

SECTION C

CASH CONTROL SYSTEMS

Content

C.1. Introduction.....	2
C.2. Types of Transaction	3
C.3. Cash Payments	4
C.4. Cheque Payments.....	6
C.5. Standing Orders	8
C.6. Internet Payments.....	9
C.7. Credit Notes.....	10
C.8. Vehicle Float.....	11
C.9. Petty Cash	12

C.1. INTRODUCTION

All people who handle money need to ensure that they follow strict procedures to minimise the risk of monies being misplaced.

The procedures outlined in this section are part of nicensripsy Limited's "standards" and "know-how" and have been developed to protect you **and** your staff.

If you follow the detail of these procedures you will find "balancing" with the books and banking is considerably quicker. Needless to say it also depends upon accuracy and **EVERYBODY** following the system.

C.2. TYPES OF TRANSACTION

We accept the following methods of payment of invoice:-

- ◆ Cash
- ◆ Cheques
- ◆ Standing Orders
- ◆ Internet Transfers

No service should be supplied without one of the above transactions being completed.

No other credit finance schemes are to be offered without the prior agreement of Central Office.

The details of each transaction follow and the systems that have been developed have been designed for you and **your** protection.

C.3. CASH PAYMENTS

A cash sale transaction is usually the easiest. But it is also where most mistakes can occur. The procedure detailed below will minimise the risk of "losing" money in a cash transaction and all everyone should practice this procedure:

- 1) An invoice will be generated and presented to the customer.

* e.g. **£12.00 inclusive of VAT**

- 2) The cash you are given should be counted, but not put away until you have given the change.

* i.e. **1 x £10 note**
1 x £5 note

Issue Number 000

3) Take the appropriate change and, counting it, give it to your customer.

* i.e. **£2 is £14 pounds and two 50p make £15.**

Should your customer think he/she gave 2 x £10 notes you can now reassure them that the cash taken was only fifteen pounds

As The Cash Is In Front Of You And Them.

4) Put the cash away securely in the van.

5) Show the invoice as paid by writing on the invoice the following:

PAID WITH THANKS

the date payment made e.g. 26/9/04

AND the persons name receiving the money

It is important that EVERYBODY writes their name on the invoice to show that they have received the money in case of any queries later.

Should any employee 'misplace' the funds you can obtain the written record from your customer!

C.4. CHEQUE PAYMENTS

One of the most common means of payment for our service, is by cheque and is one you should educate your customers to use.

These must, however, be carefully checked and certain guidelines followed closely to ensure no loss ensues.

A dishonoured cheque is not only inconvenient but also expensive as your bank will charge you when a customer's cheque is returned for whatever reason.

Again, the following procedures and guidelines are for your protection.

The first lines of defence are experienced staff. Before working on any job all staff should be aware of and understand the formalities of completing cheques.

PROCEDURE FOR ACCEPTING AND AUTHORISING CHEQUES

A. PROCEDURE FOR DOMESTIC CUSTOMERS

- 1) The amount on the cheque should correspond to the invoice(i.e. do not give change on a cheque.)
- 2) The cheque should be made payable to nicenstripy.
- 3) Check the date, amount in words and figures, payable to, and the signature.
- 4) Finally when the cheque has been fully completed and scrutinised, the employees signature on the invoice (as per Section D3) confirms the transaction and the cheque is put away in a secure place in the van.

NOTE: You should **not** accept third-party cheques unless by prior arrangement.

B. PROCEDURE FOR COMMERCIAL CUSTOMERS

It is unlikely that commercial customers will pay an invoice immediately. There may, however, be good reasons why you would wish to collect a cheque whilst on site

e.g. An amount is overdue but your services are required again.
It is a customer who has no credit rating with you.

Essentially the same procedure as with a domestic customer should be followed.

C.5. STANDING ORDERS

Some customers will be happy to establish a standing order mandate. This is where a regular payment is paid direct from your customer's bank account into yours, usually on a once a month basis.

For some of the more 'forgetful' customers this is a great method of ensuring you are paid on a regular basis, before the bill for services gets too large.

Indeed, all customers who feel they can pay you *when they feel like it* should be switched to this scheme. Your rationale to your customer will naturally be to avoid hefty bills amounting and it is to their benefit. If they do not wish to comply then you should stop your service if more than four invoices are outstanding and take small claims court procedures.

Small Claims Court procedures are becoming increasingly easier and you can now make a claim electronically on <http://www.courtservices.gov.uk/mcol/index.htm>

From a cashflow viewpoint, during the winter months the standing order payment method can be of great advantage.

C.6. INTERNET PAYMENTS

The internet is becoming an increasingly popular method of payment.

To enable you to accept internet payments you will need to be able to use electronic banking yourself to check that payments have been received.

Advise your customers that the 'reference' should be their surname to enable you to cross-reference payments in your MYOB accounting system.

C.7. CREDIT NOTES

A credit note may require to be issued where a customer is not satisfied with our service or where a 'no cut' has occurred for some reason.

In addition, a credit note will require to be issued if an invoice needs to be amended for any reason, to ensure that the records are kept straight.

The credit note is issued by the computer in a similar manner to an invoice but of course has the opposite effect on records, etc.

C.8. VEHICLE FLOAT

Each vehicle in your fleet should commence the day with a £5.00 float to provide change as and when required.

If you have 'educated' your customers correctly you will very really need this float as the very high majority, who like to pay on the day, will know that nicenstripy prefer cheques as a method of payment.

C.9. PETTY CASH

A petty cash float should be maintained so that money is available for minor day to day purchases to avoid writing cheques on ever occasion. Every time something is purchased using this money, a receipt should be obtained: VAT should be shown separately if applicable.

The Petty Cash Float will need to be checked each week and you should try to replenish the float only once a week, if possible. Ensure a full and proper record is maintained of such transactions.

Items covered by Petty Cash:

- ◆ Advance on travel if appropriate
- ◆ Photocopying
- ◆ Small tools and equipment
- ◆ Stationery (pens, paper)
- ◆ Cleaning supplies
- ◆ Minor repairs

Petty Cash Vouchers should be completed in full and signed by both the person spending the money and franchisee. This information should be transferred to your MYOB accounting system each month to reclaim any VAT and keep your books straight.