

The hidden cost of cash – charts

Figure 1: Monthly cost of cash equipment

Equipment Cost			
Bill Acceptor		\$375.00	
	Repair	\$75.00	
	Cost over 10 years	\$450.00	
	Per Year	\$45.00	
	Per Month		\$3.75
Coin Mechanism		\$325.00	
	Repair	\$75.00	
	Cost over 10 years	\$400.00	
	Per Year	\$40.00	
	Per Month		\$3.33
Total Monthly Cost			\$7.08

Figure 2: Service calls for 1,200 machines over one year

Call Category		# of Calls	Percent
Money	Machine is eating money	450	14.3%
	Took money, didn't give product	400	12.7%
	Not accepting bills	356	11.3%
	Machine is out of order	199	6.3%
	Not accepting money	171	5.4%
	Not accepting coins	161	5.1%
	Incorrect or no change	116	3.7%
	Machine broken into or vandalized	63	2.0%
Product	Product jammed in machine	426	13.5%
	Machine needs filling	341	10.8%
	Product or Price Change	69	2.2%
	Bad Product in machine	35	1.1%
Other	Machine not cooling/iced up	137	4.3%
	Light not working	36	1.1%
	Empty Can bag full	12	0.4%
	Machine is dirty/needs cleaning	6	0.2%
	Unclassified/Unknown/Other	179	5.7%
Totals		3,157	100.0%
Average per machine per year		2.6	

60.7%

Figure 3: Worksheet to determine cost of cash

	Based on \$2MM in sales, 500 machines	Annual Expense	% of sales
Acceptance	Bill acceptors	\$11,250	0.56%
	\$3.75 per machine/month - assumes 250 machines owned/250 bottler owned		
	Coin mechanisms	\$9,990	0.50%
	\$3.33 per machine/month - assumes 250 machines owned/250 bottler owned		
	Service Calls	\$39,000	1.95%
	\$6.50 per machine/month - assumes 1.56 calls per year are cash related at \$50/call		
Processing	Money Room Staffing	\$14,560	0.73%
	20 hours per week at \$14.00/hour including taxes		
	Management Reconciliation	\$2,600	0.13%
	2 hours per week at \$25.00/hour including taxes		
	Bank charges for deposits	\$4,800	0.24%
	Checking account fees to deposit cash and coin		
	Bank charges for purchasing rolled coin	\$520	0.03%
	Estimate based on 100 rolls per week at 10 cents per roll		
	Money Room equipment	\$350	0.02%
	Annual cleaning and maintenance		
Opportunity	Armored Car	\$3,000	0.15%
	Twice per week service		
	Money room supplies	\$600	0.03%
	Bags, straps, seals, etc.		
	Net cost of lost cash sales	\$33,200	1.66%
	1.66% of sales		
	Vandalism - stolen cash from machines	\$750	0.04%
	1% of machines vandalized per year = 5 machines with \$150 cash lost & damage		
	Shrinkage	\$10,000	0.50%
	0.5% of cash sales not accounted		
		\$130,620	6.54%

3.01%

1.33%

3.01%