

Cash Handling & Financial Accountability

This document is to be used as a tool for reference when building a board of directors. This document is a free reference guide created by Crystal Clear Bookkeeping Notary Live Scan, LLC. At no point should this document be construed or used misappropriately

Proposed policy to strengthen the internal controls of the organization to safeguard our 501 (c) (3) non profit status to uphold our safe practice of clear concise & accurate record keeping that is necessary and our obligation under penalty of perjury to our stakeholders donors & contributing members. Propositions listed in RED

Here is a generalized list of ways to keep compliance & safeguard an organization

- a. Who are the bank signers & documentation to prove that – **Provide requested documents to Executive Board**
- b. Who are the checks signers and how are they picked: Documentation to prove there are 2 signers signing every check. – **Review of actual checks to ensure two signer spaces are provided & documentation from bank to prove signers on the account**
- c. Purchases & transactions:
 - a. Who votes and approves on vendors expenses and purchases?- **Review proposed process for Executive Board Approval.**
 - b. Who is granted a bank debit card and why?- **Provide requested documents to Executive Board**
- d. Who are the bonded individuals for the organization?
 - a. Names documentation & how are they elected?- **Provide documents to Executive Board of how they were elected and appointed**
- e. Receipt books:
 - a. How many “receipt or order books” does the organization have? **Provide proof of ALL current league books & receipts for review.**
 - b. Who distributes them & who is keeping track of book numbers?- **Provide documentation of the system**
 - c. What makes these books unique or differentiates them from being duplicated by the staff or public? **-Create carbon copy pads unique to our organization utilizing one book**
 - d. Who manages them and how?- **decide on who is responsible for holding on to the receipt books/ order books for each event.**
 - e. Are they locked in a safe & secure place? If so, who has access?- **Where are they to be kept and list names of person in charge.**
- f. Cash Handling Documentation:
 - a. What is the procedure for accountability & financial oversight?- **Create a procedure for accountability.**
 - b. What happens to funds at the end of an event/ day?- **Two UNRELATED individuals should count several times throughout the day. Which includes**

dates signatures event name event location denomination and attached records. No one person should ever be the only one handling funds.

- g. Deposit Handling:
 - a. What is the time frame funds need to be turned in to a bank signer or designated person? Who is that person? - A bank signer. Immediately at the end of the event.
 - b. What is the time frame funds need to be deposited into our banking institution? - Deposits should be made same day if not the following business day.
 - c. Are deposit receipts and counter sheets together & do they match? - when turned in to the Treasurer verification needed.
 - d. What happens when discrepancies arise? Who is contacted? - Entire Executive Board & Bank signers
 - e. Is the same person that is counting monies the same person making cash & check deposits? - No. This is not an acceptable form of safeguarding our funds. (see section g sub section b & section h)
- h. Expense Reports:
 - a. Are receipts for expense transactions & reports thoroughly audited & reviewed internally by the Executive Board? If so, how often? - Not evident. Needs to be done once a month with Treasurer & at least one other non related Executive or General Board member. Signed off for accuracy & completeness. Should not be the same two people in a row.
 - b. Do bank statements match deposit receipts for expenses? - Review during internal audit.
- i. Invoices:
 - a. Are invoices paid in a timely manner? - Review of logged date time & payment invoices every month to the Executive Board
 - b. What is the process when invoices occur? - Executive Board reviews for accuracy and payment approval should budget permit
 - c. Where are bills & invoices delivered to? - PO Box (at least two unrelated people need access) Define who has a key and or access. Provide documentation to Executive Board of who is authorized.
 - d. Who has access to invoices bills and account numbers? - At least two UNRELATED people serving on the Executive Board
- j. Purchases & orders:
 - a. Who handles purchases and orders? - Create a process for purchase order request and review cost and rates prior to purchasing.
 - b. What is the budget for orders fundraising expenses special days etc? - Create a policy for fundraising expenses and budget

- c. When does the Executive Board vote on expenses and how often?- **No one person should be in charge of making expenses and purchases without Executive Board Approval.**
- k. League Budget:
 - a. What are the details of profit for fundraising (where are the funds going towards)- **Provide a policy for fundraising profit funds and direct benefit.**
 - b. How are fundraising funds distributed Where is the policy and breakdown?-**Policy if fundraising events are for sole purpose of events where is the documentation to follow**
 - c. What is the yearly proposed budget to run the organization every year for?- **Implement financial forecasting at one month 6 months and one year at least.**
 - d. How are fundraising funds determined?-**Create a plan of action for funds rather than just sitting in the bank. Put a name to every dollar.**
 - e. How are sponsorships determined? How are they elected? What qualifications are in place for someone to be sponsored if any? Who makes those elections?-**Create a sponsor form for Executive Board determination of qualifications for sponsors and or qualified sponsorships**
 - f. Does the organization offer volunteer incentive such as a discount in lieu of their time?- **Recommended as incentive to keep and recruit staff and boost volunteers moral**

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