



Shari's Management Corporation

Online Management Class

Cash Shortages

Nothing is more frustrating than sitting down to count a till after a busy shift only to find that you are short cash. There are many reasons that a till can come up short: error in petty cash, inaccurate beginning till, a procedure error in counting, verifying or inputting data, or employee error or theft. The goal of this reading assignment is to examine each area and identify the reasons a till can be short. Hopefully, if we know where to look we can shorten the time used to track down shortages. Also, when we have good training and systems in place, we can lessen employee errors and possibilities of theft.



Counting Order: First you want to make sure that you are counting the till in the proper sequence.

1. Before pulling the till, re-count the till that you are taking out front – this will eliminate having to pull the till later to do a mid-shift count if you come up short.
2. Always start by paying out tips and then balance the till to \$150 – you may need to purchase change out of petty cash to accomplish this.
3. The next step would be to balance petty cash, never balance petty cash before you have purchased all the change you need. Remember, petty cash is never short – if it comes up short, count again just to be sure, then bring it up to the proper amount using money from the deposit cash of the till you are counting.

Now, if you don't touch the new cash drawer or petty cash you have eliminated three areas where a shortage can occur (providing that you counted correctly). If you have a shortage now, it is either in data entry, discounts or cash from the till, or employee error or theft.



Online Management Class – Reading Assignment

Procedure Errors: Procedure errors can occur in counting, verifying discounts and credit cards and inputting data. If your till comes up short, check the following:

1. **Counting Cash:** Quickly recount your cash, double check cash that you've bundled to make sure that it too was counted and sorted correctly. Another thing to check is cash paid outs, did someone possibly go to the store and not return with a receipt, while you're at it, check your pockets, did you intend to buy change but forget?
2. **Discounts and Credit Cards:** Look over your discounts to make sure that they were coded right. At times, discounts get closed to cash or incorrectly, which can make your till short. This is especially true with employee meals. Remember, if you find a discount error and correct it with a transvoid, it will show up on the next shift (you will be short this shift and over the next – it would be a good idea to let the next manager know that their till should be over). Also, check for house charges. Next, check your credit cards: verify that the tip amounts and totals are correct. Remember, if you change tip totals, the adjustment will show up in the next shift. You may also want to count credit card slips, if you have more slips than are listed on your POS report, then you probably have one or more closed to cash.
3. **Inputting Data:** Check your screen in RAS to make sure that the numbers have come over correctly and that you haven't transposed numbers that you input.



Employee Error and Theft: Fortunately, employee error is fairly easy to fix. As you are checking for discounting and credit card errors, note what employee closed the check. This way you can follow-up with a little extra training and hopefully solve the problem. Also, when you notice that employees are not following our cash handling policies (cashing in tips, not counting back change), counsel them and then follow-up. Employees will typically pay attention to the procedures and systems that you monitor.

Online Management Class – Reading Assignment

On the other hand, employee theft is difficult, but not impossible to curb. You have several tools to assist you.

- First on the list is communication! When you take the time to let your employees know that the till is short and ask questions, shortages diminish.
- Run the Cash Over Short report out of RAS. As you study this report you will start to see trends regarding shift and employees where shortages occur. Now you can focus on those shifts and employees. You may consider limiting the till, providing extra training or conversation confirmers if it seems appropriate.

train 07/18/03 17:21:55		157 - Beaverton POS Cash Over Short Business Date: 06/05/2003 Day: 1 Week: 3 Period: 6 Year: 2003						sls910.p store Page: 1
Employee	Shift	Thur	Fri	Sat	Sun	Mon	Tue	Wed
Anna, Nicole	2 3		3.58 11.57-					
Weekly Total:	17.15							
Baggins, Bilbo	1 3	0.77	13.57-	3.90-	1.12-	1.16-		
Weekly Total:	20.52							
Baker, Anita	2 3			5.60-		1.01	3.77	
Weekly Total:	10.38							
Bricklebones, Megan	1			1.62-	2.91			
Weekly Total:	4.53							
Chamberlain, Richard	3	0.01	13.57-	3.90-	1.12-	1.16-		
Weekly Total:	19.76							
Cheepot, Kim	2 3		3.58		1.10	1.01 1.16-	3.77	
Weekly Total:	12.62							
Chopps, Buster	1					4.20-	1.22-	
Weekly Total:	5.42							
Chung, Connie	2 3	20.13-		3.90-	3.10 1.12-	1.16-		
Weekly Total:	29.41							
Darksister, Elvira	1 2			5.60-	2.91	1.01	1.40	
Weekly Total:	10.92							
Dench, Judy	1 2				2.91	1.01		
Weekly Total:	3.92							

- Another report that you can check is the Workstation Closed Check report. This is a POS report that lists all checks that were closed at stations other than the cash register. You really should only see manager

Online Management Class – Reading Assignment

transactions on this report and typically they are for employee meals. Occasionally, you may see a credit card processed. You should be especially concerned if you see a check closed to cash – be sure to counsel those employees.

Workstation Closed Checks								MIS MIS
Sunset				rinted on Thursday, November 30, 2000 - 4:40 PM				
Period From : 11/23/2000 To : 11/29/2000								
Check closed Date	Check Number	Payroll ID	Frist Name	Last Name	Order Type	Workstation	Tender	
11/27/2000	1,496		IAN	SANFORD	-Emp Meal	DESSERT w/s #4	Cash	
11/24/2000	549		IAN	SANFORD	-Emp Meal	DESSERT w/s #4	Cash	
11/26/2000	952		IAN	SANFORD	-Emp Meal	SERVER w/s #3	Cash	
11/28/2000	1,631	113065	ALLISON	DONNELLY	**Take Out	SERVER w/s #2	Cash	
11/29/2000	1,989	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/29/2000	1,990	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/26/2000	1,081	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/28/2000	1,700	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/28/2000	1,627	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #2	Cash	
11/27/2000	1,402	113065	ALLISON	DONNELLY	Dine-In	DESSERT w/s #4	Cash	
11/26/2000	1,245	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/23/2000	263	113065	ALLISON	DONNELLY	-Emp Meal	DESSERT w/s #4	Cash	
11/29/2000	2,027	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/27/2000	1,484	113065	ALLISON	DONNELLY	Dine-In	DESSERT w/s #4	Cash	
11/23/2000	292	113065	ALLISON	DONNELLY	-Emp Meal	SERVER w/s #3	Cash	
11/26/2000	988	113065	ALLISON	DONNELLY	Dine-In	DESSERT w/s #4	Cash	
11/27/2000	1,332	113065	ALLISON	DONNELLY	-Emp Meal	DESSERT w/s #4	Cash	
11/25/2000	750	117283	Barret	2Stolte	Dine-In	SERVER w/s #3	Cash	
11/25/2000	832	14575	ARTHUR	CASTLE	Dine-In	SERVER w/s #2	Cash	
11/23/2000	187	14575	ARTHUR	CASTLE	Dine-In	DESSERT w/s #4	Cash	
11/24/2000	529	20011	Shellie	2Langlo	-Emp Meal	DESSERT w/s #4	Cash	



To complete this assignment log onto Shari's Bulletin Board and answer the following question:

How have other companies that you have worked for handled cash shortages? Do you feel this was an effective method? Why or why not?

Now print off Shari's Security and Banking Procedures, read it, sign it and fax it to your instructor.