

# Newcastle West End Foodbank

## Cash and Donations Policy

Version No.: 1.0  
Effective From: 18 November 2019  
Review Date: 17 November 2022

| Signature:  | Signed by: | Position: | Date:            |
|---|------------|-----------|------------------|
|  | Rev D Coad | Chairman  | 17 November 2020 |

### 1 Aims

Newcastle West End Foodbank (WEFB) expects the highest ethical standards from employees, volunteers and other personnel, involved in carrying out its business, and much of that business relies on the receipt of cash and other monetary donations.

This policy describes the practices that must be followed in WEFB to ensure that:

- the organisation is protected from fraud, theft or embezzlement;
- staff and volunteers are protected from accusations of dishonesty or the temptation to commit fraud;
- donors are assured that their donations and gifts are used for the purpose for which they were given.

### 2 Scope

This policy applies to all employees, volunteers and anyone associated with WEFB involved in the collection, storage and banking of cash and other monetary donations.

Failure to comply with this procedure may result in disciplinary action which could include dismissal of staff members, or declining the assistance of volunteers and/or fundraisers.

### 3 Responsibility

The Board of Trustees have a legal duty to look after the charity's money and other assets.

The Chief Executive is responsible for the day to day management of resources and procedures to ensure that all cash and other monetary donations received by WEFB are accounted for accurately and securely.

The CEO is responsible for designating which other individuals are allowed to be involved in the collection, storage and banking of cash and other monetary donations. Such individuals will only be authorised by the CEO following training in the principles and practices outlined in this policy.

A record will be maintained of all individuals who have access to cash, noting each person's cash-handling responsibilities.

When only one or two people have the responsibility to handle cash, there is a greater risk of fraud. By separating cash handling duties, a single person cannot have control over the cash handling process. Therefore, where practical, different individuals should be given responsibility to record cash payments to bookkeeping records, receive money, deposit funds and reconcile cash payments in bookkeeping records.

#### **4 Handling Cash Donations**

The key principles governing cash handling by WEFB are: -

- all cash donations - which includes other monetary donations (e.g. cheques, postal orders, credit card and gift card donations) - are recorded at point of entry and should be capable of being traced through to WEFB's bank account;
- all cash is banked within five working days and acknowledged at the earliest possible opportunity;
- cash is at all times to be counted by a minimum of two staff members or two authorised representatives of the charity.

The following list outlines the practices to be followed when handling cash: -

- Cash received is to be collected, counted and recorded by at least two individuals present throughout the process.
- Cash is counted in a secure environment and held in a secure place until it is possible to bank it.
- Income summaries must 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 WEFB at a later time, after receipt of the cash.
- A receipt must be given to a named donor recording the amount of the donation, the donor's 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 should be issued, where requested and where practical, to third party donors, e.g. a coffee morning participant, fundraising event sponsor, etc., to ensure that the donor receives official confirmation that their donation arrived and will be used for the purpose the donor intended.
- Records should be made of all donations including taking note of those made for specific purposes to ensure donors' wishes are met.
- Where WEFB is unable to apply the donation for the specific purpose nominated by the donor WEFB should communicate this to 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 by the CEO as to the level of donations above which an acknowledgement to the donor is practical.

- All cash handlers should have suitable banking bags for counting and bagging up the money.
- When considerable cash is collected, cash handlers should have suitable secure bags/boxes for transporting the cash, wheeled if necessary, to enable ease of manoeuvring heavy loads.
- Whenever possible when taking cash from one place to another, two or more individuals should transport the cash in a “buddy” system.

## **5 Handling Postal Donations**

All post should be opened in the presence of two staff members or volunteers, ideally two people who are independent of the people responsible for banking the cash.

All post must be recorded at point of entry with any cash evidenced by two signatures (cash includes cash, cheques, postal orders, credit card or gift card donations).

Any cash donations must be held in a secure location until they are banked.

All donations must be acknowledged within a reasonable timeframe.

## **6 Banking**

Counterfoils/paying-in receipts must be retained for WEFB by the individual banking the cash. Cash not banked immediately must be placed in a sealed container in a secure place. Cash must never be left unattended or in an insecure environment. For security, whenever practical, two people should bank the cash. In addition, it is advisable not to establish a regular pattern of banking cash at the same time and at the same place, so that the transportation of large cash sums cannot be easily anticipated by others.

## **7 Reconciliation**

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

Bank statements must be checked against cash receipts and deposits on a monthly basis.

## **8 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, the float cash should be drawn on the day it is required and ensure it can be reconciled to the total drawn from the bank.

Sensible levels of floats should be issued that are signed for by a nominated individual. Where petty cash expenditure is paid from the float, this should be recorded separately and receipts kept.

Floats and any sale monies received are to be kept separate from the cash handler's personal money.

No float is to be left unattended or in view at any time.

### **8.1 Petty Cash Imprest System**

This system requires that any petty cash spent is documented with petty cash docketts written for each amount issued. When all of these docketts 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.

## **9 Cash Handling and Events Planning**

### **9.1 Prior to the Event**

Whenever organizing a fund-raising event WEFB will endeavour to sell any tickets prior to the event to reduce the need for cash collection on the day of the event. Tickets or goods for sale should be priced in such a way as to minimize the need to cash handling, for example, 50p, £1, £10, etc. All tickets for sale should be pre-numbered and sales and takings reconciled.

One individual should be nominated with overall responsibility for overseeing cash handling for the event.

Resources should be made available to ensure that cash can be held securely, for example, through the use of money belts, cash boxes, etc.

Any licences or permits required for collections in public places must be obtained from the appropriate authorities prior to the event.

### **9.2 At the Event**

It is good practice to issue round quantities of tickets or programmes to sellers, who should sign for the quantity received.

Unsold tickets or programmes must be 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 should be 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 should be collected and recorded from all locations at the end of the event.

## **10 Relations with Donors**

Donors should be encouraged to make donations by cheque made payable to WEFB, by credit card or on-line, rather than in cash.

Donors should be encouraged never to make a cheque payable to a named individual.

Donors should be discouraged from sending cash donations through the post.

It must be made clear that donations should be sent to WEFB's office rather than to a fundraiser's home.

### **10.1 Fundraising on behalf of WEFB**

Anyone considering fundraising on behalf of WEFB should let the charity know in advance as WEFB will then 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 WEFB, they should be informed of the value of informing WEFB in advance for any future activities.

## **11 Relations with Volunteers**

Volunteer cash handlers must be given clear instructions from which to work.

All volunteer cash handlers and cash collectors must have appropriate documentation from WEFB authorising them to collect/handle cash (such as an ID card, letter of authorisation).

Volunteer cash handlers should be supervised by a staff member where possible.

It is good practice 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 must be 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. Children under 16 must not be left with any responsibility for handling money and/or responsibility for counting collected money.

## 12 Equality and Diversity

WEFB is committed to ensuring that it treats its employees and volunteers fairly equitably and reasonably and that it does not discriminate against individuals or groups on the basis of their ethnic origin, physical or mental abilities, gender, age, religious beliefs or sexual orientation. This policy has been appropriately assessed.

## 13 Monitoring and Compliance

WEFB will maintain effective monitoring systems to ensure implementation of this policy, including the following:

| Standard/<br>process / issue  | Monitoring and audit                                     |  |               |   |
|-------------------------------|--|--|---------------|---|
|                               | Method:  | By:  | Reporting to: | Frequency:                                |
| Responsibilities acknowledged | Signed agreement to conform to principles of this policy | Staff/Volunteers with cash handling responsibilities | CEO           | As and when new responsibilities assigned |
| Cash/bank reconciliation      | Bank reconciliation reports                              | Finance administrator                                | CEO           | Monthly                                   |
| Licenses/Permits              | Application Forms  | Fund Raiser  | CEO           | As and When required                      |

## 14 Amendments Table

| Version | Effective From   | Date of Review   | Changes made   |
|---------|------------------|------------------|--|
| 1.0     | 18 November 2019 | 18 November 2020 |  |
| 1.0     | 17 November 2020 | 17 November 2022 | No updates required. Next review date moved on by two years. |