
1 SOP Title

Cash Handling & Cash Control SOP – Front Office & F&B

2 Department

Front Office / F&B Cashier / Accounts

(Coordination: Night Auditor, GM/Owner)

3 Purpose

To ensure proper collection, recording, safeguarding, and reconciliation of cash transactions in a 2–3 star Indian hotel, preventing theft, shortage, manipulation, and revenue leakage.

This SOP ensures:

- Accurate cash collection
- Zero pilferage
- Proper shift handover
- Transparent reporting
- Safe storage

In budget hotels, weak cash control directly impacts profit.

4 Scope

Applicable to:

- Room payments (Cash)
- Restaurant payments (Cash)
- Banquet advance payments
- Refunds (if approved)
- Petty cash usage
- Shift cash handover

Applies to:

- Front Office Associates

- Restaurant Cashier
- Night Auditor
- Accounts
- GM / Owner

5 Responsibility

Position	Responsibility
Cashier / FO Associate	Collect & record cash
Night Auditor	Reconcile daily cash
Accounts	Verify reports
GM / Owner	Approve refunds & monitor

6 Step-by-Step Procedure

A. Cash Collection Procedure

1. Confirm bill amount clearly.
2. Count cash in front of guest.
3. Check for fake or damaged notes.
4. Enter payment in PMS/POS immediately.
5. Issue printed receipt.
6. Place cash inside drawer immediately.

Never keep cash on counter.

B. Handling Large Cash Payments

1. Recount twice.
2. Inform supervisor (if amount high).
3. Verify high-value notes carefully.

4. Record denomination in cash sheet (if required).
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C. Cash Drawer Control

1. Each shift must have fixed float cash (example ₹5,000).
2. Only assigned cashier can handle drawer.
3. No sharing of login ID.
4. Keep drawer locked when unattended.

One drawer = One responsible person.

D. Shift Handover Procedure

1. Count total cash.
2. Print cash collection report.
3. Match:
 - Physical cash
 - System report
4. Fill Cash Handover Sheet.
5. Both staff sign.

Never handover without counting.

E. Daily Cash Reconciliation (Night Audit)

1. Count physical cash.
2. Match with:
 - PMS cash report
 - POS report
3. Prepare Daily Cash Summary.
4. Report:
 - Shortage
 - Excess

5. Seal cash in envelope.
 6. Store in safe locker.
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F. Refund Handling (Strict Control)

1. Refund only with approval.
2. Record reason in Refund Register.
3. Attach supporting documents.
4. Update PMS immediately.
5. Get signature from manager.

No cash refund without written approval.

G. Petty Cash Handling

1. Maintain Petty Cash Register.
 2. Every expense must have bill.
 3. Record:
 - Date
 - Purpose
 - Amount
 4. Get manager approval.
 5. Reconcile weekly.
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H. Fake Note Handling

1. Use note checking machine (if available).
2. If suspicious:
 - Inform guest politely
 - Do not return note immediately
 - Inform supervisor
3. Record incident.

7 Do's and Don'ts

Do's

- ✓ Count cash in front of guest
- ✓ Issue receipt for every payment
- ✓ Lock drawer
- ✓ Reconcile daily
- ✓ Maintain proper documentation

Don'ts

- ✗ Don't adjust shortage without record
- ✗ Don't use hotel cash personally
- ✗ Don't delay system entry
- ✗ Don't mix personal money with drawer
- ✗ Don't skip shift handover count

8 Control Standards

- Zero unexplained shortage
- Daily reconciliation mandatory
- Refund only with approval
- Cash stored in safe
- Separate login for each cashier

9 Escalation Matrix

Situation	Escalate To
Cash shortage	FO Supervisor
Large shortage	GM immediately
Fake note suspected	Manager
Repeated mismatch	Accounts

Situation	Escalate To
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Unauthorized refund GM

10 Documentation / Records Required

- Cash Handover Sheet
- Daily Cash Summary Report
- Refund Register
- Petty Cash Register
- Receipt Copies
- Denomination Sheet (if used)

All documents must be filed daily.

11 Common Mistakes to Avoid

- Not issuing receipt
- Delaying PMS entry
- Sharing login credentials
- Not reconciling shift-wise
- Ignoring small shortages
- Allowing cash drawer open
- Unapproved refunds

In 2–3 star hotels, small daily leakage becomes big monthly loss.

12 Training Notes

How to Train Staff:

1. Demonstrate cash counting method.
2. Teach reconciliation process practically.
3. Explain impact of cash shortage.

4. Conduct mock handover drill.
5. Train on fake note identification.
6. Audit 10 random bills weekly.

Training Duration:

- 1 day cash control training
- 3 days supervised cashier shift

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- SOP Ready for Printing
 - Suitable for Budget & 2–3 Star Indian Hotels
 - Revenue & Fraud Prevention Focused
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