



Cash: The Other Green in Cannabis

Re-engineer back office cash management





The real costs of cash

Dealing with large amounts of cash is a fact of life for cannabis businesses. Traditional banking options are limited which means cannabis operators have to manage and secure much of their cash on site. Many cannabis retailers use technology along with stringent processes to manage and secure cash at the point of sale but often stop there. Once cash moves into the back office, it's like taking a step back in time.

So, why are many cannabis stores better at managing cash in the front of the store but don't extend that control to back office operations? There are likely a couple of reasons:

- They underestimate the true cost of manual cash processes
- They may not understand that the same kind of technology and best practices they use at the front of the store can transform their back office cash management



The reality of back office cash

Cannabis dispensaries use the latest technology and processes to manage product inventory and POS cash in the front of the store to ensure security and accountability. So, why isn't that same level of scrutiny applied to back office cash management?

The manual back office cash processes found in most cannabis retail operations consume hours of staff time. Repetitive cash sorting and counting, even when done with cash counters, requires multiple cash touches, allows room for error and introduces unnecessary security risks.

Just as there are technologies and best practices for inventory management and POS processes, there are also best in class standard operating procedures and technologies for back office cash management. By applying the same principles to streamline back office operations, cannabis retailers can save time and money while increasing security and accountability around cash.

Along with the tangible costs of transporting and securing cash, labor is an intangible cost. And it's a big one.

Cannabis retailers grossly underestimate how much time cashiers and managers spend:

- **counting (and recounting)**
- **preparing tills**
- **balancing**
- **preparing deposits**

They often guess it's a couple of hours a day.

The reality?

It's more like 10 hours.



Time is money

Cannabis retailers frequently have tight controls around POS cash and use technology to ensure all transactions are captured and sales revenue is verified and secured. The back office is an extension of the front office but it doesn't get the same attention.

An efficient back office supports and optimizes all the effort and investment you've made in your front office.

As cash moves from the front to the back of the store, it should continue to be properly managed and secured. You would never have loose cash in the front of the store so why is it acceptable in the back office?

While cashiers and store management are the most involved in back office cash operations, the results of their cash handling efforts impact every part of the business.





The before - Cash roles in a manual back office

Cashiers

They manage the cash in the register and are responsible for making sure the till balances against the POS system. They want to know how to get their start funds and how to balance and deposit their till.

Back Office/Cage Managers

They are responsible for all the cash in the store and perform the rest of the processes. They do some or all of the following:

- Count and sort cash for every till/register
- Supervise cashier till balancing and deposit and then verify all till balancing against the POS
- Prepare cash revenues for deposit
- Manage cash inventory levels to meet store needs
- Provide dual control accountability for cashiers
- Resolve balancing discrepancies

Owners/Corporate Accounting

They are looking at an overview of a store's cash position at any given time. They need daily cash reports and want to see where cash is coming from, where it's going and where it belongs.



**Cash automation
is about what you can
STOP doing.**

Cash Manager (CM)

Typically prepares start funds, preps cash for CIT, provides cash for exchanges throughout the day, receives end of day funds from cashiers.

Register/lane accountability method - manual vs. automated



1 HOUR

CM issues to start funds for each register/lane with manual count.

CM issues cash to cashiers as needed throughout the day with multiple manual counts required for each cash dispense or exchange transaction.



Roller logs in to cash automation software and dispenses start funds from the cash and/or coin devices for each register/lane.

Roller fills each register with start funds.

Roller uses recycler to dispense cash to registers/lanes as needed.



20 MIN



- 3 HOURS
1x manager's time

CM receives end of shift cash from all cashiers/tills.

CM counts cash 1 - 2x.

CM prepares next start funds for each cashier.

Requires 3 times count.

CM prepares deposit cash for CIT pick up.

CM places CIT orders.



Roller collects funds from each register/lane.

Roller deposits funds to cash automation devices for each register/lane & collects deposit receipt.

CM reconciles cash recycler deposit receipt to each register/lane against the POS report for that register.

CM verifies there are sufficient funds in the cash recycler for next days start funds.



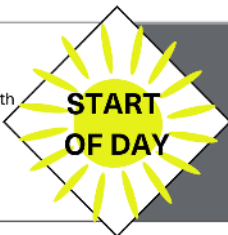
30 MIN

Cashier accountability method - manual vs. automated



1 HOUR

CM issues to start funds to cashiers with manual count.
Cashiers verify their start funds with manual count.
CM issues cash to cashiers as needed throughout the day with multiple manual counts required for each cash dispense or exchange transaction.
CM prepares deposit cash for CIT pick up
CM places CIT orders.



Cashiers log in to cash recycler software with unique ID and select their own start funds.
Cashiers retrieve start funds from cash recyclers and/or coin dispenser and place funds in their register.
Cashier and/or the manager can log into the cash recycler software to exchange cash if needed.



2 MIN
per cashier



1 - 3 HOURS

CM receives end of shift cash from all cashiers/tills.
CM counts cash 1 - 3x.
CM reconciles each cashier's deposit funds against POS report and resolves any discrepancies.
CM prepares deposit cash for CIT pick up.
CM places CIT orders.



Cashiers deposit their register cash directly into the cash recycler and take printed receipt.
Cashiers give deposit receipt to CM.
CM reconciles cashier deposit receipts against POS report for each cashier.
CM verifies recycler has enough cash for next day start funds.
CM dispenses deposit cash from the recycler to prep for CIT pick up.



5 MIN
per cashier



The After - Cash roles in an automated back office

Cashiers

They can dispense and deposit their own tills at the start and end of day without any manual counting - without supervision - and with a complete electronic audit trail.

Back Office/Cage Managers

Their time is freed up from most cash activities including supervising cashiers:

- They no longer spend time issuing tills at the start of the day.
- They don't need to supervise till balancing.
- They only need to collect till deposit receipts from cashiers to balance against POS reports.
- Deposit preparation is simply collecting deposit cash from the cash recycler.
- Are able to manage cash inventory levels with help of cash reports.
- Can resolve balancing discrepancies with help of the recycler's electronic record.

Owners/Corporate Accounting

They get remote access to a store's cash position at any given time. And they can view daily cash revenue reports to see where cash is coming from, where it's going and where it belongs.



Conclusion

Cash recyclers don't just automate cash counting, they completely re-engineer back office cash management. Besides significant time and labor savings, the benefits of cash recyclers can be seen throughout the enterprise.

Security and Accountability

Accountability typically relies on management to supervise cash handling. Cash recyclers securely store operating cash while creating accountability with an electronic record of every dispense and deposit. And they eliminate discrepancies by automating counting and balancing activities while discouraging fraud.

Visibility and Reporting

The reports generated by recycler software can identify cumulative trends at retail locations. Remote access to revenue reports and cash receipts can help owners and management more accurately predict cash needs.

Cash recyclers resolve many cash management challenges cannabis retailers face while building consistent, scalable practices in the back office



Since 1998, Arca has been committed to helping people control and streamline cash operations in bank branches, retail stores and self-service kiosks. By focusing on technology and services, Arca delivers thoughtful solutions to make transactions simpler, more efficient and more secure.

We are reimagining everyday transactions, freeing people to focus on what matters most.

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