Fundraiser Best Practices

Fundraising events (bazaars, carnivals, diners, auctions, etc.) are vital to many parishes and schools. But beyond the administrative burdens associated with planning, organizing, and executing these events, there are often “hidden” risks involved that could, if not addressed, have serious consequences. Proper internal control procedures help prevent, detect, and at least significantly reduce chances of occurrence.

Recommended Procedures to Minimize Risk

* Ensure the Finance Council and fundraising committee understand that all activities must comply with the laws of the State of Florida and are aware of the impact of gaming on an organization’s tax-exempt status

<https://www.irs.gov/pub/irs-pdf/p3079.pdf>

* Document cash handling procedures (hereafter “cash” includes checks) and have the Finance Council review for adequacy.
* Keep the Finance Council fully informed on event progress, event challenges and results
* Ensure start-up funds or “seed” money for events is tracked and returned. Checks should not be written to cash for this purpose. They should be made payable to the individual who is custodian for the event, cashed by this individual, utilized at the event, and then separately accounted for, so 100% of start-up funds are re-deposited.
* For bazaars, carnivals, and similar events, utilize tickets rather than accepting cash at event booths to minimize risk for loss of funds.
* Tickets may be sold prior to the event or at the event. Sold, unsold and returned tickets should be tracked.
* Tickets for raffles must contain certain information required by law. In Florida, no purchase or contribution is necessary for a ticket. See <http://www.flsenate.gov/Laws/Statutes/2017/849.0935>
* Generally, it is not a good idea to cash personal checks at these events.
* Two unrelated individuals should be present with cash at all times from collection through deposit.
* Take measures to ensure persons involved in cash handling do not have the ability to remove cash from cash handling areas. Do not permit large purses, backpacks or tote bags into the count room or cash handling area.
* The supply of tamper evident bags should be controlled, distributed and tracked by an individual who is not involved with the cash collection process.
* A count team of at least 3 unrelated individuals should be responsible for counting the funds. (use the same procedures utilized for offertory collection count and deposit)
* Event coordinators should maintain lists of event participants and lists of fundraising expenses supported by invoices and receipts.
* Reconcile the number of tickets sold to the deposit at the bank and agree deposit amounts with count sheets.
* Obtain Certificates of Insurance from service providers. Questions regarding insurance should be sent to [Insurance@dioceseofvenice.org](mailto:Insurance@dioceseofvenice.org)