

Cash Handling Policy Date approved: 27 August 2020 Review cycle/date: Every 3 years:

### **Scope of the Policy**

This policy is to ensure the safe handling of cash receipts. The policy is aimed at ensuring all staff and volunteers know and are confident about handling any cash received. The policy is in accordance with the requirements of the Charity Commission The term “cash” used in this policy includes:

- Notes and coins
- Cheques and CAF vouchers
- Bank orders and credit card receipts

### **Policy Statement**

The policy is designed to provide the internal controls needed in this area for the protection of the charity, staff, volunteers and the trustees who are themselves fundamentally responsible for control of the charity’s activities and funds. All cash handled by staff and volunteers, must be dealt with so as to ensure its safe custody and mitigate against loss whether through fraud, misappropriation or mistake. This is part of the obligation of trustees and staff to ensure that all assets are used for the benefit of the charity, whether from donations or cash earned on the charity’s behalf. All organisations need to take steps to avoid putting people in situations where they might be tempted to defraud, especially in an environment where there are large amounts of cash passing through, such as a charity supported by the local community, like West Yorkshire Hardship Project.

### **Segregation of Duties**

One of the prime means of control is the separation of those responsibilities of duties which if combined would enable one person to record and process a complete transaction. If duties are segregated, this reduces significantly the scope for errors and oversights, as well as deliberate manipulation or abuse, and builds in additional checks. For example, if the person who records incoming cash is the same person who checks that cash paid in is recorded on the bank statements, it would not be easy to detect any dishonesty. Mistakes are more likely to go undetected if a person checks their own work. The principle of segregation is important with regard to both income and expenditure, and capital transactions, and relates to all areas of operation and management, but is particularly applicable in areas where cash is processed or handled such as Finance and Fundraising. It should be remembered that “No system of controls, however elaborate, can guarantee that a charity will be totally protected against abuse.” (Charity Commission CC8). Moreover, the Trustees are responsible through the selection and monitoring of their delegated managers (the Senior Leadership Team), and systems of control, and that they cannot rely on trust for these controls to be effective and are legally accountable to the Charity Commission and their donors. Accordingly they must exercise reasonable care and skill when appointing delegates and reviewing their performance.

## **Procedure Income through the Post**

Post is opened by two members of staff from the designated list, in rotation where possible, in accordance with the post opening procedure. In summary:

- Post must remain unopened and with nothing removed until the post openers arrive. There should be no undue delay in the opening of the post.
- Should two designated post openers not be present on a particular day, the post should be locked in the safe and opened the next day that two designated post openers are available.
- All cash received is listed on the Cash/Cheques received spreadsheet, totalled and signed for by both members of staff. Additional entries or corrections should be signed against. The form, together with the cash, must be banked at the earliest opportunity.
- All banked income is recorded at the earliest opportunity on the finance system. Income in Person Any cash received in the office needs to be recorded on the Cash/Cheques received spreadsheet. Where requested, a signed, duplicate, pre-numbered receipt/acknowledgement can be given to the person who delivered the cash. The copy of the receipt should remain in the receipt book.

Fundraising and Other Cash Collections/Donations Any event where the organisers have indicated that they wish to take a collection of funds (through whatever means), will normally contact the Trustees to notify them of this. Where events are planned and organised in co-operation with staff and volunteers of West Yorkshire Hardship Project, Trustees should seek to ensure that the organisers are aware of the need for procedures as though the event was under our direction and control. Staff present at any fundraising event on behalf of The Swanage School, must ensure (as far as possible within their control) that the following procedure is carried out:

- Where possible the person collecting on behalf of West Yorkshire Hardship Project should be given a letter of authorisation.
- When possible, cash collected will be placed in sealed envelopes, bags or buckets and signed over the seal by 2 responsible individuals. For safety, cash must not be counted on site.

A signed, duplicate, pre-numbered receipt/acknowledgement will be made and one copy given to the event organiser, indicating that the cash collected has been taken away and that a thank you letter detailing the amount raised will be sent shortly. The copy of the receipt will remain in the receipt book.

- The member of staff/volunteer will ensure that the cash collected is banked as soon as possible, usually the next day. If it cannot be taken to or bank, the Business Manager must be notified of its whereabouts and delivery arrangements made. Cash of more than £500 kept overnight by individuals will not be covered by insurance.
- At the earliest opportunity a Cash/Cheque Donation Sheet should be completed and kept with the cash collected, which will be held a secure location, until it is counted and checked.
- For evening events the safe at the venue should be used, if possible, to avoid staff/volunteers carrying cash home. The event organiser needs to establish whether the cash held in the venue safe is covered by the venue's insurance and to what level and to take steps not to exceed this or obtain additional insurance from the insurance brokers of West Yorkshire Hardship Project.

- Under no circumstances should significant quantities of cash be carried on public transport. Advance arrangements should be made to ensure that a taxi is available for the journey if this is necessary.
- All donated cash should be sorted and counted at a designated place agreed by the Trustees.
- Cash must be counted by two people, one of whom must be a staff member, and the count details checked and approved by a member of the Trustees.
- Counted cash is then recorded on a donation form, and recorded on the finance system prior to banking. Ticketed Events For ticketed events the following controls should be in place:
  - Records are maintained for each fundraising event, in sufficient detail to identify gross receipts and costs incurred.
  - Tickets are pre-numbered;
  - A record is kept of all persons who have been issued with tickets to sell, and the ticket numbers that have been allocated to each person;
  - A record is kept of which tickets have been sold;
  - All money from tickets and any unsold tickets are collected; and
  - A reconciliation is made of receipts against tickets sold. Box and Bucket Collections • Boxes/buckets need to be recorded and numbered when they are first ordered and delivered to Trustees. This number stays with the box/bucket until it is destroyed.
  - All movements of boxes/buckets must be recorded on the Box/Bucket Record Sheet.
  - On allocation to a collector the stopper on each box must be locked and sealed with a sticker before leaving the designated Trustee premises. This sticker should be checked when the box is returned to ensure that it has not been tampered with and this should be recorded on the Cash/Cheque Donation Sheet.
  - When the boxes are allocated to outlets a signature must be obtained from the recipient on the Daily Servicing Sheet as proof of delivery.
  - Boxes need to be supplied with chains to reassure the recipient of the box that Batley Homeless Project is doing everything in its power to ensure that the box is not stolen.
  - The deliverer of the box should, where possible, ensure that the box is secured in a safe place (e.g. attached to the lead of a cash till) rather than leaving it to the recipient of the box to secure it correctly.
  - Boxes should be serviced every 3-6 months with all boxes being replaced and the used boxes being returned unopened to The Swanage School for processing
  - A Daily Servicing Sheet, detailing the boxes to be serviced on each collection day and their location, will be prepared by the Fundraising Trustee.
  - The collector will record the boxes collected on the Daily Servicing Sheet. The number of the replacement boxes must also be entered on this sheet. The recipient must sign the Daily Servicing Sheet as a record of the service.

- The collector will issue a signed, duplicate, pre-numbered receipt/acknowledgement to the recipient of the box to confirm that the box has been collected and that a replacement box has been issued. Box numbers must be quoted on the receipts. The copy of the receipt should remain in the receipt book.
- Details from the Daily Servicing Sheets should be used by the Fundraising Department to update the Box/Bucket Record Sheet. They should then be filed in date order for audit purposes.
- On allocation to a collector the lid on each bucket must be sealed with a tags before leaving The Swanage School. These tags should be checked when the bucket is returned to ensure a designated Trustee agreed point to check that it has not been tampered with and this should be recorded on the Cash/Cheque Donation Sheet.
- When a box/bucket is collected a signed, duplicate, pre-numbered receipt/ acknowledgement should be issued to prove that it has been received. This should be followed up in the normal way with a 'Thank you' letter when the donation form is issued detailing the amount raised. The copy of the receipt should remain in the receipt book.
- Boxes/buckets must be returned unopened and all cash sorted and counted by two people.
- Boxes/buckets must be opened by two people and the cash must be counted by two people, normally with a member of staff present (e.g. in reception area). The count details checked and approved by a member of the Business Manager.
- The amount raised should be recorded with the box/bucket number on the Cash/Cheque Donation Sheet to enable the Box/Bucket Record Sheet to be updated with this information.
- The box number along with the collector's name and address should be recorded on the donation form for future audit purposes.
- No cash should be removed from the amount in the box/bucket. If out of pocket expenses need to be paid these should be reclaimed using an Expenses Claim Form with supporting documentation. Banking Cheques/cash should be paid into the bank as soon as reasonably practicable. If any member of staff becomes aware that activities are being planned where it is likely that more than £1,000 in cash is likely to be brought onto the premises they must inform the Trustees to enable interim insurance cover to be put in place. The Bank should be reconciled regularly, identifying any standing orders, direct debits, credit/debit card receipts and CAF credits. Donation forms are completed, and information recorded in the finance system. Daily cash recorded at post opening and from cash collections should be readily identifiable and traceable to paying in slips. Duties for the recording, reconciliation and banking of cash should be monitored monthly and checked to ensure that all cash received has been paid into the bank, and there is an audit trail for all cash receipts. Safety of Staff When banking or collecting cash the safety of staff is paramount. Staff and volunteers should on no account put themselves into situations of danger, and should give up/not seek to recover cash or valuables if in physical danger. Staff should follow the guidelines below to determine how many people are required to take money to the bank: £Nil £2,500 1 person £2,501 £5,000 2 people £5,001 £7,500 3 people £7,501 £10,000 4 people £10,000+ Refer to insurer The above policy should be viewed as especially relating to cash rather than cheques made out to Batley Homeless Project. Important Final Points Under no circumstances should: – Cheques/cash be put on desks – Cheques/cash be left on/in workstations – Cheques/cash be left unattended – Out of pocket expenses be removed from donations. An Expense Claim Form together with supporting documentation should be submitted to the Chairman. In all circumstances ensure that a signed,

duplicate, pre-numbered receipt is issued and that the donation amount and the name and address of the donor is recorded and attached to the donation. Communication & Training All staff and volunteers will be informed of the above guidance, and new staff will become aware of the Cash Handling Policy at the time of their induction to West Yorkshire Hardship Project. Audit & Review This policy will be audited against on an annual basis and reviewed in 3 years time or sooner should legislation or audit dictate such a review.