



ACCOUNT OF CASH OPERATIONS IN BANKS

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Abstract This article provides a detailed overview of the organizational structure of cash operations in commercial banks of the Republic of Uzbekistan, document flow, accounting procedures, control systems, and modern technologies. Based on the Central Bank's Regulation No. 3028 (2018) and Regulation No. 1602 (2006), the article includes real-life examples, accounting entries, and daily reporting forms. It also covers risk management in cash operations, pathways to digitalization, and international experience. The purpose is to offer practical assistance to bank accountants, internal auditors, and finance professionals.

Keywords Cash operations, bank cash desk, accounting, incoming/outgoing cash orders, cash collection (inkassatsiya), cash balance, double-entry bookkeeping, cash risk, digitalization, Central Bank of Uzbekistan.

Introduction Cash operations in a bank serve as the primary tool for ensuring cash circulation, providing services to customers, and maintaining bank liquidity. In Uzbekistan, these processes are strictly regulated by the Central Bank of the Republic of Uzbekistan Regulation No. 3028 dated 2018 and Regulation No. 1602 dated 2006.



Due to the high-risk nature of cash operations (theft, counterfeiting, employee misuse), their accounting is conducted on the basis of the double-entry principle, daily inventory, and strict control mechanisms. This article links theoretical foundations with real examples to support practical application.

Main Body

Cash Operations in Enterprises Every enterprise that carries out payments using cash must have a cash register and maintain a cash book in the prescribed form. When settling accounts with individuals (the public), the acceptance of cash must be carried out with the mandatory use of cash register machines (control-cash registers).

Cash received by the enterprise from the bank must be spent strictly for the purposes specified in the check. The amount of cash held in the enterprise's cash desk must not exceed the limit established by the enterprise manager.

Enterprises that exceed the cash limit are allowed to keep cash in the cash desk for no more than three working days solely for the purpose of paying salaries, social insurance benefits, and scholarships.

Cash operations in enterprises and organizations are processed using standard inter-agency primary accounting document forms.

The enterprise cashier accepts cash on the basis of incoming cash orders signed by an authorized person and bearing the written order of the chief accountant or the head of the enterprise.

Cash is disbursed on the basis of outgoing cash orders or other duly executed documents (payment sheets, expense reports, etc.), with the details of the incoming cash order stamped on these documents.

It is strictly prohibited to erase, cross out, or correct entries in incoming and outgoing cash orders or documents replacing them.



Incoming and outgoing cash orders (or documents replacing them) are registered in the register of incoming and outgoing cash documents by the accounting department before being transferred to the cashier.

All cash receipts into and disbursements from the enterprise are recorded in the cash book, which must be numbered, bound, and sealed.

Control over the proper maintenance of the cash book is assigned to the chief accountant of the enterprise. For failure to comply with the procedure for conducting cash operations, the following measures of material liability are applied:

- for carrying out cash settlements with other enterprises in amounts exceeding the established maximum limits — a fine in the amount of twice the paid amount;
- for failure to deposit cash into the cash desk (or incomplete deposit) — a fine in the amount of three times the undeclared amount;
- for violation of the current procedure for storing available cash funds, as well as for accumulating cash in cash registers beyond the established limits — fines and other measures are imposed.

Cash operations in banks: Cash operations are of great importance both for the bank and for its customers. By accepting cash from customers, the bank performs active operations, earns income, and increases its free reserves. When disbursing cash to customers, bank branches charge a commission. To carry out cash operations, banks open operational cash desks consisting of a cash desk for receiving cash and a cash desk for disbursing cash.

1. Types and Functions of the Cash Network

In banks, the cash network is divided into the following types:

- Receiving (incoming) cash desk — accepts cash only
- Disbursing (outgoing) cash desk — disburses cash only
- Universal (incoming-outgoing) cash desk — performs both functions



- Currency cash desk — handles foreign currency
- Recounting and sorting cash desk
- Evening cash desk and collection (inkassatsiya) points

2. Documentation of Cash Operations (Document Flow)

Each operation is documented using the following documents:

- Incoming cash order (KO-1) — for cash deposit
- Outgoing cash order (KO-2) — for cash withdrawal
- Payment demand / order
- Collection sheet (IK-1, IK-2)
- Cash book (daily)

Example 1: Customer “Azamat” wants to deposit 25,000,000 soums in cash. → The cashier fills out form KO-1 → The customer signs → The cash is counted → The amount is transferred to the account.

3. Accounting (with Real Examples)

Main accounts:

- 10100 — Cash (asset)
- 20200 — Demand deposit accounts of customers
- 10200 — Correspondent account with the Central Bank

Example 2: LLC “Sadoqat” deposited 18,500,000 soums in cash (at 10:15) Debit: 10100 Cash → 18,500,000 soums Credit: 20200 Customer account → 18,500,000 soums

Example 3: Customer “Rustam” withdrew 12,000,000 soums in cash (at 14:30) Debit: 20200 Customer account → 12,000,000 soums Credit: 10100 Cash → 12,000,000 soums



Example 4: 45,000,000 soums transferred to the Central Bank via collection Debit: 10200 Correspondent account (CBU) → 45,000,000 soums Credit: 10100 Cash → 45,000,000 soums

Example 5: Foreign currency (2,000 USD, exchange rate 12,650 soums) Debit: 10100 Currency cash desk → 25,300,000 soums Credit: 20200 Customer account → 25,300,000 soums

4. Daily Cash Report (Example)

Cash balance at the beginning of the day: 67,200,000 soums Cash receipts during the day: +128,400,000 soums Cash disbursements during the day: -95,800,000 soums Cash balance at the end of the day: 99,800,000 soums → The cashier and chief accountant sign the report, and an inventory is conducted.

5. Accounting for Collection Operations

The collection process consists of 5 stages:

1. The collector receives cash from the branch
2. Delivers it in a special bag with accompanying documents
3. Cash is counted at the bank's head office
4. Funds are transferred to the Central Bank
5. The transaction is reflected in accounting

Example 6: Collection amount 80 million soums Debit: 10100 Cash (head office) Credit: 20200 Temporary collection account

6. Cash Risks and Control Measures

Main risks:

- Theft and armed robbery
- Forged documents



- Misappropriation by employees
- Currency exchange rate fluctuations

Control measures:

- Daily inventory
- Surprise inspections
- Video surveillance
- Dual control system (two cashiers)
- Limits (daily cash desk limit)

7. Digitalization and Modern Technologies

- Cash Recycling Machines (CRM) — automatically count and recirculate cash
- Cash Management System (CMS)
- Online cash monitoring
- Biometric identification

Conclusion The accounting of cash operations in banks serves as the primary guarantee of the bank's financial stability and customer confidence. The normative documents of the Central Bank of the Republic of Uzbekistan regulate this process at a high level. Practical examples and accounting entries demonstrate that strict document flow, double-entry bookkeeping, and continuous control significantly reduce cash-related risks.

In the future, the complete digitalization of cash operations (in line with the cashless society trend), the introduction of automated systems, and alignment with international standards (such as IFRS 9 and Basel III) represent important tasks.

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