



# Guidelines for Processing and Settling Cash Discrepancies

Financial institutions typically use a tamper evident bag (TEB) or tamper evident device (TED) to clear surplus cash among themselves. Institutions that are members of the Australian Cash Distribution and Exchange System (ACDES) have agreed to adopt a common set of procedures for processing and settling discrepancies found in TEBs or TEDs.

In their day-to-day operations, ACDES Members may at times be buying from, or selling cash to, financial institutions that are not ACDES Members, or more typically, dealing with external parties such as Carriers.

To maximise potential efficiency gains for the industry as a whole, it would be beneficial if all parties engaged in cash transactions were to adopt the same set of common procedures.

These guidelines describe the procedures now adopted by ACDES Members. Institutions that are not ACDES Members and Carriers are encouraged to adopt these procedures in their dealings with ACDES Members.

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## Identifying the Cash Discrepancy

An institution receiving a TEB or TED (the “*Buyer*”) will decide whether to defer opening the TEB or TED until the cash is required, or to open it as soon as it is received. In any case, at the time the TEB or TED is opened, the *Buyer* is to complete a fine count of the cash. Counting needs to be carried out in accordance with the *Buyer’s* internal instructions and procedures in regard to cash handling.

A Cash Discrepancy is defined as the difference between the number and denomination of cash within a TEB or TED, counted against the “content” listed on the TEB or TED.

## Minimum Discrepancy Value

In order to make a claim against the institution that prepared the TEB or TED, the Cash Discrepancy must be more than \$10, (which may be made up of notes or coins).

For a Cash Discrepancy of \$10 or less , the two affected institutions (the *Buyer* and the institution that prepared the TEB or TED), may bilaterally agree to negotiate and settle the Cash Discrepancy.

## Making a Claim and Supporting Material

For a Cash Discrepancy greater than \$10:

The *Buyer* may make a claim against the institution that prepared the TEB or TED by the end of the next (Banking Business) day after the TEB or TED is opened. The claim can be made using a “claim form” designed by the *Buyer*, provided the form contains certain minimum required information. An example of a claim form showing the minimum required information is given in the attachment.

The *Buyer* making the claim must provide material to substantiate the claim.

For note discrepancies, the supporting material required is the TEB or TED and the relevant note strap if these were used. (Receiving the note straps may assist the institution that prepared the TEB or TED to identify who prepared the TEB or TED, and where it was prepared).

For coin discrepancies, the supporting material is the coin bag and coin bag seal.

The *Buyer* making the claim may fax or email the claim form before sending the physical supporting material. The physical supporting material must be forwarded to a designated contact point at the institution that prepared the TEB or TED.

The claim for the Cash Discrepancy is to be resolved within 10 Banking Business Days of the receipt of the claim.

## Value Settlement

The Cash Discrepancy is to be settled by direct credit to an account nominated by the “recipient”. Depending on the discrepancy, the recipient may be the Buyer or the institution that prepared the TEB or TED.

For ACDES Members, their cash discrepancy contacts and account details are published in Appendix E2 of the ACDES Procedures. Institutions that are not ACDES Members (and this includes the Carriers) will need to decide whether they would maintain a master list of all such account details for ACDES Members as well as other non-ACDES Members.

### Positive Cash Discrepancy (TEB contains a “surplus”)

The *Buyer* must send the surplus by direct credit to the institution that prepared the TEB or TED. This is to be done at the same time as when it notifies the latter of the discrepancy.

### Negative Cash Discrepancy (TEB contains a “shortage”)

The institution that prepared the TEB or TED will send the shortfall (again by direct credit) to the *Buyer* when it accepts the claim. The claim must be resolved in no more than 10 Banking Business Days.

The institution sending the direct credit payment must provide sufficient information in the direct credit message so that the recipient can easily reconcile the payment with the claim. The institution sending the direct credit payment should also communicate with the recipient, by e-mail, advising the recipient of the amount and date of the payment, and any other relevant information to facilitate reconciliation.

A Bank Cheque (or Financial Institution Cheque) may be used to settle a Cash Discrepancy if both parties agree.

## An End-to-End Process Flow

### The *Buyer* (institution receiving the TEB or TED)

Discovers a Cash Discrepancy of more than \$10.

Checks the “escort database” to confirm details such as BSB number and amount.

Send a claim (with the requisite supporting material) to the institution that prepared the TEB or TED.

For a positive Cash Discrepancy, returns the surplus by direct credit to an account nominated by the institution that prepared the TEB or TED. Separately notifies the “recipient” of the payment and relevant details.

### **The institution that prepared the TEB or TED**

Acknowledges receipt of the claim and checks details of the claim, including the physical supporting material sent by the “Buyer”.

Accepts the claim.

For a negative Cash Discrepancy, direct credits the amount of the shortfall to an account nominated by the “Buyer”. Separately notifies the “Buyer” of the payment and relevant details.

## MINIMUM REQUIRED INFORMATION TO BE INCLUDED IN PROPRIETARY CASH DISCREPANCY CLAIM FORM

**Claim addressed to:**

*[the Contact designated by the ACDES Member or institution]*

**Address details:**

*(Minimum information)*

*Designated contact point*

*Street address*

*Phone number*

*Facsimile number*

*(generic) e-mail address*

*(Additional information determined by each ACDES Member or institution)*

*BSB Number (for example)*

**Claim originated from:**

*[the Contact designated by the sending ACDES Member or institution]*

**Address details:**

*(Minimum information)*

*Designated contact point*

*Street address*

*Phone number*

*Facsimile number*

*(Additional information to be determined by the institution sending the claim)*

*Name of the person sending the claim*

*BSB Number (for example)*

*Cost Centre number if appropriate*

**Date** *(may be shown below under signatures)*

**Reference number for this claim**

*(used later to match up with settlement by direct credit)*

**Details of the claim**

*The body of the claim form needs to say:*

- *A sealed note/coin bag, said to contain [\$ ..... ] in [denomination]*
- *Was received on [date]*
- *Under dual control by [names of the two officers]*
- *The note/coin TEB or TED was checked, no evidence of tampering was found*
- *Unopened TEB or TED was kept under dual control prior to verification*
- *TEB or TED was opened and the contents bulk verified under dual control*
- *Value of the consignment verified by fine count on [date] [time]*
- *By [names of the two officers]*
- *A discrepancy was found.*
- *The value of the surplus or shortage was [\$ .....]*
- *The discrepancy was confirmed by a second count.*

**Evidence supplied with the claim (mandatory)**

- *Tamper Evident Bag/Tamper Evident Device (plus note strap where available) (for notes)*
- *Coin tag and coin bag seal (for coins)*

**Signed by two officers**

**Countersigned by (Branch) Manager**

**Date of the claim**