

HANDLING CASH SHORTAGES AND OVERAGES

I. Objectives

These Guidelines outline the procedure in handling Cash Shortages and Overages during Spot Cash Count by the Internal Control Division; which may be reviewed annually for its suitability and applicability.

II. Procedural Guidelines

The conduct of Spot Cash Count is done quarterly by the Internal Control Division to check on the trustworthiness of each Teller; thus, the schedule of Cash Count is unannounced. Cash and Checks are balanced with the amount of collection and deposited to the Cashier at around 11AM, and 5PM hence the cash to be counted refers to the collection in between deposit and remittance to the Cashier.

During the Spot Cash Count, each Teller counts his/her money denomination received in the presence of an Internal Control Division Representative who will determine if the total amount of money counted, tallies with the total amount accountable. In this case, shortage or overage may occur.

For *Cash Overages*, any amount is considered a property of COWD. This is turned over to the Cashier for the issuance of an Official Receipt. If the amount of overage is substantial, this may be due to some errors by the Teller, which needs to be reviewed and corrected. Thus, this may be credited first to Deferred Credits Accounts until such time that the cause is determined. Otherwise, if after One (1) Year, there is no valid Claimant, the overage shall be reclassified from Deferred Credits to Miscellaneous Receipts Account or the like.

In the conduct of receiving payments from Customers, there may be a time when the Teller may incur shortage during the Spot Cash Count. *Cash Shortage* may happen in the following instances such as:

1. There was an error in entering the amount of payment. In this case, the amount received is less than the amount reflected in the Official Receipt.
2. There was a mistake in giving change to the Customer.
3. The Teller had received fake money.
4. The payment was erroneously given back to the Customer but the latter denied receiving such amount.

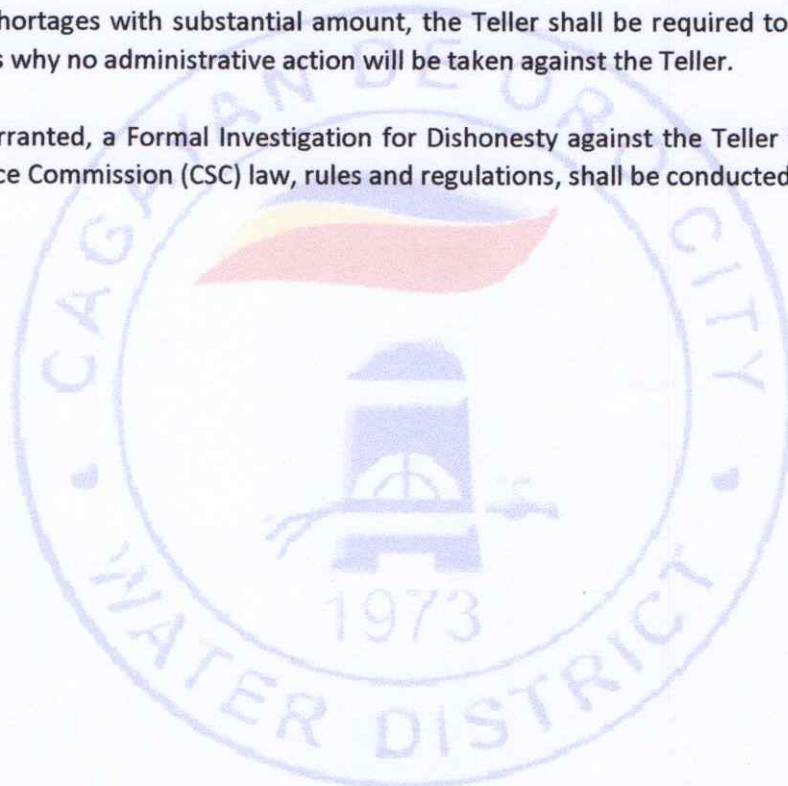
The aforementioned instances of error leading to shortage may be corrected if cause is determined immediately.

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HANDLING CASH SHORTAGES AND OVERAGES**III. Courses of Action In Case of Shortages & Overages**

1. Return of Cash
 - a. Overages
 - a1. Cash will be remitted by the Teller to the Cashier with corresponding Official Receipt.
 - b. Shortages
 - b1. The shortage, regardless of amount, shall be replenished by the Teller concerned immediately.
2. For shortages with substantial amount, the Teller shall be required to explain within 72 hours why no administrative action will be taken against the Teller.
3. If warranted, a Formal Investigation for Dishonesty against the Teller following the Civil Service Commission (CSC) law, rules and regulations, shall be conducted.

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