

HI-Tech Pawn Daily Master Cash Drawer Balancing (USING BANK ACCOUNT)

This procedure does not include individual employee cash drawer balancing which is another topic. These steps are balancing the combined master cash drawer and safe at the end of each day.

If this is the first time using the drawer balancing tools, you will need to setup your bank account and check register first. Go to your SETUP MENU and choose END DAY REPORTING. Click the checkbox labeled "Activate Check Register & Banking Functions" then click the transaction types you might be paying by check. Typically this will be expenses and purchases (for vendor purchases). Next go to your ACCOUNTING MENU and choose the BANK ACCOUNT MANAGER and click ADD ACCOUNT to add one or more bank accounts. Fill in the name of the bank, the beginning balance date and the balance amount at the beginning of that day. All checks and deposits will calculate from this starting point for the account. The next check number is automatically maintained as the highest check written plus one. Just be sure to put in the correct check number on the first check you actually write and all subsequent checks will use the next available number. You are not required to add checks in check number order, you can manually override the check number or use EFT for any bank transaction.

DAILY PROCEDURE:

Start by combining the cash, credit card slips and personal checks from all employee cash drawers if they are using separate drawers.

On the accounting menu choose CASH REPORT and hit PREPARE for today's date.

Verify the STARTUP CASH is balanced, which means the expected startup cash (the cash you ended the previous day with) matches the actual startup cash for today. If you are showing an out of balance on startup cash you need to determine why you are starting with a different amount of cash than you ended the previous day with and correct it if necessary. Note that your bank account balance is automatically included in your starting cash. Your starting cash is a combination of your bank account balance at the start of the day plus cash on hand. If this is the first time activating the bank account with an existing balance, your startup for the first day will be out of balance by the amount of the newly added bank account balance, this is normal.

Next take all the credit card slips from today's business and count and total them.

Click BANK DEPOSIT at the bottom of the screen, then click ADD and select your bank account from the list. For the description put "# credit card slips" where # is the quantity. For the amount put the combined dollar amount of those slips and save the journal entry.

Next take all the personal checks from today's business and count and total them.

Click BANK DEPOSIT at the bottom of the screen, then click ADD and select your bank account from the list. For the description put "# personal checks" where # is the quantity. For the amount put the combined dollar amount of those checks and save the journal entry.

Use a paperclip to bundle these checks together then use a post-it and write the date, quantity and total of today's checks and attach it to the check bundle. Put this in a designated bank bag for pending deposits awaiting a manager who will actually deposit them each day or every so often. Do not include these "pending actual deposit" checks in your daily balancing again, you are done with them.

Now remove these credit card slips and checks from your master drawer so that the only thing remaining is actual cash. Go to the TOTALS tab and click COUNT DRAWER and put in your actual cash count. Finally put in the amount of cash in your safe. The safe amount should not include any checks or credit card slips. DO NOT COUNT any checks or credit card

slips as part of your daily count, your counts should be 100% cash only. The only exception would be if you are holding checks for customers that you know cannot be deposited due to NSF. For any checks like this you will put the quantity and total in the checks section of your drawer count and put those checks in your safe with your cash. Do not include any held checks in your safe amount, always show them separate on your counts using the check section.

What are employee cards on the drawer count?

Employee cards are basically no interest IOU loans to employees from the cash drawer. For example if an employee needs to borrow \$20 for gas before payday they would get \$20 from the cash drawer and replace it with a card showing the date, employee name and amount . If your company allows employees to do this you will itemize these IOUs using the employee cards section until they are repaid. When an employee repays the drawer just discard the IOU card. If they partially pay it then show the date and payment and update the balance owed on the card itself and continue to count the balance owed.

After saving your drawer count the program will display if you are over or short. If you are showing an out of balance it will be purely from cash counting since your checks and credit card slips have been removed from the drawer and moved into your bank account balance.

Print your cash report out and attach the credit card slip bundle to the report with a staple or paperclip and file the report in your file cabinet.

The printed cash report will include a page for journal entries that should match the attached credit card slips and checks to deposit bundles in your pending deposit bank bag.

You will now be able to reconcile the credit card slips and check deposits for each date against your bank statement.

If a manager does not deposit checks on a daily basis then they should use the cash report for date range and put in the date range since their last actual bank deposit and using the bank deposit report, verify the pending deposits in the designated bank bag match the bank deposit journal entries shown for each date.

STEPS FOR DEALING WITH AN OUT OF BALANCE DRAWER:

The first thing to do is count your cash again until you get the exact same count 3 times in a row. Do not forget cash that may be in a bank bag in your safe. If you keep wrapped cash bundles like \$1000 worth of \$20s be sure to quickly count the number of bills and the denomination of the bills in each bundle. Employees have been known to remove bills or replace them with lower denominations from cash bundles which won't show up as a shortage until that bundle is added to a cash drawer later.

If your cash count is the same 3 times in a row and you're still out of balance then check to see if the program reported any integrity errors FOR TODAY'S DATE ONLY. If you have some for today's business date call HI-Tech Pawn immediately for assistance resolving them. Some integrity errors like a partially saved transaction can cause an out of balance and should be dealt with the same day they happen.

Next go to your accounting menu and print a transaction report for all transaction types on today's date and using the printed receipts from today's business cross off each transaction you can match to a signed receipt. If you have any receipts that do not appear on the transaction report contact HI-Tech Pawn for assistance.

If all of the above have not helped resolve the out of balance the final step is to close the program on all workstations and perform a system cleaning (on the setup menu) to verify all indexes and data are correct then prepare your cash report again.

If you still remain out of balance the problem is going to be employee based and the most likely causes will be failure to take a payment, incorrect change, incorrect entry of a transaction (wrong amount / wrong ticket), failure to put in a cash expense or theft.