Internal Controls on Receipting and Donor Relationships: Best Practices for Non Profits

Receipt Responsibly & Protect Your Reputation	Yes	No	Don't know
1. Understand Government of Canada receipting requirements (at Canada Revenue Agency).			
2. Orient and train new board, staff and volunteers on charitable receipting.			
3. Have a policy on accepting (or not accepting) in-kind donations.			
4. Become known as a responsible charity – protect your public image by telling your own story.			
5. Report donations accurately to Canada Revenue Agency and know how to locate your listing online.			
Protect Your Data			
6. Collect only the information needed to process receipts for donors.			
7. Secure electronic data such as credit card information, with password protection and policies that limit access.			
8. Use only secure online collection firms and tools.			
9. Have a policy which disallows staff or volunteers from taking laptops, printouts, data discs or other memory devices offsite.			
10. Tell your donors their data is secure – do this on your website.			
Protect your cash			
11. Segregate duties when accepting and receipting cash donations.			
12. Receipt immediately if possible and at the end of the calendar year, always.			
13. Deposit cash and cheques immediately, daily if possible.			
14. Check references on staff and volunteers who handle your money.			
15. Heed warning signs and check out hunches.			
Reconcile			
16. Review donated dollars against annual budget forecasts to measure success.			
17. Reconcile bank statements to ensure donated dollars are deposited.			
18. Have procedures in place for recounting (by more than one person) and tallying loose collections or pledged amounts.			
19. Differentiate dedicated donations, endowments and capital donations in your accounting system.			
20. Correct any errors on your annual listing at Canada Revenue Agency.			
Monitor and Review			
21. Compare donations year over year to see if they rise or fall, and ask why.			
22. Stay up to date with electronic security systems – you may need to change your service from time to time or install new security features.			
23. Spot check receipting procedures to ensure sequential receipting, completeness of receipts and proper posting of donation to accounts.			
24. Review donor collection practices annually.			
25. Tell donors what you did with the money donated to your organization.			

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