

## CASH HANDLING POLICY & PROCEDURES

### PURPOSE:

To ensure that all offering contributions and other collections related to church events, activities or product sales are handled with financial integrity. Procedures are put in place to protect the church, its staff and its volunteers.

### POLICY:

1. When money is received for any reason, offerings, functions or events, sales of product, etc., it should be placed in the church's depository safe as soon as possible.
2. At least two people should be present when any funds are received, sorted, counted, placed in or taken out of the safe, or otherwise handled. The Weekly Income Record Form (sample attached) is to be used to specifically identify and record all income received by the Church.
3. Responsibilities for recording and reconciling cash will be segregated.
4. It is the responsibility of the \_\_\_\_\_ to inform and train volunteers about our cash handling procedures and to ensure that these procedures are followed when funds are collected for their ministry area. The Staff member is ultimately responsible for all funds received.

### PROCEDURE:

#### 1. OFFERINGS – General Procedures

Step 1: Pre-selected and trained ushers or servers gather in the back of the sanctuary to prepare for the collection of tithes and offerings. The head usher counts the number of baskets before collection begins. [security person] will observe the collection from a vantage point in the back of the auditorium as the baskets travel down each row. Once the baskets have been collected, the head usher and a second selected usher immediately carry the baskets into the secured collection room. The number of baskets received is counted and confirmed against the original count. A [security person] remains by the door to observe and protect the process. If there are cards or other non-monetary items in the baskets, they may be carefully removed at this time. Two ushers and a [security person] will remain in the room until the entire offering has been placed in a locked bank bag. Each service should have a bag that is labeled with location and service time. The locked bank bags are immediately placed in the depository safe located in the \_\_\_\_\_ church building by the head usher.

Step 2: All offerings will remain in locked bank bags in the locked safe until both the accounting staff and volunteer counters arrive on Monday morning (or Tuesday, after a Monday holiday). Two people assigned by the Controller will remove the locked bank bags and any other deposits from the safe. The money will not be removed from the safe until at least two people are present. The two individuals will carry all items to the office where the offering will be counted by a group of trained and finger printed volunteers selected by the \_\_\_\_\_ or the Controller. The individuals with access to the safe will not have access to the keys for the locked bank bags. The [approved position] and (one other non-accounting staff member) will each keep keys for the bank bags locked in a file cabinet in their office.

Step 3: The volunteers will sort and count the offering, and prepare and sign bank deposit slips in duplicate, based on the established counting procedures. When the locked bags are brought into the counting room, the security camera will record the entire process. Those individuals in the Accounting department who are responsible for recording contributions or reconciling accounts will not be involved in the counting process. All counting will be completed and recorded before Accounting inputs, scans or processes any of the contributions into the system. At least two people will remain with the offering at all times until it is counted, verified, recorded, deposit slips are completed and the offering is placed into a locked bank bag. When the process is complete, one copy of the deposit slip is given to the [approved position] and the original is placed in the locked bank bag with the deposit. The deposit will be placed in the safe until it is taken to the bank for deposit.

Step 4: Two rotating individuals assigned by the Controller will take the offering in a locked bank bag to the bank for deposit.

## 2. OFFERINGS – By Mail

Step 1: Tithes, offerings, and gifts may be received via the U. S. mail. All mail is to be removed from the mailbox by the receptionist and any monies given is to be date stamped and sorted.

Step 2: All mail containing gifts and offering will be reviewed by the [approved position] and CFO and checks will be placed in the depository safe after review.

## 3. OFFERINGS – Youth, Children and Early Childhood

Step 1: When offering is received, two adult leaders will take it immediately into the secured collection room. (In the Early Childhood area, children often give their offerings at the door of their class. In this case, two adults, assigned by the

Ministry Leader, should collect from the various receptacles at the end of the day and then take it to the secured collection room.) The adult leaders will place the money in a locked bank bag that is clearly designated on the outside of the bag for the specific Youth, Children's or Early Childhood ministry. The locked bank bag is placed in the depository safe.

Step 2: The money will be removed from the safe along with the regular weekly offering each Monday morning, and will be counted and deposited as noted under "Offerings – General".

Step 3: When funds are collected for outside ministries supported by the Youth, Children or Early Childhood Departments (such as Compassion International), the funds should be counted and placed in an envelope with the amount, date, accounting number and ministry clearly marked on the outside of the envelope. The envelope should be sealed and placed in the locked bank bag along with the regular offerings and then deposited in the depository safe. The funds will be removed on Monday along with regular offerings.

#### 4. INVOLVEMENT CENTER

Step 1: When a ministry plans to receive money at the Involvement Center, they should inform the Accounting Department in advance and obtain a cash box, if needed. (If cash for making change is needed, a check request will be filled out for the amount needed and a check will be issued.)

Step 2: Two people should staff the ministry station in the Involvement Center whenever funds will be received. If these people are volunteers, the Ministry Staff member overseeing the event is responsible for training the volunteers on all financial procedures. The Staff member is ultimately responsible for all money collected

Step 3: At the end of the service or event, all funds received will be placed in an envelope with the date, amount of money, accounting number, ministry, and event clearly marked. The envelope will then be deposited in the depository safe. Two people will remain with the money at all times. (The cash box and/or change amount may be kept until all collections for the event are completed. When the event is over, the cash box should be returned to accounting. The money that was used as change will be placed in an envelope and labeled with the date, amount of money, accounting number, ministry, and the event. The sealed envelope will be deposited into the depository safe.)

Step 4: The money will be removed from the safe along with the regular weekly offering each Monday morning, and will be counted, recorded to the appropriate account and deposited as noted under "Offerings – General".

## 5. OFFICE

- Step 1: Accounting will issue a lockable cash box to any Ministry that receives funds during the week. Depending upon the need, the cash box may be issued for a week, for the duration of an event, or on an ongoing basis. (If cash for making change is needed, a check request will be filled out for the amount needed and a check will be issued.)
- Step 2: Throughout the day, the cash box will be kept locked when it is not in use. Each night, the cash box will be locked and placed in locked file cabinet inside of a locked office.
- Step 3: If a cash box has been issued on an ongoing basis, the cash will be deposited in the depository safe no later than the end of each month. A minimal amount of cash should be kept in the lockbox, so it may be necessary to deposit funds into the depository safe more frequently than monthly. When ready to make a deposit, the funds should be counted and placed in an envelope labeled with the date, amount of money, accounting number, ministry and source of funds. The sealed envelope should then be deposited in the depository safe.
- Step 4: Cash boxes that are issued for limited periods of time may be kept until the end of the issued time period or until all collections for the event are completed, whichever comes first. When ready to make a deposit, the funds should be counted and placed in an envelope labeled with the date, amount of money, accounting number, ministry and source of funds. The envelope should then be deposited in the depository safe.
- Step 5: When money is turned in, it will be counted, recorded to the appropriate account and deposited as noted above under "Offerings – General".

## 6. ACTIVITIES

- Step 1: Whenever funds are to be collected for an activity, the Ministry Leader in charge will assign two individuals to collect the money. The Ministry Leader is responsible for training the individuals about all financial procedures.
- Step 2: Funds that are collected should never be paid directly to a vendor. All funds must be deposited according to the policy and all expenses paid for separately.
- Step 3: If funds are being collected to reimburse the Church for expenses already paid, they will be counted by the money collectors and sealed in an envelope. The date, amount collected, accounting number, ministry, and event will be clearly marked on the envelope. The money will be deposited in the depository safe. Maintaining

the list of names of individuals who have made payments will be the responsibility of the department.

If the event is being held on site, the two money collectors will immediately deposit the sealed envelope in the depository safe. If the event is being held off site, the two money collectors will deposit the funds in the depository safe immediately upon their return to the Church.

Step 4: The money will be removed from the safe along with the regular weekly offering each Monday morning, and will be counted, recorded to the appropriate account and deposited as noted above under "Offerings – General".

*These samples are provided as input to assist you in developing procedures, but are not a substitute for considering the risks at your church and establishing your own policies and procedures to reduce those risks to acceptable levels. Transformation Ministries provides these as a convenience for its churches but directly states to you, the user that Transformation Ministries is not providing these to you as legal advice or even a substitute for legal advice. Use of these samples is at your own risk. Laws change and best practices change, sometimes rapidly. It is your church's responsibility to stay abreast of changes in laws and best practices. It is recommended you always consult with your attorney and/or CPA as part of the process of developing your policies and procedures.*