

Does Your Church Have A Policy For How It Handles Cash?

Smart Church Management

As long as there are offerings during a church service there will be cash on hand.

And how this cash is handled can determine the safety of those funds.

Detailed cash handling policies and procedures are critical to safeguarding church funds. And yes, churches are just as susceptible to embezzlement as any other organization.



The reason is – unsupervised access to cash is simply too tempting for many people, particularly people with a financial need.

And yes, Christians steal and they steal from churches.

It is the responsibility of church leadership to ensure that cash donations and cash assets are safeguarded and accounted for.

Study of fraud and embezzlement has shown that people with **incentive** (a need), **rationalization** (I deserve this) and the right **opportunity** (easy access) are candidates for embezzling funds.

Cash handling procedures can help to protect the organization, the employee and prevent fraud.

Every church is different, and each has very specific needs when it comes to handling cash.

Some churches only handle cash when counting weekly offerings, but other churches handle cash at church events, lobby coffee shop or church bookstore.

The basic expectation should be that **cash is never handled by only one person**. Two person cash handling policies ensure safe handling and eliminate the temptation to steal – even if only a few dollars.

Take the time to develop cash handling procedures, and to train volunteers and employees on the importance of following the outlined steps.

Following are some general guidelines and things to think about that can help you develop a cash handling policy specific to your church.

Example Cash Handling Policy

Cash Handling Policy	
Purpose:	To ensure control and safekeeping of church donations and cash assets and to minimize the risk of embezzlement
	<ul style="list-style-type: none">• A safe should be used to store all cash. Even small amounts of cash (petty cash) and cash register drawers should be secured and under lock and key at all times.• There should be two, non-related people who count the weekly offering.• All employees and volunteers who handle cash should have a criminal background check.• Counting volunteers should be rotated and supervised by a lead volunteer or church employee.• There should be two people present whenever cash is transported from one location to another.• There should be a cash count sheet which documents:<ul style="list-style-type: none">◦ Names of people counting, depositing or removing cash from safe.◦ Date/time cash is deposited or removed from safe.◦ Date/time cash is removed or returned to safe.◦ Cash breakdown - coins, bills, checks, credit card slips.◦ Two signature lines for people handling cash.• Safes should only be opened with two people present.• The person with the combination to the safe should not be one of the people involved in handling the cash in the safe.• The person with the combination to the safe should not have a key, or access to the room the safe is located.• When cash bags are removed from the safe, it should be counted by two people and both people should sign the cash count sheet acknowledging that the recorded amount of cash was in the bag.• When cash is handed off to the next person, the person accepting the cash should count the cash before accepting it and keep the signed copy of the cash record with the cash.• When cash is returned to the safe, it should again be double counted and the cash count sheet should be signed by both parties.• Bank deposit slips should match the cash handling sheets.• Records should be kept on all cash deposits and audited at least annually.

These are very simplistic guidelines and should be expanded and adapted to your particular church. You can access an editable copy of this document by [clicking here](#).

Other things to think about:

- Where is the safe located?
- Is the safe out of public sight?
- Who has keys to the room the safe is in?

- The person who has keys to the room should not be the same person who has the combination to the safe.
- Background checks should always be done on employees and volunteers who handle cash. Some organizations do credit checks to find out if there are financial issues with employees.
- Safe combinations should be changed whenever a person holding the combination leaves employment.
- There should be a drop slot in the safe to allow for one way access to the safe eliminating the need to unlock the safe every time a cash bag is deposited in the safe.
- There should be a camera monitoring all safes and cash registers, particularly those that are isolated and out of a manager's sight.

Organizations lose billions of dollars each year from embezzlement and churches are not exempt. Safeguarding against church embezzlement is a leadership responsibility that should not be taken lightly. Good policies, procedures and oversight of cash handling, is one way to safeguard against theft of church cash.