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Sample procedure:

SOP-01 - Deposits & Cash Receipts

This is one complete SOP from the 25-procedure library.

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SOP-01: Deposits & Cash Receipts

Document ID	SOP-01	**Owner Role**	Finance Director
Version	1.0	**Approver**	Audit/Finance Committee
Review Cadence	Annual	**Status**	Editable template

1. Purpose

To ensure every dollar received by [Org Name], by check, ACH, wire, online giving platform, stock transfer, in-kind, or cash, is recorded promptly, deposited intact, posted to the correct account and donor record, and traceable from receipt to bank statement. This procedure protects against lost gifts, misposted revenue, donor dissatisfaction, and audit findings on revenue completeness.

2. Scope

This SOP covers: all incoming receipts including checks, ACH/EFT, wire transfers, online donations (CRM-integrated and standalone), text-to-give, stock and securities transfers, cryptocurrency, in-kind gifts of goods, cash, and non-gift receipts (program fees, contract revenue, refunds).

This SOP does not cover: gift acknowledgment letters (see SOP-02), restricted fund posting rules (see SOP-09), pledges receivable accounting.

Applies to: all staff who handle, log, or post incoming receipts, including front-office staff who open mail.

3. Definitions

- **Intact deposit:** a deposit made for the full amount received with no portion withheld for cash payments or reimbursements.
- **Restricted gift:** a gift accompanied by donor instructions limiting its use (purpose-restricted) or timing (time-restricted). Donor intent is established at the moment of receipt and cannot be changed by [Org Name] unilaterally.
- **Soft credit:** a CRM convention crediting a person for a gift legally made by another entity (e.g., a donor-advised fund grant credited to the recommending donor).

4. Procedure

4.1 Mail receipt (daily)

- Two staff members open all mail together. The opener and the witness initial a daily Mail Log listing each check (date, payor, check number, amount, restriction noted).
- Endorse each check immediately with the restrictive endorsement stamp: "For Deposit Only, [Org Name], Account [last 4]".
- Photocopy or scan every check and accompanying letter; file the scan in the dated Finance/Deposits folder.

- Note any restriction language verbatim. Restrictions established at receipt cannot be retroactively removed.
- Forward checks and the Mail Log to the Finance Director by end of business the day received.

4.2 Electronic receipts (daily)

- Review the giving platform dashboard and bank activity each business day; confirm payor, amount, restriction, and net of processing fees.
- For wires and ACH from unfamiliar payors, confirm the source through a known channel before posting. Wire fraud frequently impersonates a legitimate donor.
- For stock transfers, capture the broker confirmation and value at the average of high and low on the date of receipt (the IRS valuation rule for publicly traded securities).

4.3 Posting (abbreviated in this sample)

Post receipts within 2 business days using the date the gift was received, not the bank posting date. Post to the CRM with matching amounts and reconcile to the accounting system monthly. Post restricted gifts to the correct net asset class and restriction code. *(The full SOP details cryptocurrency, in-kind, and pending-classification handling.)*

6. Common Pitfalls

This is the section that separates a real SOP from a template. Every procedure in the library includes one.

- **One person opens the mail.** The single most common segregation-of-duties failure at small nonprofits, and the most common path for missing checks. If you genuinely cannot have two staff open mail, video-record it or have a board member observe quarterly.
- **Restriction language ignored.** A donor writing "Building Fund" on the memo line creates a restriction even if your CRM has no such campaign. Posting it unrestricted because "we don't have that fund" is a misuse of restricted funds and a fireable offense in well-run orgs.
- **Posting date vs. receipt date confusion.** A check received December 30 and deposited January 3 belongs to the prior fiscal year, and the donor is entitled to the prior-year deduction. Use the postmark or hand-off date, not the bank posting date.
- **Online platform fees netted invisibly.** If your platform deducts 2.9% + $0.30 before depositing, record the gross gift and the fee separately. Recording only the net understates contribution revenue and overstates net assets.
- **The same person opens mail, posts the books, and reconciles the bank.** This is the segregation triangle auditors test first. Even in a 3-person org, break it; a documented board-treasurer monthly review counts as a compensating control.

This sample shows one of 25. The full library covers finance, grants, governance, people, risk, security, and the annual cycle, with the same depth and a Common Pitfalls section in every procedure.

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- **Finance** - deposits, gift acknowledgments, expense reimbursement, card reconciliation, restricted funds, audit prep, year-end close, Form 990 prep
- **Grants** - award acceptance, funder reporting
- **People** - onboarding, offboarding, travel, PTO
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Built by an operator who has run the close, signed the 990, recovered from the breach, and sat through the audit. The procedures in this library exist because the alternative, figuring it out the hard way, is more expensive than you think.

SAMPLE