Front matter: Financial Policy

Why It's Important

This policy sets the rules for handling money so that funds are managed with care and volunteers are protected. It covers how cash is counted, how expenses are approved and reimbursed, how vendors are paid, and how the books are reviewed. Clear rules do two jobs at once: they reduce the chance of error or loss, and they shield honest volunteers from any suggestion of wrongdoing. For an organization that handles gate cash, donations, or ticket sales, this policy is a basic safeguard.

How to Use

1. Fill in the blanks, especially the approval dollar limits, to match your organization's size.
2. Have the board or committee formally adopt the policy so it carries weight.
3. Train every cash handler on the two-person rule before your first event.
4. Print the cash log and reconciliation forms and keep them in your cash box or command station.
5. Keep receipts and reimbursement requests in one shared folder, using photos uploaded on the day.
6. Review the policy each year and after any incident.

What You Need

- An adopted set of approval limits agreed by the board.
- Named signing authorities, usually the chair and treasurer.
- A bank or processor account in the organization's name, never a personal account.
- Lockable cash boxes and a secure location for counting and storage.
- Two trained volunteers available whenever cash is handled.

Event ready Financial policy template

Volunteer Event Organization:Financial Policy

1. Purpose & Scope

This policy ensures that all funds raised, donated, or spent by [Organization Name] are handled with transparency, accountability, and integrity. This applies to all volunteers, event organizers, and committee members.

2. General Principles

- Transparency: All financial records are open to review by any active committee member upon request.
- Non-Profit Intent: All funds raised must strictly support the organization's mission and events. No volunteer shall financially benefit from the organization's funds.
- Separation of Duties: To prevent errors or misuse, the person who approves an expense should ideally not be the person writing the check or making the payment.

3. Income & Cash Handling

Because events often involve physical cash or digital ticket sales, the following rules apply:

- The Two-Person Rule: At least two volunteers must count any physical cash collected at an event. Both must sign a cash-verification slip confirming the total.
- Timely Deposits: All cash and checks must be deposited into the organization's bank account within 5 business days of the event.
- Digital Sales: All online ticket sales or donations must go directly into the official organization bank/processor account (e.g., Stripe, PayPal), never a volunteer's personal account.

4. Expenses & Reimbursements

Volunteers should not be out-of-pocket for approved event expenses, but strict tracking is required.

- Pre-Approval Limits: * Expenses under $____ can be approved by the Event Lead.
- Expenses over $____ require written or email approval from the Treasurer or Board.
- Reimbursement Process: To get paid back, volunteers must submit a Reimbursement Request along with an itemized receipt within 30 days of the purchase.

- No Receipt, No Reimbursement: Lost receipts will not be reimbursed unless explicitly approved by the Treasurer under exceptional circumstances.

5. Financial Reporting & Oversight

- The Budget: The committee must approve an annual budget (or an individual event budget) before any spending begins.
- Monthly Reviews: The Treasurer will provide a simple financial update (Income vs. Expenses) at every monthly meeting.
- Bank Access: At least two core leaders (e.g., President and Treasurer) must have viewing access to the bank account to ensure mutual oversight.

6. Vendor & Performer Management

Events may rely heavily on external partners. To keep things orderly, we use the following guidelines:

- Written Agreements: Every food truck, craft vendor, and performer must sign a standard agreement detailing fees, deposit structures, and cancellation policies before the event date.
- Vendor Fees: All vendor booth fees must be paid in full __ days prior to the festival. Spaces will not be held without payment.
- Tax Compliance: The Treasurer will collect required tax forms from any performer or contractor paid over the legal reporting threshold.

7. Event Day Cash & Gate Controls

High-traffic events need tight security around money.

- Secure Cash Boxes: All cash boxes at the gate, merchandise booths, or raffle tables must remain locked, and keys must be kept only by designated Volunteers.
- Mid-Day Skims: When a cash box exceeds $500, the Treasurer/designated volunteer and one other volunteer will conduct a "skim" to count the excess cash, document it, and move it to a secure, hidden safe location.
- Float Management: The Treasurer will prepare a standardized "float" (starting cash/change) for each booth. This float must be counted and signed for by the booth lead before the event opens.

8. Upfront Deposits & Contracts

Events requiring significant upfront spending before any ticket or vendor revenue comes in.

- Signing Authority: Only the Chair/President and the Treasurer have the authority to sign binding contracts with venues, rental companies, or main-stage talent.
- Deposit Budgeting: The committee must maintain a "reserve fund" equal to at least 25% of the previous year's operating budget to cover upfront deposits for the following year's event.

9. Post-Event Reconciliation

- Final Count: Within 48 hours of the event closing, the Treasurer will compile a final financial report comparing actual revenue against the projected budget.
- Payouts: All approved volunteer reimbursements and outstanding vendor invoices will be paid out within 14 business days after the event concludes.

Tip for Implementation: Keep a shared Google Drive folder where volunteers can upload photos of receipts on the go. This prevents lost paperwork and makes the Treasurer's life much easier!

Cash Handling

The Two-Person Rule

Policy Statement:

All cash counting, verification, and transport MUST be conducted by a minimum of two authorized individuals at all times. No exceptions.

Why This Matters:

- Protects volunteers from false accusations
- Reduces opportunity for theft or loss
- Provides witness verification for accurate counts
- Creates accountability and audit trail

Two-Person Rule Applications:

Activity	**Two-Person Requirement**
Opening cash drawer/box	Both persons verify starting amount and sign log
Mid-event cash pulls	Both persons count, record, and sign for amount removed
End-of-shift counting	Both persons count independently, then verify together

Cash transport	Two persons escort cash to secure location
Bank deposits	Two persons verify deposit amount; one deposits while other witnesses
Safe access	Two persons present whenever safe is opened

Cash Counting Procedures

Start of Shift:

1. Two authorized volunteers retrieve cash box/drawer from secure location
2. Both volunteers independently count starting cash ("bank")
3. Compare counts, which must match exactly before proceeding
4. Both volunteers sign Cash Log with:

- Date and time
- Starting amount
- Printed names and signatures

1. Cash box remains in designated secure area (not left unattended)

During Shift:

- Keep cash box closed and secured when not actively making transactions
- Never leave cash unattended. If you must step away, another authorized handler takes over
- Place large bills ($50, $100) under the cash tray immediately
- If cash drawer exceeds $200, conduct a "cash pull" to reduce theft risk

Cash Pull Procedure:

1. Two authorized volunteers count excess cash
2. Leave standard bank amount in drawer (typically $100-150)
3. Place pulled cash in envelope, seal it
4. Both volunteers sign across envelope seal with amount and time
5. Deliver immediately to Event Lead or secure location
6. Record pull on Cash Log

End of Shift:

1. Stop accepting cash transactions at designated closing time
2. Two authorized volunteers count all cash independently
3. Compare counts. If a discrepancy exists, recount together
4. Complete Cash Reconciliation Form:

- Starting bank amount
- Total cash collected
- Any cash pulls (with envelope numbers)
- Expected total vs. actual total
- Variance (if any) with explanation

1. Both volunteers sign reconciliation form
2. Place cash and completed paperwork in deposit bag
3. Two volunteers transport to Event Lead or secure location