

# AMERICAN LEGION AUXILIARY

## DEPARTMENT OF OREGON POLICY

### RECEIVING FUNDS - CASH HANDLING POLICY

Reviewed by: Department Finance Committee Reviewed On: January 16, 2021

Approving Body: Department Executive Committee Date Approved: January 16, 2021 Next Review Date: 1-16-2023

#### **Policy Statement**

It is the policy of the American Legion Auxiliary (ALA), Department of Oregon, a public benefit 501 (c) (19) not-for-profit Veterans Service Organization Auxiliary headquartered in Wilsonville, Oregon, to maintain cash handling procedures as part of its overall system of financial internal controls.

#### **Policy**

1. Reasonable internal controls will be implemented to safeguard the organization's financial assets to the greatest degree possible.
2. Cash may be comprised of coin, currency, checks, money orders, credit card transactions, and electronic funds transfers.
3. A clear audit trail will be created for every transaction.
4. Source documents and check copies for all transactions will be maintained per the Department Retention Policy.
5. Records will be maintained in two independent formats.
6. Only staff who are authorized by the Department Treasurer will process cash receipts.
7. This policy applies to staff, volunteers, officers and directors.
8. The term staff, as used in procedure, includes compensated staff, volunteers, officers, directors, and independent contractors.

#### **Procedure**

Incoming mail will be opened the same day received or as soon as reasonably possible. All mail will be maintained in a secure manner under lock and key during processing. Only authorized staff will access mail during processing.

Cash or cash equivalents will be attached to the accompanying source document and inspected for clarity. If no source document is included with cash, the envelope will serve as the source document.

Source documents will be noted with the date received, check number, amount received and initialed by the staff member processing the article. If U.S currency is received, it will be noted on the source document. Any inconsistencies between source documents and cash received will be followed up by contacting the unit treasurer or other person submitting the article. All cash items and accompanying source documents will be maintained in Department records per the document retention schedule in two independent formats which may include paper, computer hard drive, external drive, department server and cloud storage. At least one format will be by department server or cloud storage.

Deposits will be prepared as soon as reasonably possible. Items in process and pending deposit will be kept in a secure manner under lock and key. Access will be restricted to only authorized staff.

Deposits will be prepared by creating an electronic log sheet noting the unit submitting funds, date, check number, sum and account code/s. A separate entry will be made as necessary if one check is submitted for multiple program purposes.

All cash items will be photocopied and matched to the log sheet. The log sheet and photocopies will be accompanied by the bank deposit slip noting the total deposit. An electronic copy of the log sheet will be upload to QuickBooks on the same day the deposit is made. A copy of the log sheet, photocopies and bank deposit ticket will be maintained in Department Deposit records.

Cash received by any means other than U.S. mail (i.e. delivered in person, raffle proceeds at conventions, etc.) will require a numbered receipt in triplicate, noted with the unit submitting the funds, purpose, sum, name of unit member submitting funds and staff member receiving funds. One copy will be issued to the unit, one will be matched to the funds for deposit records, and one will remain in the receipt book which will be maintained in the Department's records.

Department staff will maintain sufficient records to maintain a clear audit trail for all funds received of any kind.

The Department Treasurer, or her designated appointee, will periodically spot check Department records to ensure compliance with policy.