

## PARISH INTERNAL CONTROLS

### Administration

1. Incoming mail should be opened and date-stamped by someone besides the bookkeeper, if possible. All checks received should be endorsed for deposit upon receipt.
2. Vendor invoices, with the exception of routine monthly billings (utilities, Diocesan billings. etc.), should be approved by the pastor or associate pastor.
3. All operating checks should be signed by the pastor or associate pastor. Checks should be in numerical sequence, and invoices of larger amounts attached to the check. Do not use a rubber stamp for signatures. Do not write checks to "cash".
4. Bank statements should be reconciled and balanced each month by someone other than the bookkeeper.
5. Office petty cash funds should be used to pay small emergency items only. Balance the fund each month and replenish and record based on John Brell's Petty Cash Procedures dated 8/21/95.
6. A steel, fireproof safe must be used for important sacramental records and cash. The safe should be locked at all times until needed.
7. When a bookkeeper is hired, this decision should be made by the pastor, with consultation from the parish Finance Committee to ensure the candidate is fully qualified to perform the bookkeeping functions.

### Offertory Collection Handling

1. Purchase, if not on hand, a steel, fireproof, lockable safe with a tumble deposit slot. There should be two (2) keys required to open the safe. The safe should be located in a secure location, accessible to your parishioner count teams who are responsible for counting and recording the bank deposit for the weekly Mass collections.
2. Parishioner count teams should have at least three (3) persons. Married or related persons should be on separate teams, if possible. Several teams are preferable, so rotation occurs frequently.
3. All Mass offertory collections should be counted on Sunday or Monday of the same week, with a member of the count team making the bank deposit that same day. Serially numbered tamper-evident containers are required.
4. Parishioner envelopes should be recorded each week, with the totals reconciled to the actual count. The use of a computer parishioner envelope recording system is highly recommended.

5. It is recommended that contribution statements be sent to parishioners at the end of each calendar year.
6. Loose collections must always be recorded and deposited in total each week and never used for any other purpose (such as petty cash needs).
7. It is recommended that bookkeepers should take their earned vacation every year.
8. Deposits should be made frequently each week when cash and checks on hand exceed \$1,000.00.
9. In the accounting activities, the same person should not be responsible for billing, collections, and deposits. Split these duties where possible.
10. The parish census should be updated on a regular basis, with the information forwarded to the Diocese at least monthly.
11. Those parishes using computer systems for census, parishioner offertory collections and accounting transactions should create backup disks on a monthly or quarterly basis and store these disks in a safe secure location in case of computer system failure.

#### Parishes with Schools

- I. The school principal's office should maintain a small petty cash fund (can be a checking account) to pay for emergency purchases or used for reimbursable events (field trips paid by parents). Replenishment of school related expenses must go through the parish office accounting system only. Replenishments should be made monthly with the parish bookkeeper.
2. The collection of school fees and tuition should go through the parish office. Cash and/or checks received at the school office should be forwarded to the parish office on a daily basis or deposited in the parish bank account.
3. Serious consideration should be given to using outside services such as "Smart" or "Facts" to collect and record all student tuition. This eliminates the task of money handling and record keeping.
4. Tuition and fees not collected by the end of each school year must be approved for write-off by the pastor and principal.
5. The principal must have direct relationship and control of all school societies (HASA, athletic associations, youth groups, etc.). Financial statements should be required on a quarterly basis from each of these groups to be submitted to the pastor and principal.
6. All school fundraising drives must go through the parish accounting system.