Contemporary Cash Management & Cash Recycling

Top 10 Questions

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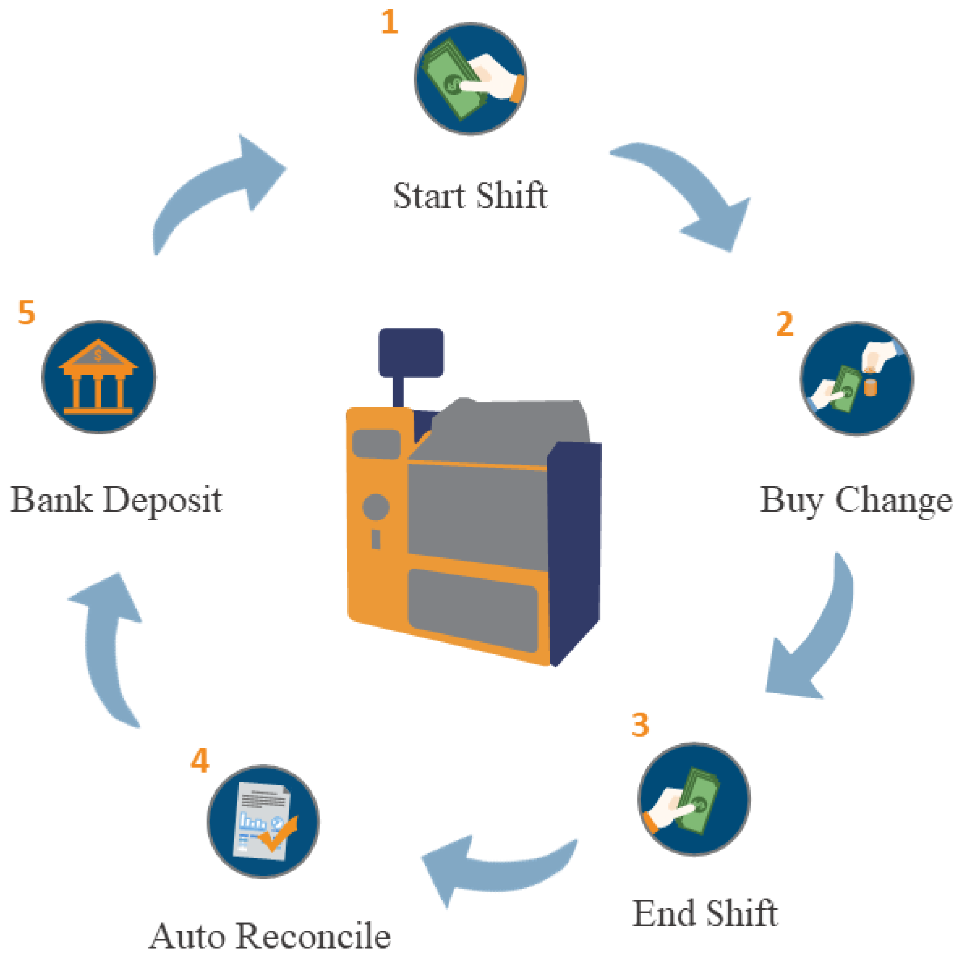
The Cash Recycling Process

Introduction

Long-time tender cash remains a popular payment method within today's customer transactions.

Traditionally, managing cash transactions makes retailers, restaurants, grocery stores, and other businesses prone to error, inefficiencies, and even theft. And the physical nature of cash typically calls for reconciling via various spreadsheets, continuously filling tills by hand-counting cash, and storing excess cash in large, cumbersome safes.

Cash Management Has Evolved - By adding automation and robotics, cash can be auto-reconciled, auto-counted, auto-dispensed, and conveniently stored. This modern cash automation essentially digitizes cash to make it easier to manage. In this white paper, Evention answers the top ten questions about digitizing cash through automated cash recycling.



Question 1

What is Cash Recycling?

Answer

Cash recycling is the first component of complete cash management.

Cash recycling leverages robotics to automate the cash journey – from the issue of a till, the deposit of the till plus cash sales, and through the bank deposit.

The robotic hardware essentially acts as a safe to secure cash, issuing and facilitating all cashier banks. With every till check-out and check-in, the hardware enables complete employee self banking.

In a cash recycling environment, the following is typical:

- Each cashier receives a fresh till of notes and coins from the recycler
- The cashier can make drops or buy change anytime during their shift
- At the end of shift, the cashier simply deposits their till without the need to count any cash
- All deposits are secured and money is recycled to facilitate the issuing of more tills for operations.

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Question 2

How Does the Money Ultimately Reach the Bank?

Answer

Cash Recyclers securely store the deposits with bills needed for operations being recycled and larger bills being stored in the machine ready to go to the bank.

A benefit is that a bank deposit does not need to be done daily and the recycler will secure the deposit each day.

The physical cash can either be extracted by the property or by an armored guard. The money is already counted and secured to make this a seamless and quick process.

As an option, provisional credit can be set up where the net deposit that goes into the machine each day is automatically credited to the customer bank account each night even though the physical cash has not yet been picked up.

Question 3

How Are Courier Pickups, Deposit Fees, and Change Orders Impacted by Cash Recycling?

Answer

- **Courier Pickups** – Since large denominations and "unfit" bills typically flow into a cash recycling machine's deposit section, the deposit builds in the machine, while the smaller bills (i.e., $10, $5, $1) can be utilized for operations. Reducing the frequency of courier pickups dramatically cuts the monthly related expenses. If provisional credit is implemented, the property can still receive bank credit for each day's deposit even though the courier pickup has not yet occurred.

- **Deposit Fees** – Fewer bank deposits reduce the fees associated with deposits, inaccurate deposit counts, etc.

- **Change Orders** – The robotic recycling feature reduces the number of change orders and keeps change in the hands of the operations team.

Question 4

How Does Reconciliation against the POS occur?

Answer

By combining cash recycling robotics with Evention SecureDrop web-based software, all cash transactions can be automatically reconciled against the POS.

Each drop on the machine is compared to POS cash sales. Ultimately, the solution creates an automated report detailing over/shorts and eliminating the need for error-prone manual spreadsheets.

Furthermore, a cash journal posting can automatically be generated to post to the POS or back office systems to complete the accounting processes for cash reconciliation.

Question 5

So Tills Don’t Need to be Audited or Counted at All?

Answer

Robotics and automation eliminate the need to audit or count tills.

Employees simply log in and the cash recycling machine hardware deposits cash to till.

When the employee returns their till and sales at the end of the shift, they can do this as a “blind drop”, in which case everything is fed back into the recycler. This counts their drop and effectively audits their bank each day.

The blind drop creates a significant time savings for operations and a significant increase is audit compliance and loss prevention.

Question 6

What Are the Benefits to the Finance and Treasury Teams?

Answer

The finance and treasury team can log in each morning and immediately see the prior busy day being completely reconciled and ready for approval.

Accounting, reconciliation, and finance teams will be able to easily see:

- Over/shorts by employee, department, or location
- Completed cash journals
- Cash inventory by location
- Any large variances or exceptions

By having this information at their fingertips via integration of all systems, the manual reconciliation processes from the past can be completely eliminated.

Question 7

How Are the Benefits Transferred to Operations?

Answer

Automated cash management facilitates more forward-facing, customer-centric opportunities since it allows the operations team to spend less time managing and counting cash.

By automating the traditional cash management process – from till check-out to till check-in – there is more opportunity for employees to offer face-to-face customer service. This type of direct human interaction tends to be highly valued by consumers.

Cash Operations Management keeps businesses competitive. Its data-driven reporting allows businesses to make faster, smarter decisions about more than just financial operations.

Question 8

How Are the Benefits of Cash Recycling Scaled Across Multiple Locations (Stores, Properties, etc.)?

Answer

Certainly the time and money savings at one location impacts the larger bottom line of a brand.

These savings are particularly tangible in a shared services scenario. Shared services continue to trend in the finance sector to consolidate resources. In this scenario, several locations within a brand will essentially share one finance division.

By automating cash management and removing the manual counts and processes, cash can be reconciled centrally. Each machine feeds data to the central office and POS information is also synchronized. This allows for reconciliation to be managed with just a few resources while eliminating the need for this task at each location.

Question 9

How Does Cash Recycling Reduce Cash on Hand with Change Orders?

Answer

Cash recycling reduces cash float and change orders because it essentially re-uses cash on an as-needed basis.

Typically the “float” or inventory at the location can be reduced by 50% or more. Each shift, cashiers receive an optimized till mix and the smaller notes and coins used by operations are continuously recycled. When one cashier returns a till of $1s and $5s for example, the next cashier in line could be issued those same bills.

Not only does the overall float get reduced, but often the individual till mixes can be reduced as cashiers receive a “fresh till” every shift and can buy change 24 hours per day.

Recycling cash drastically reduces the required cash on hand.

Question 10

What is Cash Recycling's ROI?

Answer

By reducing time, cost, and error, cash recycling adds value to the back office and, as a result, the front office.

The exact ROI varies depending on the store or property. However, by eliminating the manual counting of banks and drops, cashiers typically save between 15-30 minutes each shift per cashier. This translates to hundreds of hours each month in operational time.

Additionally, there is no need to "recount" any drops, and the accounting process is completely automated allowing the reconciliation to be centralized. Bank fees, change orders, and courier visits are all reduced further increasing the ROI.

A typical ROI timeframe ranges from 9 to 18 months.

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