

All Saints Stranton PCC: Cash Handling and Banking Procedures: [May 2019](#)

1. Objectives

The objective of this procedure is to ensure that Cash and Cheques received and credit transfers and card receipts are:

- Counted and recorded accurately
- Protected from risk of Theft Fraud or other loss
- Banked intact with minimum delay
- Correctly analysed for accounting
- Recorded in sufficient detail to form the basis for maximising and evidencing Gift Aid/Small Donation tax claims.
- Sufficient to meet the needs of third parties where applicable e.g. Statutory Fees Returns, Charity Collections.

2. Principles

- Confidentiality/"Need to Know"

Any individual involved in counting recording and Banking of cash may become aware of specific donors' one off or regular gifts e.g. through names and signatures on cheques, or through general familiarity with loyalty scheme envelope numbers used. They may also have access to Wedding and Funeral Fees payment information which will include Personal Identifiable Data. This kind of information must be kept confidential and records kept to the minimum necessary for Banking and accounting purposes as described in this procedure, except as permitted under GDPR (including Gift Aid Tax Claim records) by the express written consent of the donor.

- Security

Cash and Cheques shall be kept in the safe (at Church), or in a locked Cash Box within a Locked Cabinet (at the Office), and not retained elsewhere.

A register of Keyholders for the Church safe shall be maintained, and made available so that Ministers and members of the Church who have received cash can hand it over for safe keeping.

- Segregation and Sharing of Responsibility

In order to protect individuals involved in handling Cash and Cheques, no handling or counting of cash in Church from the point at which it is lodged in the Safe at the end of a Church Service or other meeting up to the point at which the banking has been prepared and the total signed off is to be undertaken by one person acting alone, or by husband and wife, or other related parties.

Where people with particular Official responsibility for Church finance are involved in counting recording and banking cash (e.g. The Treasurer or Assistant Treasurer or a

Churchwarden or PCC Vice Chair or PCC Secretary on the Bank mandate) the other volunteer present when cash is handled should be a member of the Church not having such official financial responsibility, to prevent risk of collusion.

- Timeliness

The risk of loss or error potentially leading to mis-recording increases with delay and there are financial limits to insurance cover for cash held in safes. Therefore Cash received must be counted and recorded at the earliest reasonable opportunity, ideally by the close of business next bank working day, and Banked promptly: allowing for the availability and convenience of volunteers this should be completed within five bank working days at most. Before Banking, the cash/Cheques plus prepared Bank slip must be kept in the Church safe. If these time limits are likely to be exceeded (e.g. because of illness or absence of volunteers) the Treasurer or Assistant Treasurer must be informed as soon as the delay is realised so that remedial action can be taken whenever possible.

- Applicability and materiality

This procedure applies to all receipts for which the Church is accountable. On a de-minimis basis, groups that are affiliated to the Church may handle small amounts of cash on their own account that do not need to be accounted as Church transactions e.g. youth leaders collecting ticket money for an event or a craft group, or Mothers Union for a social meeting; but the leaders should check with the treasurer or assistant treasurer the suitability of their arrangements if the amounts handled are likely to exceed £500 in any year.

This exception does not apply to money collected for charitable purposes e.g. "open plate" offering or special appeals within the Church.

3. Accountability and Responsibility

- Churchwardens have overall responsibility for the maintenance of the church and the Security of its assets
- The Treasurer is Accountable to the PCC for the integrity and security of cash handling and the maintenance of proper accounting records
- The Assistant Treasurer is responsible for Day to Day recording and analysis of Transactions in the Church's Cash books.
- The Administration Assistant is responsible for the completion and recording of Receipts for cash/Cheques taken at the office and for providing information to the Assistant treasurer
- Members of the Cash Counting Team are responsible for the completeness and accuracy of Banking Control logs, Accounting Slips, Analysis and Bank Paying in slips, and for communicating the details of these as required to the Assistant treasurer
- Vergers Sidespersons and Clergy are responsible with the Churchwardens for ensuring that cash is not left unattended in Church.

4. Cash/Cheques Received at Church

- At the end of a Church service or event, one of the following
 - A Churchwarden, or
 - A Sidesperson, or

- A Verger, or
 - The Officiating minister
 - Other Safe Key holder
- will ensure that offertory, retiring collection, plus Loyalty Scheme envelopes or other open plate money and any cheques is taken to the Church safe, placed in a closed receptacle with a slip indicating the Date time and nature of the Service, and locked away securely.
 - NO payments of Expenses, Petty cash, or Fees is to be made out of cash received under any circumstances: payment of fees and reimbursement of costs and expenses is made only via Assistant treasurer and treasurer on presentation of an authorised claim or receipt. For out of pocket expenses.

5. Counting and recording

For Receipts in Church two people must be present from the point in time when the safe is opened up to the time the count is signed off and the prepared banking has been locked away.

A register of those who have volunteered to help at counting at Church will be maintained to facilitate communications. Everyone who takes part in counting of cash will be given a copy of this procedure and instructed in its application.

With two people present, the following actions will take place during the count of Monies received at Church.

- A log book of cash counting shall be maintained at Church, kept in the safe, recording for each count:
 - i. The date of the count.
 - ii. The names of the people present
 - iii. Which service(s) or other event(s) were included in the count
 - iv. The total amount of cash and cheques counted and prepared for bank
 - v. The Bank paying in slip reference relating to the banking of the monies
- Loyalty Scheme Envelopes

Each numbered envelope will be opened and the value of its contents written on the envelope. The total of loyalty scheme envelopes will be entered as part of the record of the count. In addition the analysis of the receipts by scheme number weekly is entered in a spreadsheet, corresponding with the count records, and forwarded to both the Assistant Treasurer and Treasurer periodically
- Gift Aid Envelopes and restricted donation (e.g. Gift Day envelopes)

Any Gift Aided donations will be opened and the amount written on the Envelope. The total of Gift Aided donations (if any) will be entered as a part of the record of the count. The envelopes with Gift Aid Details and amounts will be kept in a receptacle in the church safe and forwarded to the Treasurer monthly to facilitate tax reclaims.

Restricted purpose donations (e.g. gift day) will be accounted in similar manner

- “Open” Cash and Cheques
Will be counted and entered as a part of the record of the count
- Any other “earmarked” receipts e.g. Breakfast Club, Special appeals, Bible Notes will be counted and the totals entered as part of the record of the count
- Special Appeals, Funerals: Where a funeral open offering/retiring collection is to be shared with a third party charity, in addition to entering the record of the count, the assistant treasurer should be notified by those counting the cash as soon as possible of the total received and the date and full details as applicable, so that payment can be made.

The Grand total from all these types of receipts must be agreed and reconciled by both people present at the count, entered in the Bank paying in book and also in the log book as a record of count

- Other Special appeals (e.g. Christian Aid) where the Church receives sealed envelopes for another charity the envelopes must be kept in the Church safe unopened until they can be collected to be handed over by a Churchwarden to the Charity concerned in accordance with that Charity’s instructions/Guidance

6. Cash/Cheques Received at Parish Office

A receipt book must be maintained at the Parish Office of sequentially numbered receipts and a receipt issued for each and every item of cash or cheque received on behalf of the PCC in sufficient detail to enable them to be followed up to the Bank and Accounting records. The Assistant Treasurer or Treasurer should review the receipt book against banking records monthly to ensure no loss or delay is occurring.

7. Cash/Cheques received elsewhere

For services conducted at St Matthews Community Hall, Burbank Community Church, or via other services or events such as open air events, the minister or person in charge on each occasion will at the end of the service or event secure any cash received (and loyalty envelopes if applicable) and shall place them in a secure receptacle or bank bag together with a note of the date and Service/Occasion and will at the earliest opportunity arrange for it to be lodged in the Church Safe via a key holder.

8. Card payments and Electronic transfers

Where Donations or Fees (deposit or balance of account payments) are received by Card or bank transfer payment, a receipt will be issued by the Administrator at the Church Office as for the receipt of cash.

Where a card reader is to be used for small donations received at Church these will be accounted direct to the Bank Account

The Treasurer is responsible for reconciling and monitoring total receipts made through the Parish Giving Scheme.

9. Analysis and Recording

The analysis of the receipts described in 5 above must be provided to the Assistant Treasurer in a standard format identifying by amount each of the components and reconciling to the

10. Banking

Receipts counted at Church

Banking should take place whenever possible (allowing for the availability of volunteers) on the next Bank working day after each count. The completed Banking with slip should be kept in the Church Safe until it is banked. Where the person completing the count is not the person who will take it to the Bank he/she should notify the Keyholder designated to take it to the Bank or the Treasurer or Assistant treasurer that it is ready to bank. If it is going to take more than five bank working days from the date of receipt before the actual banking can take place, for example when volunteers are away on holiday or have work commitments in bank opening time, the Treasurer or Assistant Treasurer should be informed, to give the opportunity to intervene.

Receipts at parish office

Banking should take place on the next Bank working day. The Parish Administrator should notify the Keyholder designated to take it to the Bank or the Treasurer or Assistant treasurer that it is ready to bank.

Note – as a general safety precaution, cash should not be banked by the same person at the same time at the same location each week, and a volunteer taking cash to bank may make request to the treasurer to be accompanied.

11. Accounting

- Statutory Fees received must be reconciled monthly by the Assistant Treasurer to the return and payment to the Diocese made on the basis of the return
- The analysis of receipts prepared (ref: 5 and 9) above is to be used in the Cash Book in the preparation of accounts.

12. Retention of records

- Banking records shall be retained for six years after the end of the year to which they relate
- Gift Aid Envelopes and registers shall be retained for four years after the end of the claim year to which they relate.
- Disposal of documents containing personal or commercially sensitive data shall be by shredding or confidential waste destruction

13. Audit/Examination

- All records including Cash Book, Bank paying in slip counterfoils Bank statements Loyalty scheme registers, receipt books, and Diocesan fee returns will be made available immediately on request made by the Independent Examiner or Auditor appointed by the PCC, for the purposes of Audit for Examination. It is not necessary for these requests to be made or responded to through the Treasurer.