

MANCHESTER DIOCESAN BOARD OF FINANCE

CASH HANDLING BEST PRACTICE

Background

The cash handling best practice is based on the recommendations from Ecclesiastical Insurance and Charity Commission.

Cash Handling

The cash should always be counted by two people independent of each other (e.g. not family); this is to protect both the individuals as well as PCC or any other Charity.

Banking (CC8 Internal Financial Controls for Charities)

Monies received should be banked intact, so that the trail of funds received can be easily followed, and this will aid your Independent Examiner/ Auditor as well as HM Revenue and Customs.

It is therefore recommended that all Bills are paid by cheque but, if necessary, that Petty Cash should be drawn separately, rather than holding back cash from takings.

The Charity Commission state that receipts should be banked regularly and as soon as possible –at least weekly (CC8 Internal Financial Controls for Charities)

You should vary the time and route, where possible, of going to the Bank.

Insurance

The standard policy with EIG gives Insurance cover of £5,000 cash, which is doubled to £10,000 -for 2 days before and 7 days after a fund raising event. (see Pages 32 and 33 of your Parishguard Policy Booklet)

The loss of money is based on recorded monies, as you would be expected to have proof of how much has been stolen. It is therefore recommended that the cash should be counted as soon as possible and that records of that counting should be held separately from the monies. If the money has not been counted then the insurers would require details of your receipts over a period of time and you would only be paid out on average takings.

EIG require that cash in transit should have 2 Escorts for over £2,500; 3 Escorts over £5,000; and 4 Escorts over £7,500 (Page 10 Parishguard)

Besides money your policy also covers loss of Non-negotiable instruments (e.g. crossed Cheques etc see page 32 for details) up to a value of £250,000. This does presume that you know who has given you cheques and therefore can identify your loss and normally stop cheque and receive replacement.

Should you have any queries on your cover with EIG they are contactable at local rates on 0845 777 3322 -option 1 for Churches, if you are insured elsewhere you will have to check your cover.

General

In all cases the PCC should do as much as possible to mitigate any loss by best practice.

It can be seen from the above that the counting and recording of the receipts is very important.

The best time for recording is straight after receipt, which is required for any loose cash, but preferable for any envelope giving so that records are created as soon as possible. This can be aided by having pre-printed sheets giving envelope numbers to speed the process, and summary detailing the normal headings for receipts.

It is understand that physical constraints may mean that for accurate and safe recording that this process may be deferred to a subsequent day, but this delay should be minimised.

It is also recommended that you should encourage your regular givers to consider paying by standing order to reduce the amount of cash handling.