

- ❖ The machine should be kept locked at all times.
- ❖ Do not leave the key in the lock at any time.
- ❖ The key holder should retain the key in their possession at all times, including overnight.
- ❖ A duplicate key should be placed in a sealed envelope (signed and dated by the responsible person) and retained separately by another nominated member of staff on their person, or in a locked drawer. If a foreseeable absence occurs, then the transfer of key and responsibility should be noted and a signature obtained. If an unforeseeable absence occurs, then the use of the duplicate key by a nominated member of staff is permitted.

Opening the Machine

1. Every time the machine is opened a reason must be recorded on the '*Cash Analysis Proforma*'. If the purpose is to empty the machine, a '*Cash Analysis Proforma*' should be filled out in full. If the reason is other than to empty the machine, a '*Cash Analysis Proforma*' should be filled out to identify the reason. In both cases the form **must** be signed and dated by **two** officers and kept for audit purposes.
2. Each coin operated machine must be emptied and the cash accounted for in the presence of **two** officers. If the responsible key holder is not available, the officer emptying the machine **must** sign this form instead.
3. Cash from machines should be removed and banked on a ³regular basis and must not be allowed to build up.
4. Opening of the machine without the express permission of the nominated key holder is **not** permitted.

³ 'regular' to be defined as weekly unless internal audit have agreed to a different banking schedule.

SECTION 2

Vending Machine Stock Control and Analysis

- ❖ The correct operation of coin operated machines necessitates two sets of records being kept. These records are in two distinct sets.
- ❖ The first set of records is detailed in Section 1 and relates to cash and cash security. The second set of records requires an accurate system for recording the amount of stock used to fill vending machines. An example of the type of records that must to be kept is illustrated at Figure 1 below.
- ❖ Stock used to fill vending machines should be separately identifiable from the general stock managed by the stock control systems operated in establishments. If stock is purchased centrally and an amount transferred for use in a vending machine, this amount must be recorded on the vending machine stock sheet.
- ❖ If stock is purchased solely for use in a vending machine it is still subject to the normal stock control systems of the establishment and must only be entered on the 'Vending Machine Stock Sheet' when the machine is being filled.
- ❖ Periodic analysis of the 'Vending Machine Stock Sheet' and the 'Cash Analysis Proforma' must be carried out. This analysis will enable headteachers to identify any problems at an early stage and advise Internal Audit.

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Appendix P1

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