





<p align="center"><b>GUAM POWER AUTHORITY STANDARD OPERATING PROCEDURE</b></p>	<p>Prepared by:</p> <p><u></u> / <u>Winnie Sharma</u>  Signature / Print  Accountant III</p>
<p><b>TITLE: Cash Difference (Shortage / Overage) Policy</b></p>	<p>Reviewed by:</p> <p><u></u> / <u>Lenora M. Sanz</u>  Signature / Print  Controller</p>
<p><b>SOP NO: 171</b>  Supersedes: Memo from Utility Administrator  Dated: 09/21/2000</p>	<p>Concurred by:</p> <p><u></u> / <u>John J.E. Kim, CPA</u>  Signature / Print  Chief Financial Officer</p>
<p align="center">Page 1 of 3</p>	<p>Approved by: <span style="float: right;">4/12/2023</span></p> <p><u></u> / <u>John M. Benavente, P.E., General Mgr.</u>  Signature / Print  Dated</p>

## 1.0 PURPOSE

Employees who handle cash are expected to be careful and accurate and to settle their funds each day without overages and/or shortages. The Authority recognizes that difference may occur. However, these occurrences should be minimal. This guideline is set to ensure the accuracy and accountability of each utility cash transaction.

## 2.0 SCOPE

Applies to all Cash Management, Finance Division personnel.

## 3.0 DEFINITIONS

- 3.1 Utility Cashier: Refers to any employee assigned to handle cash-related activities, this includes any temporarily detailed employee.
- 3.2 Cash Differences: Any un-located cash shortage(s) or overages occurring after each daily balancing.

## 4.0 PROCEDURES

- 4.1 Any Utility Cashier assigned and operating an Authority cash box shall safeguard its contents and be held accountable for its safety while operating under normal conditions.

Standard Operating Procedure	No. SOP 171	Page 2 of 3
------------------------------	-------------	-------------

Examples of “abnormal” conditions include a) robbery/hold-up b) severe catastrophic incidents (i.e., fire, earthquake, etc.).

- 4.2 A Utility Cashier incurring six (6) cash differences with a cumulative cash overages and/or shortages value of less than \$50.00 in a one-month period shall be given verbal counseling by the Cash Management Supervisor (Accountant III) or designee, Finance Division.
- 4.3 Any Utility Cashier incurring two (2) verbal counsels during a six-month period shall be issued a Memorandum of Reprimand.
- 4.4 Any cash differences after receipt of a Memorandum of Reprimand shall result in a recommendation for a proposed Adverse Action.
- 4.5 A Utility Cashier incurring an un-located cumulative cash shortage amount of \$50.00 or more (but less than \$100.00) in a one-month period, shall be issued a Memorandum of Reprimand.  
  
Any Utility Cashier incurring a large un-located cumulative cash shortage amount of \$100.00 or more in a one-month period will be subject to an Internal Audit review and recommendation for a proposed Adverse Action by the Cash Management Supervisor.
- 4.6 Any Utility Cashier incurring a large un-located cumulative cash shortage amount of \$100.00 or more in a one-month period will be recommended for a proposed Adverse Action by the Cash Management Supervisor or designee.
- 4.7 If there is reasonable suspicion of theft or negligence, the Internal Audit Office may be requested to conduct a review.
- 4.8 A Utility Cashier incurring a cash difference of \$50.00 or more is required to research the difference. The research must be completed within five (5) working days from the date of the cash difference occurrence.
- 4.9 Under no circumstances shall an employee take or supplement money to be deposited in order to “force” the deposit to balance with the receipts.
- 4.10 Documentation pertaining to discussions, warnings, disciplinary records involving cash overages and/or shortages shall be retained by Cash Management Supervisor or designee and/or the employee permanent personnel file.

CODES:	* REVISED	# ADDED
--------	-----------	---------



# GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN  
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

## MEMORANDUM

TO: All Cashiers, Finance Division  
FROM: Chief Financial Officer  
DATE:  
SUBJECT: **CASH Differences (Shortage /Overage) Policy**

The policy entitled Cash Differences (Shortage /Overage) shall be acknowledged by each cashier assigned and operating an Authority cash box. Acknowledgment of this policy is **MANDATORY** by all Utility Cashiers.

The immediate Supervisor assigned to delegate Cash Management functions shall:

- 1) Ensure each Utility Cashier understands the policy contents; and
- 2) Secures the Utility Cashier's signature on the policy form; and
- 3) Witnesses the employee's acknowledgement; and
- 4) Provides a copy of the signed policy to: Original – Immediate supervisor; 1 copy – Employee's Division file; 1 copy – Human Resources employee file and 1 copy – Employee.

The purpose of the policy is to ensure the accuracy and accountability of each cash transaction, the intent which would protect both the Authority's monetary assets and customers' interests. *This supersedes the policy and memorandum dated 9/21/2000, Subject: Cash Differences (Shortage /Overage) Policy.*

Chief Financial Officer

## ACKNOWLEDGEMENT

*I, \_\_\_\_\_, have read and understand the contents of the above policy. By signing this form, I am acknowledging receipt of this policy.*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print

\_\_\_\_\_  
Signature

**ISSUED BY:**

\_\_\_\_\_  
Print Name / Signature

\_\_\_\_\_  
Date