

Cash & Non Cash Handling

1. Handling Cash Donations

The key principles governing cash handling by charities are:

- all cash (including cheques, postal orders, drafts, credit card and gift card donations) is recorded at point of entry and should be capable of being traced through to the charities bank account
- all cash is banked and acknowledged at the earliest possible opportunity
- cash is at all times to be counted by two staff members or two authorised representatives of the charity.

Cash handling procedures are important to protect the organisation from fraud, theft or embezzlement, to protect staff or volunteers from accusations of dishonesty and to assure donors that their donations and gifts are used for the purpose for which they were given.

These notes should be used as a guide from which organisations can produce their own procedures and requirements.

1.1 General

- Cash received is to be collected, counted and recorded by two individuals.
- Cash is counted in a secure environment and held in a secure place until it is possible to bank it.
- Income summaries ought to be made at the point of counting for reconciliation with banking details at a later stage.
- Deductions must not be made from cash received. Expenses must be met (where previously agreed) by the charity after receipt of the cash.
- A receipt is given to the donor recording the amount of the donation, the donors details, the source of the donation and the purpose for which the donation is being made (if relevant). If the total amount is not known at the point of handover, this should be recorded on the receipt as an estimate or noted as 'not yet counted'.
- Acknowledgements are issued, where requested and where practical, to third party donors e.g. a coffee morning participant, fundraising event sponsor etc. This serves to ensure that the donor receives official confirmation that their donation arrived and will be used for the purpose the donor intended.
- Records are made of all donations including taking note of those made for specific purposes to ensure donors' wishes are met.

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- Where an organisation is unable to apply the donation for the specific purpose nominated by the donor the organisation should have a procedure in place to immediately communicate with the donor and to deal with that donation in a manner satisfactory to the donor which may include returning the gift.
- In principle it is best practice to acknowledge all donations however it may not be either practical or cost effective. A decision can be made as to the level of donations above which an acknowledgement to the donor is practical.
- All cash handlers have suitable banking bags for counting and bagging up the money.

1.2 Banking

- Wherever possible, cash is banked immediately. Night safe facilities should be considered for large amounts banked outside working hours. Counterfoils are retained for the charity and the individual responsible for banking.
- Cash not banked immediately is placed in a sealed container in a secure place. If cash cannot be banked immediately, handling procedures should be agreed in advance. Cash is never left unattended or in an unattended environment. Consideration should be given to organising temporary insurance cover in these circumstances. Money is banked the following day. For security two people should bank the cash, where practical.

1.3 Reconciliation

- At the earliest possible date reconciliation is made between cash banked and income summaries. Where practical, this is undertaken by a person other than those involved in the counting and cashing up of the money.

1.4 Petty Cash Floats

- Where a petty cash float is to be used on an ongoing basis, it is advisable to operate an 'imprest' system (see below). Where possible, draw the float cash on the day it is required and ensure it can be reconciled to the total drawn from the bank.
- Issue sensible levels of floats that are signed for by a nominated individual. Where petty cash expenditure is paid from the float, this is recorded separately and receipts kept.
- Floats and any sale monies received are kept separate from the cash handler's personal money.
- No float is left unattended or in view at any time.

1.5 Petty Cash Imprest System

This system requires that any petty cash spent is documented with petty cash dockets written for each amount issued. When all of these dockets are totalled at the end of the period and deducted from the opening petty cash float, the calculated value must agree with what is left in the petty cash float.

Under this system, only that which is recorded as spent is replenished. For example, if there is €40 in the float and €30 of that cash is spent, an amount of €30 will be then placed in the float to bring the balance back to €40.

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1.6 Cash Handling and Events

Planning

- Endeavour to sell any tickets prior to an event to reduce the need for cash collection on the day of an event.
- Make pricing of tickets or goods for sale sensible (for example, 50 cent, €1, €10, €100 etc) in order to minimise cash handling. All tickets for sale are pre-numbered and sales and takings reconciled.
- Nominate one individual with overall responsibility for overseeing cash handling.
- Consider ways in which cash can be held securely, for example, through the use of money belts.

At the Event

- Issue round quantities of tickets or programmes with sellers signing for the quantity received.
- Unsold tickets or programmes are returned and reconciled with the record of cash received from each seller.
- Discrepancies should be investigated without delay.
- To avoid sellers accumulating significant amounts of cash, pre-designated collectors should collect cash. Alternatively, secure cash-receiving locations should be available to sellers.
- Collections are recorded on a summary with a signature from the sellers signifying the amount of cash collected. In certain circumstances it may not be practical for cash to be counted at interim stages during the course of an event, however, a record that a collection has been made should be evidenced by signatures from both collectors and sellers.
- All final amounts including floats are collected and recorded from all locations at the end of an event.

1.7 Relations with Stakeholders

Relations with Donors

- Donors are encouraged to make donations by cheque made payable to the charity or by credit card where practical rather than cash.
- Donors are encouraged never to make a cheque payable to a named individual.
- Donors should be discouraged from sending cash donations through the post.
- Ensure that it is clear that donations should be sent to the charity's offices rather than to the fundraiser's home.

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Fundraising on behalf of charities

- Anyone considering fundraising on behalf of a charity should let the charity know in advance as the charity will be able to provide support and assistance.
- It is the responsibility of the event organiser to ensure that they have the appropriate insurance cover for their event.
- Where a donor has conducted a fundraising event without prior notification to the charity, they should be informed of the value of informing the charity in advance for any future activities.

Relations with Volunteers

- Volunteer cash handlers are given clear instructions from which to work.
- All volunteer cash handlers have appropriate documentation from the charity authorising them to handle cash (such as an ID card, letter of authorisation).
- Volunteer cash handlers should be supervised by a charity staff member where possible.
- Try to verify the competence and integrity of volunteer cash handlers in advance; where possible take up references.
- Where children are collecting money (for example, sponsored swims, bag-packing etc.) they are accompanied at all times by an adult, and the relevant documentation (sponsorship cards) in regard to pledged monies should be available for inspection by the sponsors.
- It is illegal for children under 14 years to take part in cash collections (Street and House to House Collections Act 1962 as amended).
- Ensure that adequate insurance cover is in place and that cash handlers understand and follow the conditions of that cover.

2.0 Handling Non Cash Donations

2.1 Promises of Money

Where non cash collections comprise the collection of 'promises of money', such as Standing Order or Direct Debit mandates this is known as 'Direct Recruitment' fundraising. This form of fundraising is supported by a Code of Practice devised by the Irish Forum for Direct Recruitment (IFFDR), a charity-led initiative established by participating charities in 2003. Under the Charities Act 2009 this form of fundraising will require a Garda permit in the future.

The key points of the IFFDR Code are set out below. See www.iffdr.org for a full copy of the Code of Practice.

Responsibilities of the Charitable Organisation when engaging in Direct Recruitment Fundraising

The organisation carrying out the fundraising activity (either on its own behalf or via a third party) must be responsible for all aspects of the fundraising activity as it is implemented. The organisation must:

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- i. Ensure that all fundraisers wear identification badges at all times so that any potential donor can verify who they are, who they are working for and on whose behalf they are fundraising.
- ii. Ensure donor information and charity-branded material are kept secure at all times.
- iii. Ensure that all fundraisers have agreed and appropriate support materials at all times.
- iv. Provide a clear point of contact for supporters and the general public, including an initial point of contact with regard to any complaints or queries in line with IFFDR complaint procedures.
- v. Deal sympathetically, courteously and promptly with any questions or complaints in line with IFFDR Complaint Procedures.
- vi. Manage the fundraising activity to ensure that approaches are undertaken in an appropriate manner. It is recommended that, where paid, fundraisers should be remunerated on such a scale that will avoid the incidence of pressure on the potential donor to donate. Charities must make themselves aware of how fundraisers are paid (this applies where a charity engages a third party organisation to fundraise on its behalf).
- vii. Be responsible for ensuring that compliance, in full, with the minimum standards of this Code of Practice, is maintained by the charity and/or its fundraising agents as applicable.
- viii. Encourage continuous monitoring of compliance with this Code of Practice through anonymous participation (sometimes called “mystery shopping”), and by quality control calls, conducted by the charity and the organiser. In relation to door to door activity, monitoring can also be conducted by the use of comment cards bearing the contact numbers of at least two of the following: the organiser, the charity and the IFFDR.
- ix. Be responsible for the recruitment, training and adequate supervision of all fundraisers.
- x. Ensure training is provided in person by an authorised and suitably qualified appointee of the organiser of the fundraising activity.

2.2 Non Cash Collectors – Promises of Money

Training for non cash collectors must include measures to ensure that all Direct Recruitment fundraisers orally disclose to each donor who they are employed by, who they represent and that they are paid. This must be done by the fundraiser before the donor fills out the form and during the conversation (unless the conversation is terminated by the member of the public). Best practice is to include this information on the printed form given to the donor.

2.3 Other Non Cash Donations

Non cash collections may also comprise cheques, postal orders, credit card details, gift cards or other means. They may be handed over in person at events or received through the post (see Handling Postal Donations below).

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3.0 Handling Postal Donations

- All post is opened in the presence of two staff members who are independent of the staff responsible for banking the cash.
- All post is recorded at point of entry with any cash evidenced by two signatures (cash includes cash, cheques, drafts, postal orders, credit card or gift card donations).
- Any cash donations are removed and held in a secure location until they are banked.
- All donations are acknowledged within an agreed timeframe, for example within 48 hours (with an exception during particularly busy periods).

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