

Havasu Community Health Foundation

Cash Handling Policy

BOARD APPROVED: AUGUST 21, 2014

All funds, whether cash or check, which the Havasu Community Health Foundation receives will be deposited intact into the bank account, with no monies removed to make payments or for other purposes. All cash receipts should be deposited into the bank as soon as possible to protect cash being held in the office from the risk of theft. And to allow for a complete accounting and independent verification of what happens to HCHF funds. Communications from donors that establish a well-defined use of their contributions will be documented and saved. If we believe that a donor has defined the use of funds in a conversation, we will follow up and provide written confirmation of the donor's intent.

PROCEDURES

1. Receipt of Checks in HCHF Office. Staff opens mail addressed to the Foundation. HCHF Staff makes a photocopy of all checks received and keeps with documentation for review. The Business Office Board Representative will verify that all checks received are deposited. HCHF Staff will immediately endorse all checks by an endorsement stamp that provides that the check is "For Deposit Only" and will be paid to the order of the Foundation's bank and lists our name Havasu Community Health Foundation and our account number. This lessens the risk that a check may be stolen and cashed.
2. The HCHF Board of Directors requires separate cash flow accounting functions: Counting cash drawers, preparing deposits, taking them to the bank, and posting cash information into the general ledger shall be performed by different individuals.
3. Receipt of Cash in the Office. Cash is easily stolen and must be handled carefully. If cash comes into the office, the person accepting the cash must provide a written receipt when taking the cash:
 - a. The receipt should state the person's name, the date, the amount of the cash, and the purpose of the payment.
 - b. Use pre-numbered receipts, in duplicate copies with the organization's name printed on them when receiving cash donations.
 - c. No receipt numbers shall be unaccounted for and will be audited annually.
 - d. The person with access to the receipts shall keep them in a locked drawer and shall lock cash in a secured location until HCHF Staff can retrieve it.
 - e. If possible, when the Staff opens the location with the cash, one other person will accompany the Staff so that they can count the cash together.

4. The Staff or the Staff's designee shall train all office volunteers in these procedures. The Business Representative from the Board will compare the receipt sheet and the bank's list of cash deposits when making the Bank Reconciliation described below.
5. Deposit Slips. HCHF Staff will deposit HCHF funds as follows:
 - a. Prepare a deposit slip in duplicate.
 - b. Photocopy the checks and staple the photocopies to the copy of the deposit ticket that we keep.
 - c. If cash will be included in the deposit, Staff will attach a list to the duplicate deposit ticket which includes the sources of the cash and the receipt #s in duplicate for each source of cash.
 - d. File this documentation according to the reconciliation sheet number in a locked cabinet to prevent theft.
 - e. The Business Representative from the Board will consult the deposit ticket and attached documentation when making the Bank Reconciliation.
6. Bank Deposit. If cash is present, a second person (if available) shall verify deposited funds prior to making the deposit in person. The person verifying the cash shall initial the cash on the copy of the deposit slip retained by the organization.
7. Receipt of Checks and Cash outside the Office. If checks and/or cash come in outside the office (such as at a fundraising and program event), we need to take special precautions to protect these receipts from theft and to ensure that no one is falsely accused of stealing funds.
 - a. Two people need to prepare the *Event Reconciliation Form* for the funds.
 - b. Both must count the cash and initial the cash count on the copy of the duplicate deposit slip kept by the health foundation.
 - c. If the individuals accepting the contributions at the event know the names of the individuals making gifts in cash, they will provide a receipt using the pre-numbered receipt. If the funds are received through a "pass the hat" style collection in which it is not possible to know who gave what amount, the individuals accepting the contributions will note that no receipts were provided to donors on the deposit sheet.
 - d. It is not necessary to write out a receipt for contributions made by check unless the donor requests a receipt. However, the individuals accepting the contributions should make a list of all checks received at the event, including the name of the donor and the amount of the contribution. They will compare this list to the deposit to be sure all checks have been included in the deposit.
 - e. If no cash is received at the event, the individuals accepting the contributions by check will give the HCHF Staff the list and the checks within 24 hours of the event or the next business day.
 - f. If there is cash in the deposit, one of the two individuals accepting contributions must deposit the funds with HCHF, directly. If checks will be deposited with cash, the individuals accepting the checks should be sure that the list of checks they prepare includes the donor's name and address.

- g. The duplicate receipt and the list of checks received shall be given to the HCHF Staff or Volunteer who will send acknowledgment letters.
8. PETTY CASH FUND and CHANGE FUND: The Havasu Community Health Foundation Board of Directors requires an audit trail for all petty cash and change funds. Only one person should have access to each of the petty cash/ change funds.

Petty Cash: A supply of cash necessary to make immediate payments for the purchase of authorized items. This fund requires replenishment.

- a. At all times the cash and the receipts signed for withdrawals should equal the total of the fund in the general ledger. The cash should be kept in a locked drawer or filing cabinet.
- b. Every time an individual receives cash from the drawer, a receipt should be signed and placed in the drawer. The expense coding should be noted on the receipt.
- c. Cash shall never be left unsecured or unattended.
- d. No petty cash funds or cash drawer funds are to be established from cash receipts.
- e. When petty cash gets below a pre-determined amount of \$25.00, the total of the receipts should be determined and a check written for that amount.
- f. The check should be made payable to the individual in charge of the petty cash fund.
- g. A summary of the expenses noted on the receipts should be prepared and attached to the check copy. This summary will be the basis for recording the activity in the general ledger.

Change Fund: A specific amount of money placed in the custody of an individual for the purpose of making change while conducting Foundation business.

- a. The cash should be kept in a locked drawer or filing cabinet.
- b. Cash shall never be left unsecured or unattended.
- c. No change funds are to be established from cash receipts.
- d. The cash handler shall not exchange checks for cash.
- e. The integrity of the change fund must be maintained at all times.
- f. The amount on hand should remain the same at all times; therefore these change funds do not require replenishment.
- g. The change fund needs to be reconciled daily.

The Business Representative from the Board will assure the Board Treasurer that all Staff and Volunteers are aware of the Cash Handling Policy set down by the HCHF Board of Directors and shall assure the Board that all Staff and Volunteers have been trained prior to accepting cash on behalf of the Havasu Community Health Foundation.

The Cash Handling function is the ultimate responsibility of the HCHF the Business Representative from the Board. The HCHF Finance Committee and Treasurer will review the Cash Handling Policy annually with the Business Representative from the Board. The Business Representative from the Board will prepare the cash handling procedures and include them in the Employee Procedure Manual.

This Cash Handling Policy has been formalized on August 21, 2014, by the Havasu Community Health Foundation Board of Directors and revised on September 15, 2016.

John Nygren, Chairman of the Board

Date:

Linda Seaver, Treasurer

Date:

DRAFT presented to the Executive/Finance Committee of the Board on July 31, 2014, and revised on August 14, 2014, August 18, 2014, and finalized on August 19, 2014.

Revised by the Board of Directors on September 15, 2016