



Cash Management Procedures

Handling of Funds Collected

Objective: The handling of funds collected for the benefit of PARMA ANIMAL SHELTER Inc. (from adoptions, donations, fundraising, and any other sources) shall be restricted, and such funds shall be properly safeguarded until deposited into the PARMA ANIMAL SHELTER Inc. bank account.

Procedure to restrict the handling of funds: For **donations mailed to the fiduciary agent**, only bonded members shall handle such funds. For **adoptions, donations** other than those sent to the fiduciary agent, and any other **non-fundraising** sources of funds, only the following categories of PARMA ANIMAL SHELTER Inc. members shall handle such funds: Board of Trustee members, adoption counselors, and members who are bonded. For **fundraising**, other members may handle funds collected as deemed necessary and prudent by the fundraising chairperson. All persons handling PARMA ANIMAL SHELTER Inc. funds shall be given a written copy of the cash management procedures.

Procedure to safeguard funds collected: Only members who are bonded shall have access to the mailed funds. **Adoption** funds shall be **immediately** placed in the shelter's secured, locked safe along with a receipt copy, where they shall remain until they are deposited into the PARMA ANIMAL SHELTER Inc. bank account. **Donations** other than those mailed, funds collected through **fundraising**, and funds collected from any other sources shall be safeguarded within 24 hours or **as soon as reasonably possible after the funds having been collected** through one of the three following means: 1. place the funds into the shelter's secured, locked safe along with receipt copies, **or** 2. entrust the funds to a member who is bonded, **or** 3. deposit the funds directly into the PARMA ANIMAL SHELTER Inc. bank account. Only bonded members shall have the means to open the safe.

Verification: The PARMA ANIMAL SHELTER Inc. auditor shall conduct a random audit of the procedure not less than once per month. Over time, all categories of funds received shall be audited for the procedure (i.e., fundraising, adoptions, donations, etc.). The auditor should use direct observation and interviewing techniques to audit this procedure.

Issuance of written receipts to donors/patrons

Objective: PARMA ANIMAL SHELTER Inc. shall issue written, pre-numbered receipts for donations, adoptions, and when reasonably feasible, for fundraising activities.

Procedure for issuing receipts: All **donors** to PARMA ANIMAL SHELTER Inc. who can be identified shall be issued written pre-numbered receipts for their donations, unless they specifically decline. All **adopters**

shall be issued written pre-numbered receipts for their adoptions, without exception. Whenever reasonably feasible, as deemed by the fundraising chairperson, written pre-numbered receipts shall be issued during **fundraising**. The receipt shall be issued at the time of the transaction or as soon as possible after the transaction as is reasonably feasible. The original of receipts shall be submitted to the treasurer along with the donation. The treasurer then submits the original copy of the receipt to the book-keeper after recording the transaction. The yellow copy of the receipt goes to the donator and the pink copy stays in the receipt book. (Note that in the case of donations this procedure applies only to cash donations. Donations of in-kind items/goods shall use a separate type of receipt developed especially for that purpose which is also to be submitted to the book-keeper.)

Verification: The PARMA ANIMAL SHELTER Inc. auditor shall conduct a random audit of the procedure not less than once per month. Over time, all categories of funds received shall be audited for the procedure (i.e., fundraising, adoptions, donations, etc.). The auditor shall examine the receipt book(s) periodically to ensure that all receipts were properly filled out. The bookkeeper shall account for all receipt numbers to ensure that no receipt numbers were skipped.

Timely deposit of funds collected

Objective: PARMA ANIMAL SHELTER Inc. members shall deposit funds received for the benefit of PARMA ANIMAL SHELTER Inc. into its bank account, and submit proof of each deposit to book-keeping, on a timely basis.

Procedure for depositing funds: Only members who are bonded shall have authorization to make deposits into the PARMA ANIMAL SHELTER Inc. bank account. Funds received for the benefit of PARMA ANIMAL SHELTER Inc. shall be deposited into the PARMA ANIMAL SHELTER Inc. bank account **by the end of the third business day** following the funds being received. A copy of the deposit slip and the detailed breakdown of the deposit shall be submitted to book-keeping by the end of the fifth business day following the deposit.

Verification: The PARMA ANIMAL SHELTER Inc. auditor shall conduct a random audit of the procedure not less than once per month. Over time, all categories of funds received shall be audited for the procedure (i.e., fundraising, adoptions, donations, etc.). The main sources of documentary evidence for auditing the procedure will be written receipt copies and deposit slip copies, however, in the case where a written receipt is not issued (e.g., cash donation dropped into a donation can), the auditor shall use other circumstantial evidence and techniques to audit that the procedure was followed. The bookkeeper shall obtain an independent listing of all adoptions for each month and cross-verify the listing against the bank deposits for adoptions, to ensure that all funds from all adoptions were properly deposited. An audit committee will verify the books using the bank statements and all documents retained by the Treasurer and Book-keeper.

Authorization process for purchases

Objective: Purchases on behalf of PARMA ANIMAL SHELTER Inc. shall be subject to a hierarchy of required written approvals.

Procedure: All purchases on behalf of PARMA ANIMAL SHELTER Inc. shall require **advance, written approval**, with the exception of emergency purchases as outlined in the next paragraph. Purchases of like items

during the same time frame shall be treated as a single purchase, not broken up into separate purchases, and subject to the applicable approvals in aggregate. Each **fundraising event** shall be treated as a single purchase for purposes of obtaining Finance committee majority approval. Once Finance committee majority approval has been obtained for a total dollar value of purchases relating to a specific fundraising event, the Fundraising Chairperson then has authority to delegate the individual purchases for the specific fundraising event. The advance written approval requirements for all dollar levels of purchases are as follows:

Amount	Approvals required
\$1 - \$750	Treasurer & President
\$751 - \$3,500	President and one officer
\$3,501 - \$9,999	Majority of Board of Trustees
\$10,000 and up	Majority of Board of Trustees and Membership present at quarterly meeting where approval is sought.
Fundraising expenses	Up to \$1500 approved by Fundraising Committee, \$1501 + by Board of Trustees

H&W shall have discretion about veterinary expenses, but BOT should be informed for amounts for a single visit exceeding \$2,500 per animal. Approval of expenditures of \$10,000 and up must be approved by vote of the majority of membership present at the quarterly meeting of Board of Trustees and Members of Parma Animal Shelter.

The only exception is as follows:

1. An emergency purchase, defined as a purchase which would save the life of a PARMA ANIMAL SHELTER Inc. animal which is in a life-threatening condition, shall require the verbal approval of one of the following (who shall be contacted in the following order until one is successfully reached) in advance of the purchase: 1. Health and Welfare Chairman, 2. Treasurer, 3. any member of the Board of Trustees, Vet Committee member. As soon as reasonably possible, the exact nature of the emergency shall be documented and the appropriate written approvals shall be obtained.

The written approval requirements shall be reviewed by the Finance Committee and revised to meet the needs of PARMA ANIMAL SHELTER Inc. as needed.

2. A cap on expenses for animal care over and above the usual testing, shots, spay/neuter, exam, de-worming, de-flea treatments of will be established by the Board of Trustees.

Verification: The PARMA ANIMAL SHELTER Inc. auditor shall conduct a random audit of the procedure not less than once per month. Over time, all categories of purchases shall be audited for the procedure (i.e., fundraising, operating supplies, office supplies, etc.).

Timely submission of purchase receipts for items purchased

Objective: PARMA ANIMAL SHELTER Inc. members shall submit purchase receipts for all purchases, along with applicable proof of advance written approval, on a timely basis.

Procedure: Receipts for purchases for the benefit of PARMA ANIMAL SHELTER Inc. shall be submitted to the Treasurer, along with the applicable proof of advance written approval, **by the end of the tenth business day following the purchase or the occurrence of the fundraising event.** The Treasurer shall submit the purchase receipt, the completed reimbursement form for the purchase to book-keeping by the end of the fifth business day after having received the documentation from the purchaser.

Verification: The PARMA ANIMAL SHELTER Inc. auditor shall conduct a random audit of the procedure not less than once per month. Over time, all categories of purchases shall be audited for the procedure (i.e., fundraising, operating supplies, office supplies, etc.).

Cash management procedures approved by the Board of Trustees April 28, 2025.