MARGIN & MENU

RESTAURANT CASH HANDLING POLICY

Editable Policy Template + Employee Acknowledgment

Use this template to establish consistent procedures for cash drawers, paid-outs, tips, refunds, shortages, shift closeouts and deposits.

Restaurant Name	____
Location	____
Effective Date	__________________
Approved By	____

CUSTOMIZE BEFORE USE

This template is a practical operating document and should be adapted to your POS system, staffing model, tip procedures, applicable law and management policies.

Restaurant Cash Handling Policy

Purpose

The purpose of this policy is to establish consistent procedures for receiving, handling, documenting, reconciling, securing and depositing restaurant cash. The objective is to make every cash movement traceable and to make errors, shortages and unusual activity easier to identify.

1. Starting Cash

Each cash drawer will begin with an established starting bank of $__________. The starting bank must be counted and verified before the employee begins using the drawer. The beginning bank is working cash and is not restaurant sales.

2. Drawer Responsibility

Whenever practical, each cash drawer will be assigned to one employee during a shift. Employees may not share drawers, access another employee's drawer, borrow from the drawer, exchange personal cash with the drawer or remove cash without authorization and documentation.

3. Cash Transactions

All cash sales must be entered into the POS at the time of the transaction. Cash may not be removed from a drawer unless the transaction or adjustment is properly recorded.

4. Paid-Outs

All cash paid-outs must document the date, amount, reason, employee or manager responsible and supporting receipt when applicable. Undocumented or vague paid-outs are not permitted.

5. Tip Payouts

Cash and credit-card tip payouts must follow the restaurant's established tip procedure and agree with the applicable POS or shift report. Tip payouts must be recorded so the closing cash calculation reflects the physical cash removed.

6. Refunds, Voids and Discounts

Refunds, voids and discounts must be processed through the POS and follow the restaurant's approval rules. Required reason codes and manager authorization must be used where applicable. Management should review unusual or repeated activity.

7. Customer Walkouts

Customer walkouts must be reported to management and documented. The original check should remain traceable in the POS so management can distinguish a true walkout from an unexplained void, deletion or adjustment.

Restaurant-Specific Approval Rules

Manager approval required for refunds over:	$__________
Manager approval required for discounts over:	$__________
Manager approval required for paid-outs over:	$__________
Cash over/short investigation threshold:	$__________
Starting bank amount:	$__________

Shift Closeout & Deposit Procedure

1. **Count Actual Cash**
   Count the physical money in a controlled location. Do not simply copy the POS expected amount.

2. **Separate the Starting Bank**
   Remove or identify the beginning cash that will remain for the next shift.

3. **Verify Cash Adjustments**
   Confirm tip payouts, paid-outs, refunds, cash drops, manager removals and other authorized cash activity.

4. **Calculate Expected Cash**
   Use POS cash sales and documented adjustments to determine what cash should be present.

5. **Compare Expected vs. Actual**
   Record any overage or shortage. Do not force the numbers to match.

6. **Prepare the Deposit**
   Secure the deposit according to management procedure and document the amount.

7. **Verify the Bank Deposit**
   Compare the expected deposit with actual bank activity and investigate missing, delayed or incorrect deposits.

Cash Reconciliation Formula

POS Cash Sales	$____________
+/- Cash Adjustments	$____________
- Paid-Outs	$____________
- Cash Tips Paid	$____________
- Authorized Cash Drops / Removals	$____________
= Expected Cash	**$____________**

Expected Cash	$____________
Actual Cash	$____________
Over / Short	$____________

Over / Short Review

All cash discrepancies must be recorded. Repeated or significant discrepancies may be reviewed by management. Management should look for patterns by employee, shift, terminal, daypart, transaction type and frequency rather than relying on one isolated incident.

Employee Acknowledgment

I acknowledge that I have received, read and understand the restaurant's cash handling policy. I understand that I am expected to follow the restaurant's procedures for cash transactions, drawers, tips, paid-outs, refunds, voids, discounts, walkouts, shift closeout and deposits.

Employee Name	
Employee Signature	
Date	
Manager Name	
Manager Signature	

Manager Implementation Checklist

- ☐ Set and document the starting-bank amount.
- ☐ Define who may access each cash drawer.
- ☐ Define manager approval limits for refunds, discounts and paid-outs.
- ☐ Document the tip payout process.
- ☐ Define the over/short investigation threshold.
- ☐ Train employees on the shift closeout procedure.
- ☐ Create a secure deposit process.
- ☐ Assign responsibility for bank-deposit verification.
- ☐ Review void, refund, discount and cash discrepancy trends regularly.