

Appendix 1: Fundraising and Internal Controls

Fundraising Source	Internal Controls
Cash donations	<ol style="list-style-type: none"> 1. Numerical control over collection boxes <ul style="list-style-type: none"> Buttons <ol style="list-style-type: none"> a. Total Buttons purchased will documented and buttons will be broke into bags of 250 for internal controls and numbered for document purposes b. Button sales will be kept on a spreadsheet for Pre-sale events with quantity and Amounts collected by a board member. c. Button Sales at each gate will be counted in groups of 250 and collection counts will be logged by a board member with starting and ending button counts being controlled. Tickets/Cash Sold <ol style="list-style-type: none"> d. Each Ticket salesperson will receive a collection box with a starting amount of money and an allotment of tickets in numerical order. A starting and ending ticket number will be recorded and along with a dollar amount. Tickets Collected <ol style="list-style-type: none"> e. Each Work group will store tickets in a secure area and board members will collect tickets for goods. Tickets will be collected as noted below in specially market bags for each area. f. Tickets will be counted by persons independent of the collectors on a daily basis. ATM <ol style="list-style-type: none"> g. If an ATM is used all monies deposited will be documented and signed by 2 execute board members. h. Monies remaining at the completion of the event will also be documented by two executive board members. i. An electronic statement of transactions from the ATM vendor will be compared to the actual dollar amount distributed for accountability. j. ATM Fee's must also be noted as an expense in the final documentation. 2. Collectors to operate in pairs (one collector is able to observe the actions of the other) 3. Regular collection and recording of proceeds from collection boxes 4. Issue receipts where appropriate 5. Dual control over counting and recording of proceeds independent of collectors
Postal cash donations	<ol style="list-style-type: none"> 1. Segregate mail opening and bank deposit functions 2. Immediate recording of donations on opening of mail or receipt 3. Agree bank paying-in slips with a record of receipts by an independent person
Standing Order, Credit Card, Direct Debit and Online EFT	<ol style="list-style-type: none"> 1. Regular bank reconciliations are reviewed and signed off by the executive board 2. Receipts must be turned during or prior to the next board meeting 3. All new subscription accounts must be approved by the board and reviewing controls on an ongoing basis
Telemarketing campaigns Bingos Raffles and	<ol style="list-style-type: none"> 1. All procedures to ensure compliance with any regulatory requirements for a fundraising event 2. Persons responsible for handling collections from ticket sales account for each pre numbered ticket sold, and provide a reconciliation to tickets issued

<p>lotteries Social events Large appeals</p>	<p>3. An Independent person to reconcile tickets issued against tickets sold or returned unsold, with the person being segregated from the person responsible for counting and depositing monies received</p>
<p>Donated materials</p>	<p>1. The board of directors has a responsibility to immediate record the donated materials, with periodic review of policies by the appropriate level of management 2. Segregate incompatible tasks to prevent collusion or theft</p>
<p>Advertising</p>	<p>1. All advertising and sponsorship must have detailed documentation with Name, Sponsorship Amount and Amount Collected and email contact 2. All advertising must be paid via check or credit card 3. Regular collection and recording of proceeds by the treasurer. 4. Issue receipts when requested 5. Dual control over counting and recording of proceeds independent of collectors 6. Reconcile receipts issued with cash received daily 7.</p>
<p>Pledges</p>	
<p>Contributions from grants or restricted income</p>	<p>1. Maintain comprehensive records of applications made and implement follow-up procedures for grant applications not discharged</p>

Appendix 2: Indicative Audit Procedures

Fundraising Source	Indicative Audit Procedures
Cash donations – Direct cash donations (e.g., door-to-door collection, or small special events)	<ol style="list-style-type: none"> 1. Review and test procedures implemented to collect cash donations and their systems of control 2. Review and test policies and procedures followed by staff or volunteers when collecting cash donations 3. Reconcile total of tax receipts issued with cash recorded and banked 4. Design analytical procedures for each different source or geographical area from which cash donations are obtained, e.g. compare cash donations from a particular activity or geographical area with previous years or budgeted cash donations
Postal cash donations	<ol style="list-style-type: none"> 1. Observe control procedures 2. Analyse donations received to donations requested, and compare with previous years or industry statistics (if available)
Standing Order, Credit Card, Direct Debit and Online EFT	<ol style="list-style-type: none"> 1. Review of monthly bank reconciliations with specific consideration for any unusual reconciling items 2. Estimate revenue based on # of subscribers x average donation to determine reasonableness of revenue recorded
Telemarketing campaigns Bingos Raffles and lotteries Social events Large appeals	<ol style="list-style-type: none"> 1. Review compliance with any regulations that are applicable to the fundraising event 2. Compare cash donations received to past results for similar special events and statistics for response rates for NFPs in general 3. Assess the reasonableness of related expenditure, compare amounts recorded with past revenue and expenditure for the event 4. For each material fundraising event, review procedures adopted by the charitable entity for capturing and recording fundraising revenue which it controls
Advertising	<ol style="list-style-type: none"> 1. Enquire about the accounting policies adopted for recording advertising materials, test the extent and effectiveness of the accounting procedures and internal controls 2. Compare data collected on current year charts with budgeted charts and contributions or previous years' receipts 3. Consider confirming contributions from significant donors
Bequests and Legacies	<ol style="list-style-type: none"> 1. Review correspondence relating to bequests and legacies, noting the imposition of any restrictions and the consequences of non-compliance therewith 2. Test controls over expenditure and approval 3. Review procedures for recording bequests and legacies
Pledges	<ol style="list-style-type: none"> 1. Review and test the process used by management to estimate pledges receivable 2. Review the ageing of pledges 3. Consider obtaining confirmation of unusual or significant pledges 4. Compare pledges receivable with subsequent receipt of donations 5. Determine whether the materialisation ratios used to estimate pledges receivable are reasonable
Contributions from grants or restricted income	<ol style="list-style-type: none"> 1. For evidence on the completeness assertion, examine grant applications and correspondence 2. Confirm grants received or receivable with grantor bodies

