ENTERPRISE SERVER

RETAIL - CASH UP

Introduction

Cash Up is a function related to the Cash Books. However, any Cash Point used in Retail is linked to a Cash Up Account for purposes of measuring and controlling Tender received and dispensed. The purpose of this Document is to present the functions related to Cash Up, and how they are inter linked with other functions in the system.

Other Documents that offer complementing information are: -

- ❑ System Setup and Controls
- ❑ Dealing with Tender
- ❑ What happens in the Accounts

Detail

When a Sale is processed or an Order approved, the Operator must complete the Tender Screen (see 'Dealing with Tender').

In the picture shown above, the area with the red border deals with Tender types. Some types of Tender do not affect the Cash Account, nor therefore the Cash Up procedure. For example, Account Charges and Refunds do not pass through the Cash Account, but Cash, Cheques, Forex Notes, Traveller's Cheques, Credit and Cash Cards do. Even though Credit and Cash Cards do not represent actual Cash in the Till, the Transaction slips should be present for Cash Up, as these are by implication part of Tender received, and they will appear in the Bank Statements, eventually. Then there are Gift Certificates and Credit Vouchers. These also are

not Cash, nor do they have actual Transactions on the Cash Account, but fully redeemed Gift Certificates must be present as Cash Up documents, and so must all Credit Vouchers received.

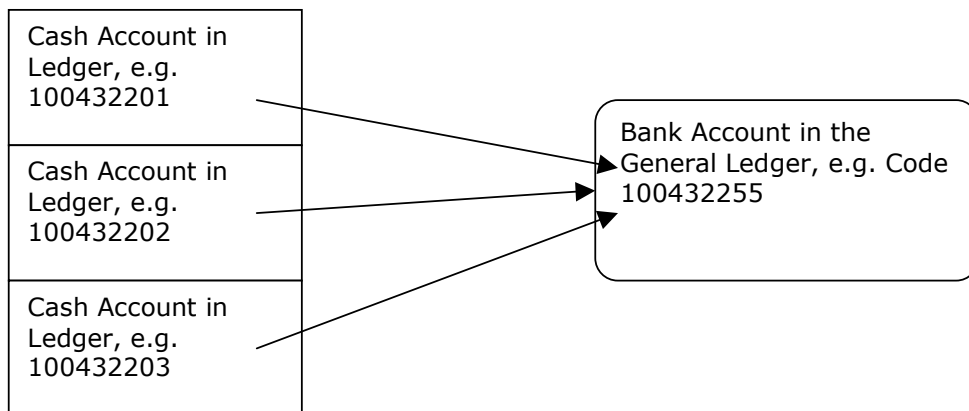IT IS IMPORTANT TO UNDERSTAND THAT A CASH ACCOUNT IS NOT A BANK ACCOUNT!

A Cash Account, on which a Cash Up may be performed, is not a Bank Account. A Bank Account, of which there may be any number in the General Ledger, is a Cash Book, and is reconciled to Bank Statements for that specific Account, i.e. as provided by the Bank.

The Cash Books, therefore, are mirror entities for actual Bank Accounts (although INFOLAB has the capability to join multiple Cash Books to a single Bank Account, but we will ignore that capability for the moment to get the understanding clear and easy).

| Bank Account 10111 with Founder Bank | ⟷ | Ledger Account 100432255 |
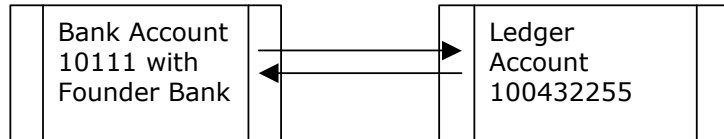
All entries on the Bank Statements for '10111' will have mirror Transaction Entries on Ledger Account '100432255' , in the example illustrated above. (Again, not strictly true, because 2 Entries on the Bank Statement may be represented by a single entry in the Ledger Account, and vice versa, but you get the point …).

When we consider Cash Accounts, they are pre-Bank Account mechanisms. In other words, what we take from the Cash Accounts during Cash Up will be transferred to a Bank Account, i.e. we may have a joint deposit, made up of multiple Cash Ups from multiple Cash Accounts, represented as a single entry on the Bank Account or Statement. Now consider the following –

Cash Account in Ledger, e.g. 100432201	→	Bank Account in the General Ledger, e.g. Code 100432255
Cash Account in Ledger, e.g. 100432202		
Cash Account in Ledger, e.g. 100432203		

ENTERPRISE SERVER

The illustration shown above represents a valid way of transferring Cash Ups to the Bank Account, e.g. if we have $1000-00 from Cash Up 01, we can pass a Journal (probably leaving some 'float' in the Account) that credits 100432201, and that debits 100432255 (the Bank Account). Likewise, we can transfer $2000-00 from Cash Up 02, and $1500-00 from Cash Up 03. That means we may have a Deposit to the 'real' Bank in the amount of $4500-00, but our General Bank Account 100432255 looks like this: -
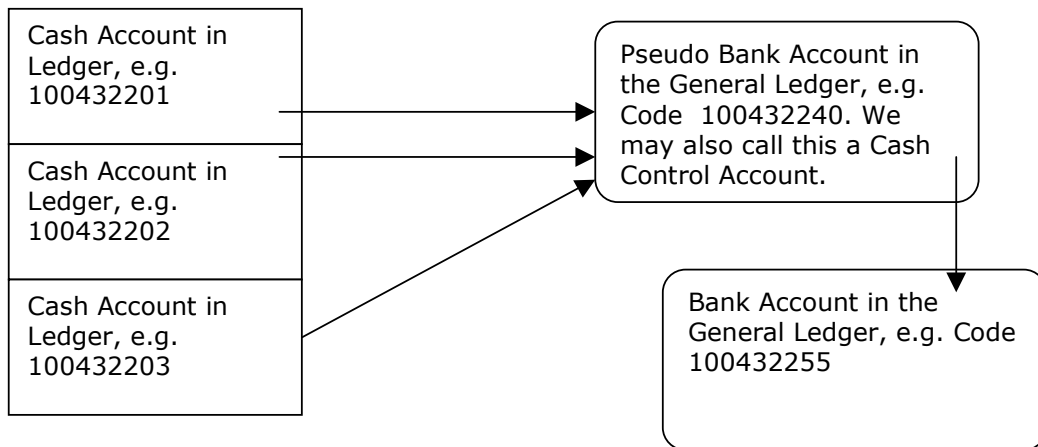
Ledger Account: Bank 100432255

Debit	Credit
$1000-00	
$2000-00	
$1500-00	

On the other hand, the total Deposit is reflected on the Bank Statement as a single Amount, e.g. $4500-00.

Bank Statement: 10111 Founder Bank

23Mar04 Deposit	x766767ssx	-4,500.00

Of course it is possible to 'match' these entries on the 2 sides during the Bank Reconciliation, especially if the correct Transaction Document is reflected on both sides, i.e. the same. However, in real life, the Document Numbers are sometimes not the same, and the above makes life more difficult for the Bank Reconciliation Clerk. And so we suggest that this is not the best method for dealing with Cash Up transfers. Instead, Users find the following a better approach: -

| Cash Account in Ledger, e.g. 100432201 |
| Cash Account in Ledger, e.g. 100432202 |
| Cash Account in Ledger, e.g. 100432203 |

Pseudo Bank Account in the General Ledger, e.g. Code 100432240. We may also call this a Cash Control Account.

Bank Account in the General Ledger, e.g. Code 100432255

In the illustration above, the Cash Ups are transferred (by Journal), to a Cash Control Account, also called a 'pseudo' Bank Account, and from there, the actual Deposit Amount that is deposited to the Bank is debited to the Bank Account – making the Bank Reconciliation a breeze. In this example, 3 Amounts 'flow in' to the Cash Control Account, but from there only a single Amount 'flows out' to the Bank Account, which also represents the Bank Statement (or least, must be reconciled to …).

Cash Up Statement

Each Cash Account or Cash Up Account (same thing), is a General Ledger Account. As such, it reflects all Transactions passing through the Account, as may be seen from an Audit Trail print on the Account. However, for purposes of Cash Up control, an Audit Trail print is somewhat lacking, as it will not show detail for Gift Certificate and Credit Voucher transactions, among others, and these are essential for Cash Up control. The Cash Up statement, on the other hand, is designed to provide all the information required for Cash Up control.


The Cash Up Statement is selected from the Retail Wizard by choosing 'Periodic Updates' …
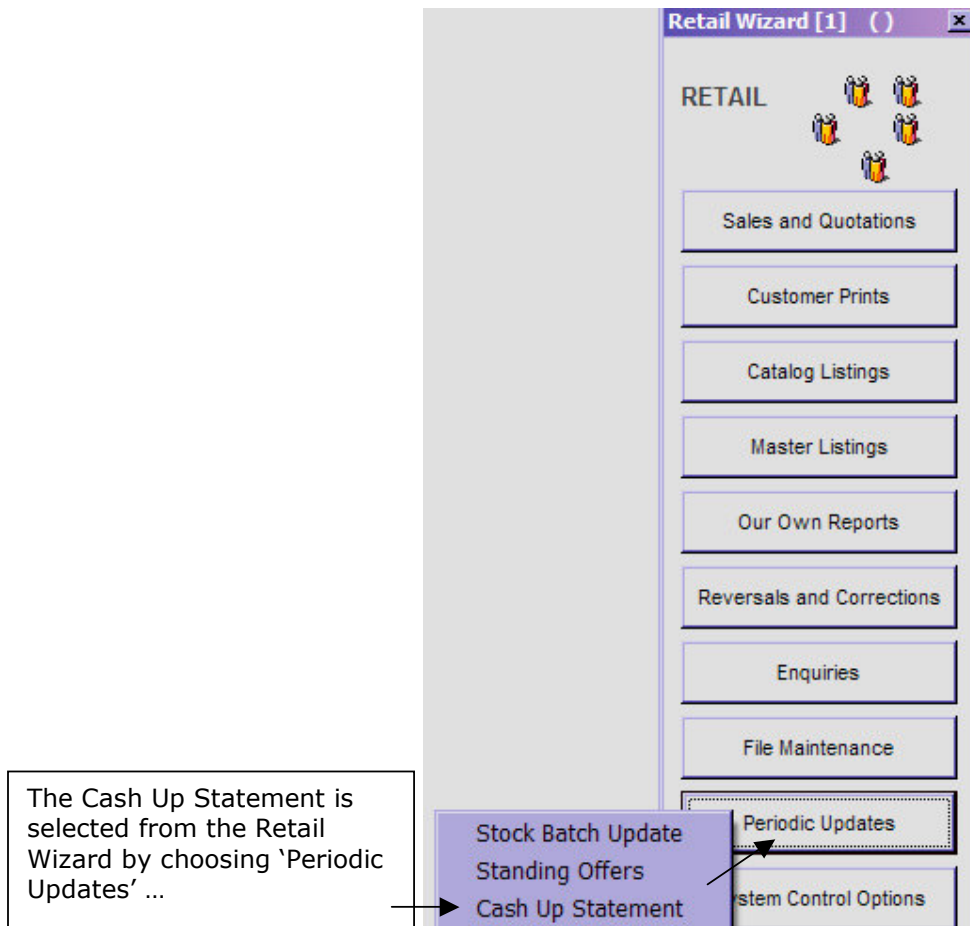
The Cash Up Statement function allows NEW or PRIOR Statements to be produced. This also means that multiple Statements may be produced between

Cash Ups, and for control, it is essential to include all Statements between 2 Cash Ups for the same Account, as attached Documentation.
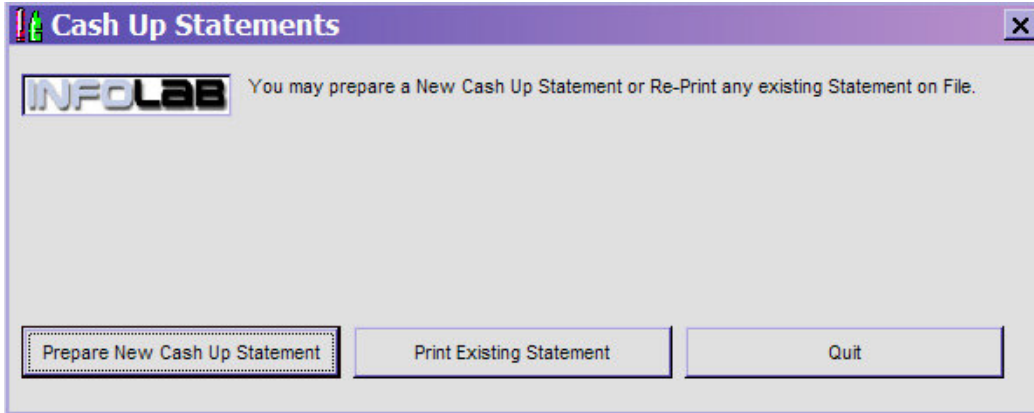
Whichever we choose above, i.e. NEW or EXISTING, the system then prompts for the Account for which the Statement is to be produced.
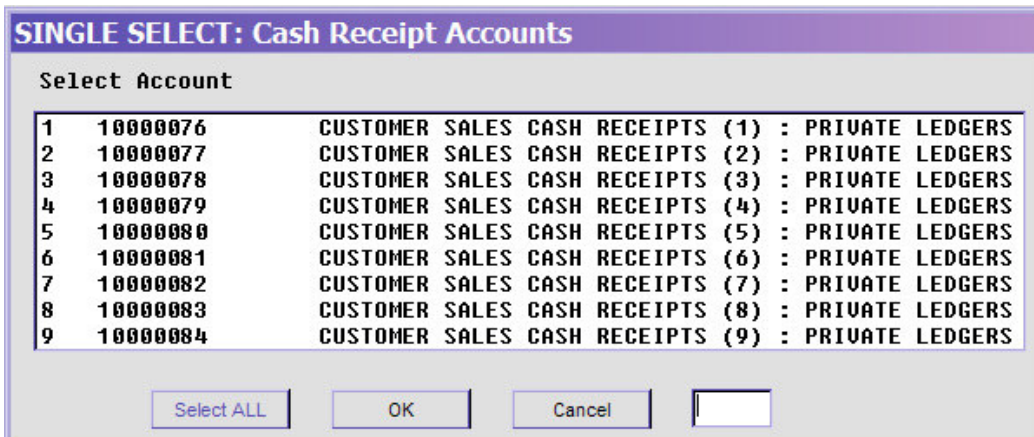
In this example, we select number 1, and since (in this case) we are doing an EXISTING Statement, the system offers the available Statements to choose from.
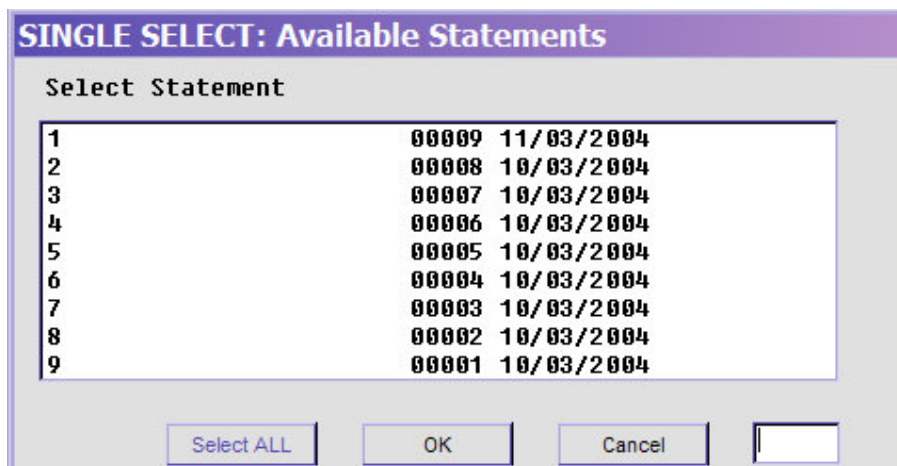
Once we select a Statement to produce, we get something like this –

```
                              INFOLAB
                  www.infolab.cc              hello@infolab.cc


Cash Up Statement for:
 - [10000076] CUSTOMER SALES CASH RECEIPTS (1) : PRIVATE LEDGERS

                        Prepared By Data Manager on 11/03/2004 at 00:00
                                Control Key for this Cash Up = 9


PER      DOCUMENT      DATE              AMOUNT        BALANCE

B/F                                                   334,142.60
1321986372J  Retail Inv # 0000128 :
 50        0000128 10/03/2004          4,000.00       338,142.60
1321986372K  Retail Inv # 0000128 :
 50        0000128 10/03/2004          3,400.00       341,542.60
1321986372L  Retail Inv # 0000128 :
 50        0000128 10/03/2004            940.00       342,482.60
1321986372M  Retail Inv # 0000128 :
 50        0000128 10/03/2004             20.00       342,502.60
1322000012C  Reverse Retail Inv # 00
 50        0000128 10/03/2004         -4,000.00       338,502.60
1322000012D  Reverse Retail Inv # 00
 50        0000128 10/03/2004         -3,400.00       335,102.60
1322000012E  Reverse Retail Inv # 00
 50        0000128 10/03/2004           -940.00       334,162.60
1322000012F  Reverse Retail Inv # 00
 50        0000128 10/03/2004            -20.00       334,142.60
C/F                                                   334,142.60

Retail Invoices referenced on this Statement: 0000128 REV:0000128


Credit & Debit Card Charge Slips :-
0000128                    4,000.00
REV:0000128               -4,000.00

Travellers Cheques :-
0000128                      940.00 CAD 200.00
REV:0000128                 -940.00 CAD 200.00

Forex Notes :-
0000128                    3,400.00 EUR 400.00
REV:0000128               -3,400.00 EUR 400.00
```

This Statement represents the processing of a single Invoice, which was then reversed. Note the detail for Credit Cards, Traveller Cheques and Forex Notes.

Although this example does not include GC or CRV's, they will be indicated, if present on any deals on the statement.

Invoice Reversals are especially critical in the Control Procedures, since they will always reverse through the original Cash Account, resulting in reduced Balance for the Cash Account. In other words, if an Invoice is reversed subsequent to the Cash Up statement including the original Invoice (i.e. some days later), your Control Procedures should be tight in terms of checking the validity of this, hence the information on the Cash Up statement. For the same reason, Invoice Reversals should be restricted where possible, on User Retail Processing Profiles (see System Setup and Controls).

Once Cash Up is taken from the Till (float may be retained), a Journal is passed crediting the Cash Account (which will reflect on the next Cash Up Statement!) and debiting the Cash Control Account, from where the Bank Deposit is prepared.

© Infolab, 2004.