



Financial Controls for Charities: Cash Handling

CASH INCOME

Charities that receive cash from the public and run fundraising events should put into place controls to ensure cash income is kept secure, is accurately recorded in the accounting records and is banked as quickly as possible.

The following controls are recommended for cash receipts:

- at least two people should be involved in handling and recording the money received
- cash receipts should be promptly recorded in the accounting records and banked as soon as possible
- cash not banked on the day of receipt should be placed in a safe or locked cash box
- funds should normally be banked gross without deduction of any expenses or expenditure
- If amounts are substantial insurance cover should be considered
- For public collections:
 - i. collection boxes should be individually numbered and their issue and return recorded
 - ii. all collecting boxes should be sealed before use so that it is apparent if they have been opened before they are returned
 - iii. collection boxes should be counted by a nominated person and in the presence of the collector, who both should sign a receipt for the income

- Records should be maintained for each fundraising event, in sufficient detail to identify gross receipts (takings) and costs incurred.
- For income from ticket sales:
 - i. tickets should be pre-numbered
 - ii. records should be kept of ticket numbers allocated to each person
 - iii. records should be kept of all tickets sold
 - iv. cash and unsold tickets should be collected and a reconciliation carried out of receipts against tickets sold

CASH EXPENDITURE

Payments in cash should be kept to a minimum due to the greater risk that handling cash presents and difficulties that can arise in establishing clarity and control over cash transactions.

- cash payments should be for small amounts only
- cash should be paid out of a petty cash float specifically kept for such payments, and not from incoming cash
- details of payments should be entered in a petty cash book/record
- supporting documentation for the cash payment should be authorised by someone other than the person who maintains the petty cash or the person making the payment
- the balance of petty cash in hand, and the records, should be kept securely
- regular spot checks of the petty cash float should be made by an authorised person independent of the person who maintains the petty cash.

For further information/ individual support & advice, please contact:

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