Course 2

Cash Handling Policies and Procedures

Delivering our Customers a perfect pizza
Delivering it fast and safely
Being knowledgeable about our products
Keeping a clean, friendly image

EVERYTIME
EVERYTIME
ALL THE TIME
ALL THE TIME
Cash Handling Policies & Procedures

Cash control is a very important part of any business. Following proper cash handling procedures ensures maximum profitability and safety of all Garlic Jim’s Famous Gourmet Pizza stores and their respective employees. It also serves as a security measure because any Garlic Jim’s location not following proper cash handling procedures may be jeopardizing their fellow franchisee. If one specific location gets robbed and has large amounts of cash inside the store they are potentially setting up all Garlic Jim’s locations to be targets. Our company-wide policies outlined in this class must be followed to ensure protection for all stores in the system. In this section we will review all the different aspects in which money is transacted as well as all safety practices that accompany each policy.

Learned Skills

- Daily Cash Drawer Management
- Proper Check Handling Procedures
- Garlic Jim’s Bad Check Policy
- Credit Card Acceptance Policy
- Processing Credit & Debit Cards
- Proper Deposit Procedures
- Over/Short Policy and Troubleshooting Discrepancies
- Using the Deposit Log
- Password Usage
- Manipulation of Funds
Daily Cash Drawer Management

The cash drawer (or “till”) is an extension of the safe. Whether the safe or the till, both should be locked at all times and the manager-in-charge should be the only one that has access to the money. The till should be kept at a prearranged amount on a daily basis and should be balanced to that predetermined exact amount daily. The store Franchise Owner and/or General Manager are the only people who can change the till amount status. The amount of money kept in the store is determined by the cash needs of the store. Typically a store will need a minimum of $200.00 and a maximum of $600.00 to operate on a daily basis. Sales volume and other factors may alter these requirements. A great resource to find out how much cash-on-hand needed is to refer to the Sales Recap report in your POS system, as discussed previously. First, identify what your sales trend amounts are for Friday and Saturday. Then approximate how much cash is needed and advise your owner or GM to bump up the “Cash on Hand” using the following table, please note that the till amount must not be changed daily but only during dramatic increases or decreases in sales:

<table>
<thead>
<tr>
<th>Cash in Till</th>
<th>Cash on Hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,000</td>
<td>10,000</td>
</tr>
<tr>
<td>10,000</td>
<td>12,000</td>
</tr>
<tr>
<td>12,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

The chart above helps the Franchise Owner and/or General Manager establish their cash on hand. In other words, whatever weekly sales total your store is trending toward helps establish what amount of change is needed for customers and delivery driver banks. Also, notice that your “Cash in Till” amount never changes no matter what sales volumes you are trending to. This is a safety precaution in case the store is robbed. The till must always contain a limited amount of cash in the till. It is extremely important to “sweep” the till at least once per hour during the rush to avoid too much cash in the till at any given time. Sweeping the till consists of taking all larger bills and any cash over $100 out of the till and depositing it in the safe.

To count the till properly, follow the following steps. This information is also found in more detail in the Opening & Closing Procedures class module.
Proper Cash Preparation for Till and Drivers

Below is a reinforcement of techniques for properly counting the till for the business day. Also listed is the proper way to handle the delivery driver banks.

Starting Till Amount: Regardless of your starting till amount, it is important to run an itemized print receipt of the money you count out for the starting till amount. At Garlic Jim’s you need to count the change from quarters (.25) to pennies (.1) then count the bills from dollars ($1) to twenties ($20). [See picture on next page] Then put that receipt into the far left dollar slot for the closing manager to verify that the count was completed. After count is complete, place till in the front register and make sure that it is closed and locked. DO NOT STORE MORE THAN $100 IN TILL AT ANY TIME. KEEP REMAINING TILL AMOUNT IN SAFE.

Driver Bank Preparation: Each driver will receive a $20 bank at the start of each shift. The bank will consist of (2) Five dollar bills and (10) One dollar bills. You must make sure that each driver gets only one bank by making only enough banks for the drivers that are scheduled for that day’s shift. Also, you must store these banks in the safe so that the Manager-In-Charge is the only one who can hand them out to drivers. Do not store the banks in the till as this will make the till exceed the $100.00 level.
Once till funds have been verified, assign the till to one trusted and responsible team member, such as your best CSR or shift runner. At this point no one but that employee should have access to the till. The till should only have $100.00 in it once it has been removed from the safe and put into use. Have the person responsible for the till, recount the cash to verify that there is indeed the correct amount while running the 10 key and sign the receipt and place in the till. Keep all other cash reserves such as driver banks and extra coin and small denominations bills in the safe at all times. When it is time for that employee to clock out, recount the till and compare the actual cash amount on hand versus that cash reported to be on hand by the POS system, you can find this tab under the management tool.

At least once per hour extra cash must be removed from the till and “dropped” in the safe. The drop amount should be verified and recorded by the Manager in charge and the team member responsible for the till at the time of the drop. Cash in the till should be kept to a maximum of $100 in smaller bills and loose change only.

Proper Check Handling Procedures

If your location chooses to still accept checks, the following procedures apply. Many Garlic Jim’s locations no longer choose to accept checks with the popularity of debit cards. This is due to the high rate of bad checks. A bad check is a personal or company check accepted from a customer that gets returned from the banking institution. When deposited in the bank, if the check does not have enough funds to cover the amount of the order or the checking account is no longer valid, it will be returned. A great way to avoid bad checks is to teach proper check handling procedures. When you accept checks from your customers accept the check for ONLY the price of the order plus any gratuity. Also, it is against company policy to cash personal checks or payroll from team members.

With that said you should begin training your customer service representatives concerning check acceptance. Teach them to ask the customer if they will be paying by cash, check or credit. If by check, they need to make sure and tell the customer what information will be needed on the check. Train your customer service representative to train your customer. (Make sure to use proper Check Acceptance Phone Script from Order Taking module.)

It is the responsibility of the Manager-In-Charge to train, teach and maintain an on-going standard for team members as to what is required when accepting personal checks for payment. It is the responsibility of the acting manager to see that every personal check accepted as payment contains the following information upon acceptance from the customer:
An imprinted name, address, telephone number and account number. If the delivery address is different from the imprinted address, the acting manager must see that the delivery address is recorded on the check. The customer’s work and home telephone number should be written on the check as well.

The insider or driver should ask to see some photo identification of any three listed below:

1. Driver’s License
2. Student ID Number
3. Military ID Number

Make sure the check has the correct date.

Driver must write order number and initials on each check.

Make sure every check is the correct amount (cost of the pizza plus gratuity only).

Correct signature – signature must be that of the person whose name is imprinted upon the check.

Each check must be numbered. The number often appears in the upper right hand corner on the front of the check. Be on the look out for low number checks. Any check under 100 should not be accepted.

**DO NOT ACCEPT:**

1. **Two Party Checks** – *If the customer that is not an owner of the account and has not endorsed the check.*
2. **Third Party Checks** - *A check on which the drawer, drawee (bank), and payee are three separate parties. Another way to put it is to say the check is not payable to the drawer him- or herself.*
3. **Non-Imprinted Checks** – *Checks with no name or address listed in the corner.*
4. **Post Dated Checks** – *Check made for any date other than the current date.*

**BEWARE OF:**

1. **Large Dollar Amounts** – *Be cautious of $50 or $100 bills. Ask bank for a forgery ink marker to check these higher bills, if you choose to accept them.*
2. **Starter Checks** – *Any checks lower than #100 must not be accepted.*
3. **Non-Matching Address** – *Account may be forged if name and photo ID do not match.*
Garlic Jim’s Bad Check Policy

Each Garlic Jim’s Famous Gourmet Pizza Store location that accepts a check, and that check doesn’t clear the bank for some reason (closed account or insufficient funds) that check is then forwarded from the stores bank to the check collection office that handles the specific stores area, if they use a check recovery service agency. The check collection company will then contact the customer to collect funds for the bad checks.

If the customer contacts the store and attempts to pay the face value of the check, payment should NOT be accepted from the customer. The manager in charge should explain that the store is not able to accept payment for the check because the check is automatically forwarded to a collection agency and it is beyond the stores control at that point (in fact the store manager isn’t even aware of a problem). The customer will receive notification from the collection agency within 2 weeks of the check date.

If a franchise of Garlic Jim’s Famous Gourmet Pizza receives a bad check and is not using a check recovery service, the Franchisee should be notified by their respective bank and appropriate actions will be taken. The Franchisee will determine if payment for the check will be accepted from the customer at the store or not.

Credit Card Acceptance Policy

People are at times reluctant to give their credit card information out over the phone. Our goal is to make sure our customers trust us with the information therefore it is extremely important this information remains confidential. Whenever you are handed a credit card for payment either as CSR or delivery driver, always ask to see the customer’s identification. This is a security precaution and should be treated as such. Please note that it is great practice to mention to each new customer when ordering with a credit card that Garlic Jim’s does not store any credit card information for future ordering purposes. This tactic of record-keeping is frequently used in other pizza chains to help speed up the order process.

Manipulation of Credit Cards is strictly prohibited and in some cases can result in a felony. Manipulation examples include but are not limited to:

- Signing a customer’s name on a credit card receipt with/without permission.
- Changing the price of the sale amount.
- Adding a tip for yourself or a team member onto a customer’s personal credit card.
- Using a credit card number for your own personal use.
- To receive cash back by swiping your personal credit/debit card in the store POS system.
Processing Credit & Debit Cards

Credit and Debit Cards are becoming the preferred method of payment for most consumers. For our purposes we treat credit cards and debit cards the same provided they are part of the Visa, Master Card or American Express network. Credit Cards are processed in much the same way as checks. We recommend that credit card purchases be processed through the POS system and are therefore subject to immediate approval. After approval all credit card purchases will be tracked in the POS system for easy review. Below are the procedures for accepting a credit card purchase:

1. Complete and verify the customer order and select their form of payment.
2. Input or swipe the credit card number and expiration date.
3. Select the authorize button.
4. Keep the customer on the phone until the transaction is approved. Do not say "Please hold while your transaction is processed." Approval will be quick. (Make sure to use proper Credit Card Phone Script from Order Taking module.)
5. If the transaction is declined, make sure the credit card number was entered properly.
6. Attach both the customer and the store copy of the credit card receipt to the driver’s ticket.
7. No cash back will be given on credit card transactions.

Proper Deposit Procedures

At the close of business when all the pizzas have been made and delivered and the store is closed and secured the daily deposit will need to be formulated. The bank deposit consists of all the revenue generated by the store in the form of cash and checks minus the predetermined amount of cash and coin that remains in the store in order to operate the store the next day (till). Follow the procedures listed below to formulate a daily bank deposit. It is assumed that all drivers and in store personnel have been checked out and no more funds will be collected. Further detail will be discussed in the Opening & Closing Procedures module.

1. Count your till to the pre-set daily amount ($200-$600). Double count the till to ensure accuracy. Run a 10 key tape, sign and date it. Place till funds in the safe. Don’t forget to count any rolled coin that might be left in the safe.
2. Count your remaining cash twice to ensure accuracy and run a 10 key tape, sign and date it. This amount is your nightly deposit cash amount. Record this amount in your POS system under management, daily, transactions, cash deposit.
3. Count your checks twice using a 10 key. Run the tape and sign and date the tape. This amount is your nightly check deposit amount. Record this amount into your POS system under management, daily transactions then check deposit.

4. Your credit cards will be settled during the end of day process and your POS system has already created the deposit information, you should be able to check for any deposit variances at this time by going to management, daily summary. The Over/Short is the actual difference in cash and checks you have recorded versus what you should have. If no over or shortages are found you should proceed to the next step. If you find a variance in your deposit greater or less than $5.00 please contact your manager for further direction.

5. Once your have counted and verified both your cash and check deposit and recorded the amounts in the POS system, you will need to fill out a deposit slip. The deposit will need to be dated properly, filled out with the exact amount of cash, checks, and coin to be deposited and signed. To avoid bank errors your bills will need to be bundled according to denomination and signed, dated 10 key tape will need to be included with the deposit on both your cash and checks. Make sure you print neatly and firmly on the deposit slip so the carbon copy will be legible.

6. Make sure that all credit card slips are accounted for and kept with the nightly closing paperwork.

7. Once your deposit slip is complete, place the bank copy into a deposit bag along with the cash, coin and checks. Record the deposited amount and the deposit bag number on the deposit log and seal the bag.

8. If possible make the deposit upon leaving the store for the night. Night drop deposits should only be made in the presence of 1 other employee. If this is not possible, lock the deposit in the store safe and make the deposit the following day before the store opens. You should make the deposit the first thing you do when you come in the next morning. Do not under any circumstances allow more than one deposit to accumulate in the safe at any one time.

**Deposit Policy**

It is important to follow these steps to insure the utmost safety within each of the Garlic Jims locations. These steps are to be preformed after store operating hours are over.

- All entrances to the store are to be secured and locked before the safe can be opened.
- No carry out customers should be inside the store.
- Deposits are to be prepared in the office with the door locked.
- Never hold the deposit in the open; always hide the deposit in your pocket or under your jacket before you leave the building.
- Deposits are to be taken to the bank by two team members.

Remember to always think:

SAFETY FIRST!
Over /Short Policy and Troubleshooting

If for some reason you come up short on cash at the end of the night please follow these steps. Don’t ever leave the store if you have a cash shortage. You must correct the problem before you leave. You must call your supervisor before you leave for the night. (Cash shortages may result in disciplinary action including termination).

1. Recount all cash and checks including the till funds, and any rolled coin stored in the safe.
2. Double check all driver drop boxes.
3. Verify that the credit card transactions have been recorded in the system properly and all credit card tips have been adjusted. Make sure all credit card transitions are accounted for and are in the system.
4. Verify that the cash and check deposit amounts are entered into the POS system.
5. Verify that all addition has been done correctly.
6. Look in the cash drawer, under the office desk, in the safe and around the front counter for misplaced cash or checks.

Troubleshooting Cash Discrepancies

If you continue to have cash discrepancies please follow these steps below in helping you track down the cause of the recurring issue.

1. Not counting the till before the store opens: Starting the day short will result in finishing the day short. Always count the till before you start your shift.
2. Not assigning banks to drivers or assigning banks twice: It is so important for you to identify who has received banks and who hasn’t. You must make sure that each driver gets only one bank by making only enough banks for the drivers that are scheduled for that day’s shift.
3. Allowing team members to leave without counting the till or having multiple people with access to the till: It is very important to only allow one team member in the till during a shift.
4. Voiding an order or reducing the price of an order: If a price has been reduced and fewer funds have been collected this needs to be recorded properly in the POS system or a variance will occur.
5. Not voiding an order: If you give away an order because of poor service but forgot to void that order this will cause you to be short.
6. Counting out drivers or till personnel improperly. Employees should always be counted out twice to ensure they are not shorted and the store is not shorted. Employees must always be present when their funds are being accounted for.
7. Buying products from the store with the till funds: If this transaction is not reported properly this will result as a shortage at the end of the night.
8. Customers ordering on account to be billed later must be accounted for in the POS system.
Using the Deposit Log

Even though we use the computer to enter deposit information, all information must be completely filled out on the daily sign-off sheet. The log is a record of daily bank deposit activity. The daily deposit amount and deposit bag number should be recorded daily by the manager preparing the deposit. The deposit log shall be dated and signed by the person making the deposit. Once this is done the person that takes the deposit to the bank must sign out for the deposit as well. The person that signs out for the deposit is verifying that the deposit is not breached and that the funds are safe and secure inside the bag. If the deposit doesn't make it to the bank or the funds had been taken out then you have a person of interest because that person signed that they took the deposit to the bank.

Password Usage

In an attempt to discourage dishonest behavior, it is extremely important that all employee passwords remain private information. At no time shall an employee of any status share their password information with other employees. Alarm codes, door locks, safe combinations and POS system passwords should be changed after any management change. Each management team member should be assigned their own unique alarm code to track access to the store. If additional security measures are required you may consider changing alarm codes, door locks and safe codes on a rotating basis.
Manipulation of Funds

Manipulation of funds occurs when the manager making the deposit purposefully manipulates the money or fraudulently completes the paperwork or deposit log. When it is not a blatant act of theft, manipulation most often occurs when the manager is trying to hide a problem that they personally had no part in. A famous phrase once stated “It’s the cover-up that will get you”.

A manager’s job as it refers to cash control is to find and solve cash problems. This may be simple troubleshooting as listed in this class module, or it may be finding and having to discipline a thieving employee. In either case it is the manager’s job to report the cash discrepancy to their supervisor or franchisee immediately. Then implement whatever steps are necessary to find the problem and prevent it from happening again.

A cover-up by the manager who may be worried about his or her job is absolutely the wrong thing to do. A manager’s job is only in jeopardy from a financial standpoint if they manipulate the funds; therefore allowing the thieving employee to continue to steal from the store.
Cash Policies and Procedures Test

Name__________________ Date __________

1. What is the correct way to count the starting till for each day of business?

2. What is the correct amount of money a delivery driver receives upon starting their shift each day? What is the proper amount of each denomination of bills they should receive?

3. What is the proper way to take a check from a customer that is coming in to pick-up their order?

4. Do Garlic Jim’s store locations cash employee payroll checks from the cash drawer?

5. Why do Garlic Jim’s store locations not store customer’s credit card information for future purchases?

6. How much “Cash on Hand” should you have if your store is trending to $12,500 in sales?

7. What should occur before any money can be counted inside the store after close?

8. What is the first step to take when the nightly deposit does not match the required amount from the POS system?

9. What is the purpose of the deposit log?

10. Why is it important not to share your unique password with anyone in the store?