

## Level II

### Parish Financial Policies and Procedures

Parishes are required to utilize a common chart of accounts and Parish Data Systems (PDS) software. Parishes are to comply with GAAP, except for depreciation. Internal controls are in effect: (a) cash is to be accompanied by at least two persons at all times, (b) collections are to be placed into a prenumbered tamper resistant locked bag at time of collections, (c) counting is to be done by a minimum of three or more unrelated individuals but in no instance with less than two, (d) each parish is to have an independent financial review once every two years, and (e) an active parish finance council (per guidelines published by the MSO). Parish or diocese accounting staff is not permitted check signing authority. There is a separation in duties, even with smaller staff, by involving the parish finance council, as needed.

### Detailed Parish Counting and Collections Procedures

Parish collection and receipts are to be documented by more than one person or through a written receipt. Funds received through collections are to be counted by a minimum of three or more unrelated persons but in no instance with less than two, and the process observed by a third person. The accounting staff for the parish are not to participate in the counting process. Count sheets are to detail the receipts and signed by all of the counters present. A deposit slip is prepared. The count sheet, deposit receipt, ledger, and donor record are to be reconciled and balanced to one another. All four records are to be preserved for the audit/financial review.

### Sunday Offerings

- A. Collection
  1. Ushers rotate in their assigned aisles for collection; special attention is required for those areas that have "blind spots" created by pillars, statues, etc.
  2. All contents of the collection baskets are to be transferred to security areas in the presence of at least two delegated persons, preferably on a rotating basis.
  3. When money is stored to be counted later, use of tamper proof bags is **REQUIRED**. At least 2 delegated persons will transfer the money to the bags, using a rotation for working together.
  4. Use of a security log is an excellent way of monitoring the money bags.
  5. If monies need to be transferred from parish to parish, t
- B. Money Counting
  1. Money counters are recruited by the Pastor and/or the supervisor; counters rotate in schedules. Bookkeeping

personnel are **NEVER** involved in any money counting/handling procedures.

2. Uncounted funds are retrieved from the storage area by the authorized personnel and delivered to the working area.
3. Counters work at least in pairs, with no one person dealing alone with funds. It is recommended that another person observe the money counting process.
4. Plate donations and unopened envelopes are sorted and counted separately.
5. Worksheets are used to record amounts of currency, coin, and checks (see Exhibit I as an example).
6. Envelopes are opened and verified; content amounts are recorded on the outside of each envelope. Content amounts are totaled, and adding machine tapes are attached to each batch of envelopes; corresponding amounts are listed on the worksheets. It helps to note if the donation was in check or cash form.
7. Pairs of workers exchange places, recount monies, and verify entries on the worksheets; counters then initial the worksheets, vouching for entry accuracy.
8. A composite record of all plate and envelope donations is made by summarizing the data on all of the worksheets from all of the workers. Sheet totals must agree with the total of all coin, currency, and checks being counted.
9. The summary *sheet* (see Exhibit II as an example) becomes the document used in the stewardship/contribution recording process.

C. Deposit of Funds

1. A deposit slip is prepared in duplicate by the counting supervisor, who verifies that the deposit agrees with the supporting documents of the counters. The original deposit slip is enclosed with the deposit; the other copy is attached to the supporting documents that will be used in recording the contributions in the contribution stewardship records.
2. Locked bags are used to transport the deposits to the bank, immediately after counting. Bookkeeping personnel should **NEVER** transport money to the bank.
3. For personal safety reasons, to rotate the persons, the vehicle used, and the time of day that the money is transported from church premises to the bank is highly recommended.

D. General Ledger Recording

1. No person involved with the money counting process should make the journal entries for the receipts.
2. Journal entries are made, either manually or with the data processing procedures, using the documents generated during the money counting procedures.
3. The Pastor or his delegate regularly reviews the journal entries of income. The Finance Council may also review the journal entries.

E. Contributions/Stewardship Recording

1. No person involved with money counting should be assigned to work with the contribution/stewardship records.
2. As entries are made into the contributor/stewardship files, either with manual record keeping or data processing, a comparison is required between the amounts entered and the adding machine tape that accompanies the batch of envelopes being recorded.