

## Fund Raising Events – Guarding Your Exposure



Fire departments normally operate from funds received through municipal budgets or through property tax supported funds typically found in fire protection districts. However, many rural fire departments also rely on operating funds received through the sale of membership “TAG” or subscription services or through fund raising activities such as carnivals, circuses, bingo games, preparation and sale of food items and other common events. The revenues collected from these events can be substantial. Whenever your fire department sponsors any fund raising activity, safety and security measures need to be taken to minimize loss exposures resulting from theft. The following precautions are recommendations to help minimize your loss exposure.

- ◆ When planning a fund raising event, limit the number of individuals having access to and the handling of revenues collected. Only one person should be designated as the activity’s treasurer and this individual shall be responsible for such functions as receiving checks and cash receipts, disbursements and bank statements reconciliation.
- ◆ A special bank account should be established in the name of your fire department or the firefighter’s association responsible for the fund raising event. This account should be kept separate from all other accounts the department may have.
- ◆ For the purpose of loss exposure, it is recommended that a dual-signature checking account be established. Regular audits – both announced and unannounced – are strongly recommended.
- ◆ If funds are received in the form of a check, the check should be stamped “For Deposit Only” immediately upon receipt. To further help minimize potential loss, it is recommended that every transaction, no matter how small or large, be recorded either by a written receipt or cash register tape.
- ◆ Do not keep large amounts of cash in the cash box or registers. Cash losses due to theft can be reduced considerably by removing excess sums of cash.
- ◆ Depending on the volume of revenues collected, consideration should be given to making more than one bank deposit daily. Arrangements should be made with your local bank to make deposits on weekdays and weekends after normal banking hours. You may also try to make arrangements with your local city hall or police departments to further help secure revenues collected.
- ◆ For record keeping purposes, restrict access to confidential information whether the information is kept manually or on computer. If the information is kept on a computer, it is recommended that a password system be used with no more than two individuals having knowledge of the password. It is also recommended that any recording of transactions be backed up on the computer on a daily basis.