

# Parish Financial Instructions



Diocese of  
Green Bay



## **PARISH FINANCIAL INSTRUCTIONS**

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Diocese of  
Green Bay

## Financial System Checklist

This Financial System Checklist is a self-evaluation form to be used by parishes. Pastors/Administrators /Pastoral Leaders, trustees, or Finance Council members will find completion of the checklist a helpful tool to review the parish's internal controls.

The statements are listed along with True/False boxes. Mark the respective answer that applies to the current operations of the parish. Questions with a "False" answer indicate a potential problem area in terms of safety and checks and balances. Please feel free to contact a Diocese of Green Bay at (920) 272-8261 with any questions.

### Offertory Collections

	<u>True</u>	<u>False</u>
1. <b><u>Two</u></b> ushers place money in pre-numbered, single use tamper-evident plastic collection bags after mass.	<input type="checkbox"/>	<input type="checkbox"/>
2. A master number list for the plastic collection bags is maintained in the parish office.	<input type="checkbox"/>	<input type="checkbox"/>
3. Both ushers sign the plastic collection bags and the bags are delivered to the bank or placed in a safe until the time designated for counting.	<input type="checkbox"/>	<input type="checkbox"/>
4. Two people retrieve the sealed bags from the bank/safe.	<input type="checkbox"/>	<input type="checkbox"/>
5. Two or more unrelated adults are always present while money is being handled.	<input type="checkbox"/>	<input type="checkbox"/>
6. Money is counted in a secure area.	<input type="checkbox"/>	<input type="checkbox"/>
7. Money in the envelope is compared to the amount written on the envelope.	<input type="checkbox"/>	<input type="checkbox"/>
8. Checks are restrictively endorsed - For Deposit Only (parish name)	<input type="checkbox"/>	<input type="checkbox"/>
9. Collection worksheets are prepared and signed by the counting team.	<input type="checkbox"/>	<input type="checkbox"/>
10. The counting team places the money and a copy of the deposit slip in a new tamper-evident plastic collection bag.	<input type="checkbox"/>	<input type="checkbox"/>
11. The parish has multiple counting teams that rotate.	<input type="checkbox"/>	<input type="checkbox"/>
12. Contributions are posted to parishioner records and statements are periodically provided to parishioners.	<input type="checkbox"/>	<input type="checkbox"/>
13. The business manager, business administrator and bookkeeper have no role other than recording amounts in the general ledger.	<input type="checkbox"/>	<input type="checkbox"/>
14. The pastor/administrator/pastoral leader has no role handling offertory collections at any time.	<input type="checkbox"/>	<input type="checkbox"/>

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 15. Diocesan special collections are remitted within 60 days.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. All individual gifts of \$250 or more are receipted and a statement is sent at the end of the year. | <input type="checkbox"/> | <input type="checkbox"/> |

**In-Office Collections**

True      False

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 1. Three-part receipts are used for all monies received that are not in an offering envelope.                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The individual who records collections on the parish accounting records does not handle the actual money received.    | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Offering envelopes are held in the parish safe and given to the Mass collection counters for the next weekly deposit. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Undeposited money is kept in a locked safe.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Deposits are made frequently.   | <input type="checkbox"/> | <input type="checkbox"/> |

**Disbursements**

True      False

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. The bank has been instructed that all checks require two signatures.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. All checks contain original signatures. (no signature stamps)  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The pastor/administrator/pastoral leader and the two trustees are the only authorized check signers on all accounts besides Scrip and bingo.             | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Pre-numbered checks are issued and used in order.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Blank checks are adequately safeguarded.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Voided checks are marked and retained.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Checks are never pre-signed.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Check signers inspect all supporting documentation.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. All payments are supported by an original invoice (not statement) which contains the approver's signatures and date approved.                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Checks are never written out to the Parish or for "cash".   | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Transfers between accounts are authorized in writing.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Any credits cards that were opened have been closed.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Forms 1099 Misc. are filed for each person, partnership, and health care provider that received \$600 or more as compensation during the calendar year. | <input type="checkbox"/> | <input type="checkbox"/> |

**Payroll**

True      False

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. Employee files are adequately safeguarded in a locked file cabinet.                | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Hourly employees submit time cards that are signed by the employee and supervisor. | <input type="checkbox"/> | <input type="checkbox"/> |

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 3. Employees are paid by check or direct deposit.                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Overtime is approved prior to overtime hours being incurred.                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. I-9s and current W4's are on file for all employees.                              | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Payroll tax returns are filed on a timely basis.                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Payroll deposits are made on a timely basis.                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Retirement contributions and withholdings are remitted on a timely basis.         | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. All employees and clergy receive a W-2.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Annually the 941s, W-2s, and W-3 are reconciled.                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Eligible employees are covered by the Diocesan Lay Employee Retirement Plan.     | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Eligible employees are offered coverage under the Diocean Health Insurance Plan. | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Vacation, sick, and personal leave are properly accrued.                         | <input type="checkbox"/> | <input type="checkbox"/> |

**Bank Accounts**

- |   |                          |                          |
|---|--------------------------|--------------------------|
|   | <u>True</u>              | <u>False</u>             |
| 1. The parish has only one checking account except for Scrip and bingo.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. All bank accounts are in the name and address of the parish (general operating, school, men's/ladies' group, etc.) and use the parish Federal Employer Identification Number (FEIN). | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Bank communications (bank statements) are addressed to the appropriate individual at the parish address.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The bank reconciliation is prepared monthly by someone other than the individual who prepares checks.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. A copy of the bank reconciliation is submitted monthly to the Finance Council.   | <input type="checkbox"/> | <input type="checkbox"/> |

**Petty Cash**

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
|   | <u>True</u>              | <u>False</u>             | <u>N/A</u>               |
| 1. There is only one custodian of the petty cash fund and this is the only person with access to the fund.                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Petty cash balance is kept at a reasonable level. \$250 is sufficient for most parishes.                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Petty cash is kept in a secured location.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Pre-numbered vouchers are used for each disbursement from the fund.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Original receipts or vendor invoices support each disbursement.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Someone other than the petty cash custodian reconciles the fund prior to the fund being replenished (or at least monthly). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. The individual receiving the petty cash initials the receipt or voucher and indicates the purpose of the expense.          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Representative of the Finance Council makes periodic, unannounced audits of the petty cash fund.                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Investments**

	<u>True</u>	<u>False</u>	<u>N/A</u>
1. All parish investments are recorded in the general ledger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Investment accounts are reconciled at least quarterly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Parish investment returns are monitored at least quarterly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Funds are invested at St. Francis Xavier Corporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Funds are held as custodial funds at the Catholic Foundation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Endowments**

	<u>True</u>	<u>False</u>	<u>N/A</u>
1. Each endowment has a written document.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The document is on file at the Diocese.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Each endowment is kept separate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The Endowment board(s) meet(s) annually.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The Endowment Board meetings have minutes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Scrip**

	<u>True</u>	<u>False</u>	<u>N/A</u>
1. There is a Scrip Committee which reports to the Finance Council.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Scrip has a separate checkbook.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Excess money is not kept in the Scrip checkbook.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The Scrip checkbook requires two signatures. The pastor/parish director has appointed the check signers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The bookkeeper does not sign checks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Scrip certificates are kept in a secured location on the parish/school premises that is separate from the scrip inventory records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The scrip inventory includes certificate/card numbers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Scrip inventory is kept to a minimum.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Inventory is counted and reconciled weekly to the accounting records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Scrip is only sold on parish/school premise.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. The collection (selling), ordering, and recordkeeping (reconciling) functions are performed by separate individuals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Tuition credits are only given for the parents' or other family members' purchases.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Scrip is only sold to private individuals for their personal use and not sold to businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. All scrip activity is recorded in the parish/school financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| 15. Revenue/Expense reports along with a copy of the bank reconciliation is submitted monthly to the Pastor/Administrator/Pastoral Leader and the Finance. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Volunteers and staffing hours are recorded and pass the 85% test.*   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*All Scrip programs must maintain a record of the hours compiled by each volunteer and paid employee for every fiscal year. If the paid hours exceed 15% of the total hours it takes to run the program, a federal form 990T must be prepared and taxes paid on profits.

### **Cemeteries**

- |   | <u>True</u>              | <u>False</u>             | <u>N/A</u>               |
|---|--------------------------|--------------------------|--------------------------|
| 1. There is a Cemetery Committee that is a sub-committee of the Finance Council.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. All cemetery records are held at the parish office.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Cemetery perpetual care funds are segregated in the accounting system.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. A portion of every sale of burial space is transferred to the cemetery perpetual care fund. The amount transferred is 25% of the revenue with a minimum of \$25. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. The perpetual care fund's principal is not being spent.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### **Schools**

- |   | <u>True</u>              | <u>False</u>             | <u>N/A</u>               |
|---|--------------------------|--------------------------|--------------------------|
| 1. All uncollected tuition is recorded as a receivable on the general ledger.                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The receivable for uncollected tuition is reconciled to the general ledger on a monthly basis. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Monthly statements are sent to parents for uncollected tuition.                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Checks for activities (field trips, book clubs, etc) are made out the school not the teacher.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Hot lunch revenues and expenses are incorporated into the parish/school accounting system.     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### **Religious Education**

- |   | <u>True</u>              | <u>False</u>             | <u>N/A</u>               |
|---|--------------------------|--------------------------|--------------------------|
| 1. Collection of registration fees is handled through the parish office not the religious education office. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Uncollected registration is recorded in the general ledger (if significant).                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The receivable for uncollected tuition is reconciled to the general ledger on a monthly basis.           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Monthly statements are sent to parents for uncollected registration fees.                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### **Other**

- |  | <u>True</u>              | <u>False</u>             | <u>N/A</u> |
|--|--------------------------|--------------------------|------------|
| 1. All records are maintained at the Parish office.  | <input type="checkbox"/> | <input type="checkbox"/> |            |
| 2. The Diocesan Uniform Chart of Accounts is used.   | <input type="checkbox"/> | <input type="checkbox"/> |            |
| 3. The Parish/Rectory/School maintains a current inventory of the buildings and contents off site. | <input type="checkbox"/> | <input type="checkbox"/> |            |

- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| 4. All debt obligations are being met.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. W-2g's are completed for raffles as needed.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. For quid pro quo contributions in excess of \$75, (silent auctions) a statement is provided which lists a good faith estimate of the fair market value of the good or service and that the amount deductible for federal income tax purposes is limited to the excess contributed over the fair market value (required by the IRS). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Raffle entries are kept for 1 year after the drawing.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comment Area:

Parish Name:\_\_\_\_\_

Location:\_\_\_\_\_

Form completed by:

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_





## Parish Corporation – Officers’ Checklist

This Parish Corporation – Officers’ Checklist is a self-evaluation intended for use by parishes. Pastors/Administrators/Pastoral Leaders, trustees, or Finance Council members may find completion of the checklist a helpful tool to review how the parish’s organization compares to Diocesan instructions.

The statements are listed along with True/False boxes. Mark the respective answer that applies to the current operations of the parish. Questions with “False” answers indicate areas that do not follow the organizational instructions issued by the Diocese of Green Bay. Please feel free to contact the Diocese of Green Bay at (920)272-8261 with any questions.

### Trustees

	<u>True</u>	<u>False</u>
1. Our parish has two trustees, one Secretary and one Treasurer.	<input type="checkbox"/>	<input type="checkbox"/>
2. The trustees are elected by parishioners through ballot.	<input type="checkbox"/>	<input type="checkbox"/>
3. The trustees have staggered terms of two years.	<input type="checkbox"/>	<input type="checkbox"/>
4. Trustees serve no more than three consecutive terms.	<input type="checkbox"/>	<input type="checkbox"/>
5. Trustees do not hold office on their respective councils or serve as chairperson of any parish committee.	<input type="checkbox"/>	<input type="checkbox"/>
6. Staff, staff family members and permanent deacons working in the parish are not trustees.*	<input type="checkbox"/>	<input type="checkbox"/>
7. We have completed the “Annual Election of Trustee Approval Form” and it is on file at the Diocese and the Parish.	<input type="checkbox"/>	<input type="checkbox"/>

\*A staff member cannot be a trustee of the Parish in which they are employed. However, they may be a trustee in their own parish.

### Parish Pastoral Council

	<u>True</u>	<u>False</u>
1. Our Parish has an active Pastoral Council.	<input type="checkbox"/>	<input type="checkbox"/>
2. The Secretary Trustee is a member of the Pastoral Council.	<input type="checkbox"/>	<input type="checkbox"/>
3. The Pastoral Council meets at a minimum four times per year.	<input type="checkbox"/>	<input type="checkbox"/>
4. Minutes are kept for all Pastoral Council meetings in the parish office.	<input type="checkbox"/>	<input type="checkbox"/>
5. Pastoral Council members have staggered terms of three years.	<input type="checkbox"/>	<input type="checkbox"/>
6. Pastoral Council members serve no more than two consecutive terms.	<input type="checkbox"/>	<input type="checkbox"/>
7. Worship, Education, Living Justice, Stewardship and Evangelization are subcommittees of the Pastoral Council.	<input type="checkbox"/>	<input type="checkbox"/>
8. There are no conflicts of interest.	<input type="checkbox"/>	<input type="checkbox"/>

**Finance Council**TrueFalse

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. Our Parish has an active Finance Council.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The Treasurer Trustee is a member of the Finance Council.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The Finance Council meets at a minimum four times per year.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Minutes are kept for all Finance Council meetings in the parish office.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Finance Council members have staggered terms of three years.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Finance Council members serve no more than two consecutive terms.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. The Finance Council is responsible for overseeing the annual budget process.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. An annual meeting is held with the Pastoral Council to review the proposed budget.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. The Finance Council reviews monthly balance sheet and revenue and expenditure reports in order to monitor the Parish's budget.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. The Building and Grounds Committee, Safety Committee, Cemetery Committee, Scrip Committee, and Stewardship Committee are subcommittees of the Finance Council.        | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. There are no conflicts of interest.   |                          |                          |
| 12. The Finance Council, in cooperation with the Pastoral Council, maintains a 3-5 year fiscal plan for the operation of the parish which includes future facility needs. | <input type="checkbox"/> | <input type="checkbox"/> |

**Annual Parish Meeting**TrueFalse

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. An annual Parish meeting is held.                              | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The Pastor and both trustees attend the annual meeting.        | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Minutes are kept of the annual meeting in the parish office.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. An annual parish financial report is presented at the meeting. | <input type="checkbox"/> | <input type="checkbox"/> |

Comment Area:

Parish Name: \_\_\_\_\_

Location: \_\_\_\_\_

Form completed by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# PARISH BUDGET PROCESS POLICY

## **The Foundation of Budgets:**

All organizations have a limited amount of resources with which to operate. In the case of a parish, the resources represent funds entrusted to the parish by its parishioners. Parish staff and volunteers have a special fiduciary responsibility to make sure these funds are spent and invested wisely. Spending and investing wisely involves establishing specific, measurable goals and objectives then evaluating whether the goals and objectives have been reached. This process involves planning.

Planning is a prerequisite and the basis for budgeting. Planning must include a short (one year) and long-term (five to ten year) vision. Proper planning involves:

- ☐ Setting an objective or goal.
- ☐ Identifying and assessing present and future conditions affecting the goal.
- ☐ Developing a systematic approach by which to achieve the goal.

## **Purpose of Budgeting:**

A parish is involved in a variety of activities, i.e.: worship, religious education, fund-raising, etc. These activities are handled by many different committees and leaders. The budget process serves as a communication tool and a means to coordinate all activities to achieve the church's goals and objectives.

The budgeting process formalizes planning and can be used to evaluate performance. If there are variances from the budget, either under or over, corrective action can be taken. Corrective action may be in the form of seeking additional contributions, cutting costs, etc. These steps help the parish keep on target in terms of achieving its original plan.

A budget is also a tool that assists managers in assessing parish operations and thus helps in sound decision making. This is especially important when inflows and outflows of cash are mismatched. Many parishes have a cash flow cycle where excess funds are available to the church for several months of the year, but the excess must be retained to cover the fixed costs of operating the church during time when attendance and giving are traditionally low.

## **Roles and Responsibilities**

The Parish Pastoral Council, along with the staff and all members of the parish community, works with the Pastor/Administrator/Pastoral Leader to do parish planning. This includes the formulation of a parish mission statement, the annual assessment of needs, and the establishment of parish goals and priorities and an annual review of the overall operation of the parish for the previous year. In general, the Parish Pastoral Council establishes goals and priorities as well as coordinates the programs and organizations of the parish. The Finance Council is responsible for assisting the Pastor/Administrator/Pastoral Leader with the administration of the parish. This includes oversight of financial reporting, budgeting, fundraising, property management, safety and personnel, thus enabling the parish to carry out its mission. These two bodies work together collaboratively and are consultative to the Pastor/Administrator/Pastoral Leader. This is facilitated by annual meetings of the Parish Pastoral Council and the Finance Council. All final budget decisions and approvals rest with the Pastor/Administrator/Pastoral Leader.

## **The Budget Process – Bottom Up:**

A Bottom Up process needs as many people involved in the budgeting process as possible. Participation is an important step in budgeting. For example:

- ☐ Office personnel are asked to submit their requests for new equipment and operating supplies.
- ☐ Teachers are asked to think about their classroom needs and submit requests.
- ☐ Service organizations are asked to prepare their own balanced budgets.

This approach starts with distribution of general budget guidelines by the Finance Council. Each department, organization, or individual then submits written requests for funds to the Parish Pastoral Council. The Parish Pastoral Council thoroughly reviews all requests for funds and invites the people seeking the funds to present their requests. The Parish Pastoral Council then submits its recommendations to the Finance Council. Based on available resources, budgets are accepted, rejected, or modified by the Finance Council in consultation with the Parish Pastoral Council. The rationale for any modifications or rejections is clearly defined by the council and stated in the minutes.

### **The Budget Preparation – Approaches:**

There are two recommended approaches for preparing the annual operating budget: incremental budgeting or program budgeting.

**Incremental budgeting** is based on the question, how much did it cost last year? This approach takes this year's budget as the basis for next year's budget with adjustments for anticipated cost or activity changes. Example: Religious education served the needs of 100 children this year at a total cost of \$1,000 (\$10 per child). The parish anticipates serving 125 children next year, and because of inflation, the cost per student will rise to \$11. Thus, using the incremental approach, part of next year's budget for religious education will be \$1,375 (125 X \$11).

The important consideration to note when using this approach is for the Parish Pastoral Council to verify or confirm that prior activities and costs are effective and efficient in their implementation. In addition, costs may behave differently from year to year.

**Program budgeting** operates with the assumption that the programs need to meet certain purposes. Instead of looking at revenues and expenses in general as increasing or decreasing, program budgeting looks at the heart of a program. This approach uses costs identified with specific programs. Clearly establishing the purposes improves the parish's use of resources and the effectiveness of the programs. This is done by having the Parish Pastoral Council:

- ☐ Identify each program
- ☐ Examine the program in terms of how well it is meeting the stated purpose
- ☐ Estimate the resources needed to operate the program (the Finance Council may be able to help with this)

This information is formatted to include: purpose of the program, description of the services provided, program goals and objectives, amount of money needed and the benefits and cost of any program change requested. This approach ensures tying in the program purpose with the parish's goals and objectives. In addition, this approach has the potential to generate a higher level of member support in parish activities.

### **The Operating Budget:**

Whichever budget approach or combination of approaches is used, an operating budget for the fiscal year still needs to be completed. The operating budget must contain details on the revenues as well as the expenses. (The diocesan Uniform Chart of Accounts may be a helpful guide in identifying the revenue and expense areas that need to be considered). It is important to budget realistically for revenues. A parish should not commit itself for expenditures, especially those of a long-term nature, without having a good handle on the anticipated inflow of resources.

As stated above, budget estimates are based on both past performance and future estimates. Historical information is a good starting point for prediction. However, anticipated changes in the church and community members need to be considered. Intentional understatement of contributions and/or overstatement of expenses must be avoided. Administrators need a realistic budget that they can use as a reliable guide to avoid overspending. A budget needs to be attainable under normal operating conditions.

In order to determine the total resources entrusted to the parish by its members, the budget should include estimates of regular offerings, restricted or designated gifts, fund-raising profits, endowment income, etc. There are several methods that parishes can use to estimate the level of member giving. Some of the more common methods are:

- ❑ average contribution per contributor,
- ❑ average contribution per contributing unit (those that give \$100/yr or more),
- ❑ average contribution per attendance at Mass, and
- ❑ average contribution in terms of registered families.

The method or combination of methods that a parish may use depends on the information available and the parish's particular circumstances.

Once the preliminary budget is put together, the expected expenses may be in excess of expected income. At this point, the parish may need to ask some hard questions – ex: the importance of particular programs, the appropriate amount to be added to a building fund, the possibility of deferring some expenses until a later date. This process of reconciling revenues and expenses is important because the parish's operating plan for the coming year is determined during this process. In some instances, a budget may be approved with more expected expenses than expected revenues when a parish decides to take money out of an investment. This decision may be made to honor commitments and to keep the parish moving toward its long-term goals and objectives. In this situation, the parish must obtain written permission from the Bishop – see attached Budget Policy. Even if a deficit budget is approved, the parish should attempt to achieve a balanced budget as soon as possible.

If the parish budget shows a surplus after all parish and diocesan obligations, such as Bishop's Appeal, Cathedraticum, and school subsidies, are met, the budget may include charitable donations to worthy causes whose activities are not contrary to Church teaching.

### **Other Budgets:**

In addition to the annual operating budget, several other budgets may guide the parish's finances, i.e.: cash flow budget, capital-spending budget, and debt budget. A cash flow budget shows the projected ending cash balance and cash position for each month of the year. It recognizes that cash receipts and cash outflows usually happen at different times during the financial cycle of the parish. A capital-spending budget details the cost of renovation or building projects along with the source of funds need to finance the project. The debt budget shows how the church's long term debt will be paid off.

### **Budget Approval**

It is best to have a final budget recommended by both the Financial Council and Parish Pastoral Council. However, it is the responsibility of the Finance Council to present the budget to the Pastor/Administrator/ Pastoral Leader. The Pastor/Administrator/Pastoral Leader must review and approve the annual parish budget.

### **Budget Calendar**

It is important to keep the budget process moving. To do this, a budget time-line is helpful. The following calendar is an example of a time-line that could be used by a parish with a school:

*July* – Implement current year's budget.

*September* – Review monthly and year-to-date performance against budget

*December* – Principal/school board finance committee/finance committee – begin preparation of next year's budget based on the revised long-range plan. Assign responsibility for various sections of the budget.

*January* – Finalize enrollment and staffing assumptions, including salary schedules and fringe benefits.

*February* – Initial meeting with Parish Pastoral Council

*February* – Develop line-by-line expenditure budget using faculty and departmental requests, as well as assumptions built into the long-range plans.

Review anticipated building repairs and improvements for the new operating budget.

*March* – Develop line-by-line income assumptions.

*April* - Present tentative budget to the school board and Parish Pastoral Council.

*May* - Calendarize the budget for control purposes and develop a cash flow calendar. Present final budget to Finance Council and Parish Pastoral Council for recommendation to Pastor/Administrator/Pastoral Leader.

*June* - Pastor/Administrator/Pastoral Leader approve and publish the budget.

When a parish does not have a school the time-line can be a little more flexible:

*July* – Implement current year’s budget.

*December/January* – Review the current budget and compare it to actual revenues and expenditures for the current year.

*February/March* – Distribute budget request information to service organizations and committees. Parish Pastoral Council accepts preliminary budget requests.

*April/May* – Compile requests received from the service organizations and committees. Review the proposed operating budget with the Parish Pastoral Council. Coordinate any needed adjustments based on projected revenue with the Pastor/Administrator/Pastoral Leader.

*June* – Present final budget to Finance Council and Parish Pastoral Council for recommendation to Pastor/Administrator/Pastoral Leader. Publish approved budget.

### **Communicating Financial Information:**

Budgeting is not an end to itself. All of this work is done to improve planning, decision making, and communication. Well-prepared financial reports not only assist in the communication, but are required by church law (Canon 1287). The financial reports should summarize the revenues and expenses (in whole numbers), compare the data to the forecasted budget, and state a commentary for significant variances when the reasons are known. These comparative financial reports should be shared with the Parish Pastoral Council chairperson, Pastor/Administrator/Pastoral Leader, finance council, trustees and other appropriate parish staff and leaders at least quarterly (preferably monthly).

### **Conclusion:**

Plans and budgets are only as effective as the effort that has gone into their preparation. The time and effort put into a parish budget contribute to a parish’s effectiveness by:

- helping parish leaders to look ahead and define short and long-term goals,
- contribute to the parish community by working together to make and carry out the plans, and
- comparing the budget with actual results helps the parish make spending adjustments when/where needed.

The budget comparison provides the opportunity to ask “how did we do?”. Were our fund raising projects successful? Did we budget realistically? Did we handle our resources efficiently?

Bishop Robert Morneau shares his view on stewardship by saying that stewardship is a way of life that calls us to receive God’s gifts gratefully, to nurture and tend God’s gifts responsibly, to share God’s gifts justly and charitably, and to return God’s gifts abundantly. Budgeting is a tool that helps us look at what we have done with and will do with the garden entrusted to us.

## **Budgeting Categories for Planning**

To determine how to effectively use parish time, talent and resources, planning and budgeting is a necessary component. We recommend you categorize your parish activities into the following categories. Planning should be done for current (the next year) and future (3-5 years) activities.

### **1 Pastoral Life**

Activities relating to worship, ecumenism, evangelization, marriage preparation, ministry formation, personnel development, parish councils and committees should be included here. Activities such as direct contributions, mass intentions, school subsidies and Rite of Christian Initiation of Adults (RCIA) should be included in this category. Committee activities may be categorized separately to make reporting easier.

### **2 School**

Activities related to parish schools should be recorded under this group. (Before and after school programs are excluded, see item #4).

### **3 Religious and Adult Education (Pre-kindergarten – Adult)**

This includes all non-school educational programs, including religious education, sacramental preparation, special religious education, and youth and adult ministry programs. Adult education including parish missions, prayer groups, Bible study, adult retreats and other programs designed to promote the religious education and spiritual formation of current parish adults but not RCIA.

### **4 Community Impact**

Activities relating to family life, marriage and parenting enrichment, refugees, ethnic or cultural groups (i.e. Native Americans, Hispanic outreach, Hmong community), social justice, pre-school daycare, before and after school programs, governmental services and social programs to assist individuals within parish boundaries should be in this category

### **5 Service Organizations**

This includes ladies societies, Holy Name societies, guilds, booster clubs and similar organizations that are related to the parish. National organizations such as the Boy Scouts, Knights of Columbus and St. Vincent are not considered a parish service organization.

### **6 Cemetery**

All cemetery and mausoleum related financial activities are included in this group.

### **7 Enterprise**

Enterprise activities are ongoing business activities specifically engaged in by the parish with the intent of generating a profit. Enterprise activities include festivals, bazaars and picnic activities. Scrip and rental income of parish properties should be included in this category

### **8 Capital Projects**

Capital Project activities include those that have the specific aim of providing a new asset or facility or improving an existing one.





## **Instructions for Handling Parish Collections**

This procedure is intended to provide for the responsible handling of money and to protect the reputation of all who assist in this task. Mass servers, children and any non-designated person may not have access to or handle parish monies. The pastor, associate pastor or pastoral leader must not assume any of the roles listed in the procedure. The business manager, business administrator or bookkeeper may not assume any role in the procedure other than to record the figures.

1. The parish Finance Council must establish and adopt standardized counting procedures based upon the instructions listed in this document.
2. The parish should have multiple teams of trained counters who understand the procedures that have been established by the parish.
  - Children must not be money counters.
  - In addition to the Parish Finance Council Policies regarding Conflict of Interest, no Trustee or Finance Council person may be on a counting team.
  - Business managers, business administrators and bookkeepers may not serve on the counting teams for the parish they work for.
  - Pastors, associate pastors and parish directors may not serve on the counting teams.
  - Counting teams should be alternated (monthly, every other week, etc.).
3. Members of the counting teams must be rotated often (at least annually) so that members do not become complacent.
4. Pre-numbered, single-use, tamper-evident plastic collection bags should be obtained by the parish.
  - One bag number is to be assigned to each Mass or event.
  - A master number list must be maintained in the parish office.
  - The opening of the bag should allow dumping collection basket contents directly into the bag and eliminate the need to handle the money and envelopes.
5. A less desirable alternative is to obtain a sufficient number of keyed deposit bags with two master keys. Separate bag(s) should be used and marked for each service. The bank holds one master key. A designated person holds the other master key. This person is not to have the safe combination or access to the filled money bags except when opening them in the presence of another counter.
6. The empty unlocked bags specified for a given service are given to the ushers (at least two) for that service.
7. After the collection has been taken, the offerings are placed in the offertory basket and presented before the altar.
8. After Mass, two ushers or other designated persons transfer the money to the bag marked for that service and seal/lock the bag. Both ushers should sign the sealed bag in ink. The

sealed/locked bag is delivered to a bank depository as soon as possible after the service. If the bank will not accept uncounted bags, the bags may be delivered to a parish safe by two or more ushers or designated persons (not the pastor or the bookkeeper).

9. At the time and in the place designated for counting the money, the person with the master key along with at least one other person receives the sealed/locked bag(s) from the bank or safe and opens them.
  - Whenever possible, the money should be counted at the bank, provided there is a secure place that will insure privacy.
  - If space is not available at the bank then the money should be counted in a separate locked room, where windows are shuttered or blocked. No one should be admitted while the collections are being processed.
10. A worksheet should be provided to the counter by the bookkeeper to record the results of the money counted. An example of a counting worksheet is included in these procedures.
11. Counters (always more than one) should:
  - Separate loose cash and checks from envelopes.
  - Separate envelopes by type.
  - Two or more persons must count the loose cash and checks and then have them counted by a second person or team to verify the total.
    - Any loose checks will be noted on the back of the worksheet.
    - A notation of the name, address, check number and amount will be recorded.
    - The bookkeeper will need to issue a receipt for loose gifts over \$250 or the donor may be added to ParishSoft as a contributor.
  - Open one type of envelope at a time, taking care to verify the contents of each envelope by placing a check mark next to the amount listed on the front and indicating if it was payment by check or cash.
    - If the amount is not listed on the envelope, the counters will write the amount found in the envelope on the front.
  - Before proceeding to the next envelope type, total all cash and checks and compare the cash total to the envelope total.
  - If multiple donation types are included in a single envelope/check, these envelopes (with contents intact) should be set aside and reconciled separately.
    - The donations in these envelopes will be added to the appropriate contribution type totals before the worksheet is completed.
  - Once all envelope types have been counted and reconciled:
    - Combine all currency and coins and total these for the deposit slip.
    - Then total all checks and prepare an adding machine tape.
    - Total all currency, coin and checks.
    - Total all envelopes and loose collection amounts to provide a final reconciliation number to compare to the cash/check totals.
    - Compare the reconciliation total to the total of all currency, coin and checks. (See worksheet sample attached.)
12. Prepare a deposit slip in duplicate.
13. The counters must review and sign the completed worksheet to indicate that they are in agreement with the information provided.

14. The counters place the money and one deposit slip in a sealed or locked bag. The other deposit slip, the tapes on the funds, the empty envelopes that include names and amounts and the worksheet are given to the bookkeeper.
15. Two persons deliver the counted money with the original deposit slip to the bank or night depository. The bank should contact the bookkeeper if any differences be discovered.
16. The bookkeeper uses the reconciliation worksheet and the empty envelopes to update the accounting and ParishSoft contribution records.

Examples of a Counting Worksheet and Diagram for Procedure for Handling Parish Collections are provided on the next pages.

Parish Name \_\_\_\_\_  
 Parish City, WI \_\_\_\_\_

Date \_\_\_\_\_

Mass Time \_\_\_\_\_

**Mass Collections**

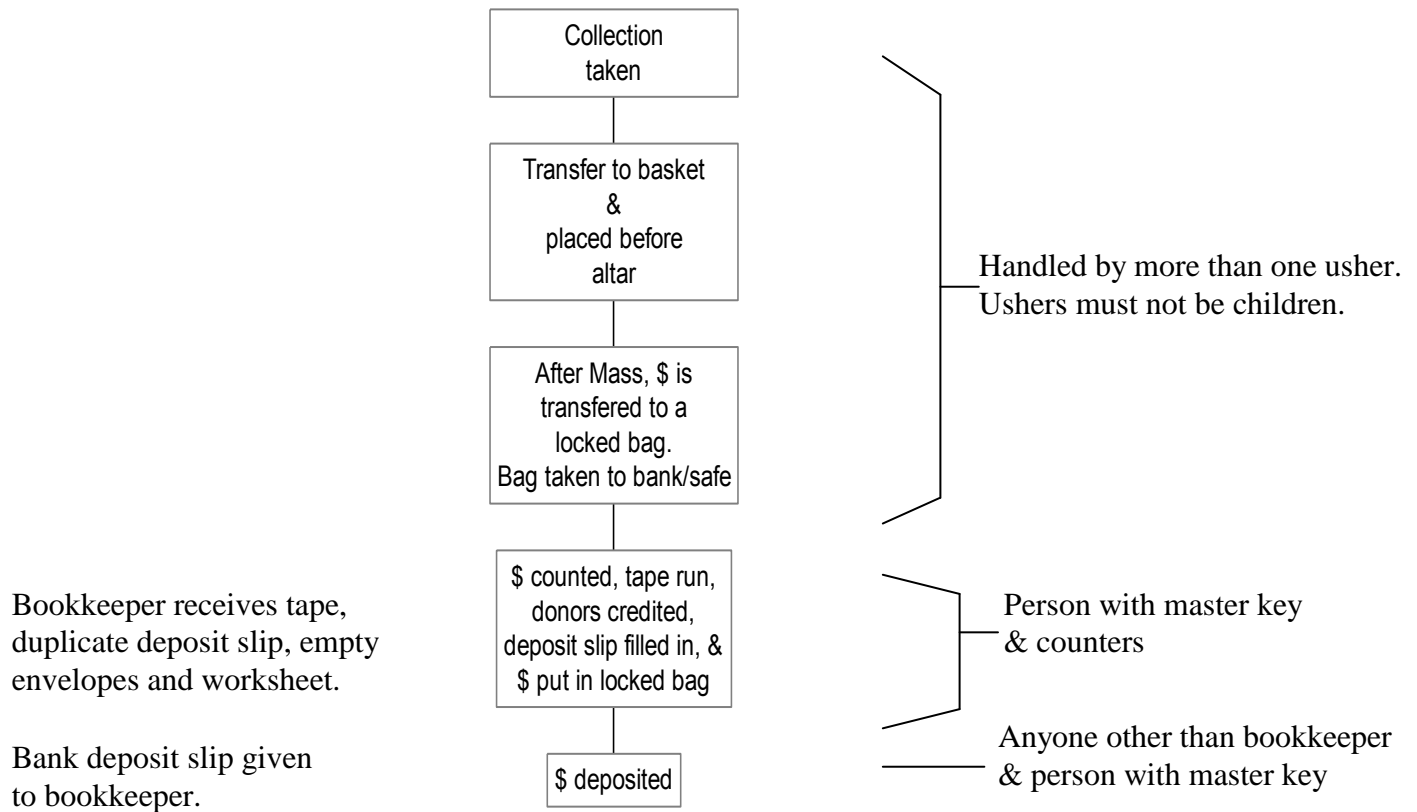
Account	Description	Checks	Cash	Coin	Total
	402 Sacrificial Giving				
	402 Loose Collections				
	280 Special Occasion				
<b>Funds Held for Others:</b>					
260	Human Dev				
260	Flower Fund				
260	Bishop's Appeal				
260	Stipends				
	411 RE Tuition				
	412 Instructional Fees				
	406 Stole Fees				
	280 Restricted				
	270 Endowment Fund				
	440 Program Revenues				
	Building Maintenance				
	Sub Totals				
	Total Deposit				\$ <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span>

Prepared By \_\_\_\_\_  
 Prepared By \_\_\_\_\_  
 Prepared By \_\_\_\_\_  
 Prepared By \_\_\_\_\_

Deposited at Bank \_\_\_\_\_

Note: Attach deposit receipt to

## PROCEDURE FOR THE HANDLING OF PARISH COLLECTIONS



**NOTE:** The pastor must not assume any role.  
The bookkeeper may not assume any role other than recording the figures.



## CONSOLIDATION OF PARISH CHECKBOOK INSTRUCTIONS

The Diocese of Green Bay strongly recommends that all parishes operate with one checkbook. Parish, school, religious education, cemetery, and service organization operations should all be run through one consolidated checking account. The different functions must be tracked separately in the computerized accounting records by using the separate functional classifications outlined in the Diocese of Green Bay Uniform Chart of Accounts. The only exceptions are Scrip and Bingo activities which are required to have separate checking accounts.

Using only one checkbook can improve the financial management of the parish in the following ways:

### 1. **Simplifies Pastor/Administrator/Pastoral Leader's Oversight of Corporal Assets**

According to Canon 532 and Wisconsin Statute 187.19 (1), the pastor is responsible for all activities of the parish. In addition, the pastor is the legal representative in Civil Law. Practically speaking, this means that the pastor is responsible for all activities that use the parish name and Federal Employer Identification Number (FEIN) – e.g. cemeteries, adult education, religious education, Holy Name Society, Parish Council of Catholic Women, Home/School Associations, etc. In order to fulfill this responsibility, the pastor should review the banking activity for all of these areas. Having one consolidated checking account greatly simplifies the review process and provides a more complete financial picture of the parish.

### 2. **Improved Internal Controls**

The following internal controls are simplified when there is one consolidated checking account.

- Dual signatures on all parish checks

The Diocese of Green Bay "Parish Check Signing Policy", requires that all parish checks have two signatures and that one of the signatures be that of the Pastor/Administrator/Pastoral Leader. Obtaining these signatures is much easier when all activity is generated from one consolidated checking account.

- Maintaining current signature cards for all bank accounts

The parish must have a bank signature card with all current authorized check signors. Each time one of the authorized check signors changes an updated card must be obtained from the bank. This process is much easier when there is one consolidated account rather than several individual accounts.

- Physical safeguard for blank checks

Blank checks for all parish bank accounts must be kept in a locked cabinet or safe. When there are different bank accounts for various parish activities the checks often are kept in various locations. This makes it difficult to assure that blank checks are properly safeguarded.

- All financial transactions recorded in computerized accounting system

A computerized accounting system that includes all transactions of the parish provides the most accurate financial picture of the parish. When there are separate checking accounts for the various functions within the parish, there is the risk that not all transactions are being recorded in one computerized accounting system. One consolidated checking account minimizes this risk. The individual functions of the parish can be tracked separately within the computerized accounting system using the Diocese of Green Bay Uniform Chart of Accounts.

### **3. More Efficient Cash Management**

One consolidated cash account makes cash management more efficient in the following ways:

- Less time spent on bank reconciliation  
Going through the reconciliation process for one account rather than numerous accounts will be more efficient.
- Less resources tied up in minimum balances  
Most bank accounts require some type of minimum balance be maintained in an account. By consolidating activities into one bank account the amount of parish resources tied up in minimum balances is reduced.
- Lower bank fees  
Banks charge fees for the various services they provide. Some of the fees are charged per account and others are per transaction. With one consolidated bank account the parish can eliminate duplicate fees that are charged on a per account basis. One larger consolidated account may allow the parish to reduce the per transaction fees as well.

#### **Process of Implementation**

A parish will probably not get to one checkbook overnight. The Finance Council, Pastor/Administrator/Pastoral Leader and Treasurer Trustee can take steps toward one parish checkbook. Good stewardship of prayer, ministry and finance may include:

- Share the Diocesan Check Signing Policy with all organizations and request their cooperative compliance.
- Set a future date when all organizations will be in compliance.
- Move existing checking accounts to one bank.
- Total how much money is in the system and share what the potential savings could be if the money was consolidated into one account.
- Ask the question, “How much time is spent reconciling all accounts?”
- Require all organizations with checkbooks use the account numbers as listed in the Diocesan Chart of Accounts.
- Request monthly, quarterly, and yearly income/expense reports so the Finance Council can review the health of the parish regularly.
- Serve parish organizations by offering them a monthly report on their income/expense compared to their budget.
- Offer parish organizations the use of the parish petty cash reimbursement system and the ability to charge on an authorized vendor’s account as a means to facilitate expedient purchases.
- Share the progress as organizations consolidate their accounts.

In order to merge the accounts into one, it may be necessary at some point, to create a letter of agreement between the service organization and the Finance Council. This letter could outline the steps for distribution of an organization’s funds if the organization were to disband. A process of prayerful dialogue is central to each step. A pastoral approach needs to be balanced when implementing one checkbook for the parish.



## EMPLOYEE CREDIT CARD POLICY

The use of credit cards causes significant concern over security and the potential for abuse if it is used for unauthorized purchases. In addition, when a corporate credit card account is established an individual from the parish (usually the pastor or the pastoral leader) is required to sign as the responsible party on the account. If this individual leaves the parish and the parish does not change the responsible party on the account, this person can still be held personally responsible if the account becomes past due. For these reasons, the Diocese of Green Bay **does not approve the use of credit cards by its parishes.**

However, if a parish currently has credit cards the following guidelines and best practices must be used to avoid potential problems until the existing cards can be cancelled.

### **Security**

- 1) The credit card itself must be kept in a secured location when not needed for a purchase. Carrying the credit card at all times makes accidental use for personal purchases more likely to occur.
- 2) If the credit card is mistakenly used for personal expenses, a personal check to the credit card company for the amount of the personal purchase must be submitted along with the credit card receipt to the bookkeeper so it can be sent in with the parish payment. **Using a parish credit card for personal items may result in disciplinary actions, including immediate dismissal, since this would represent unauthorized use of parish funds.**

### **Best Practices**

- 1) The Finance Council must approve the issuance of any credit card or account. A notation of such approval must be made in the Finance Council minutes.
- 2) Credit cards/accounts are to be used for parish purchases only. Personal purchases of any type are not allowed.
- 3) Cash advances on credit cards are not allowed.
- 4) A credit card may only be used when it would be difficult or impossible to follow regular procurement procedures. Establishing credit and payment terms with vendors (net-30 day terms) is a more efficient use of cash than using credit cards.
- 5) For all purchases, be sure to ask for the sales tax exemption. It may be more difficult to get the exemption when using the credit card, but it is a significant savings that is worth the effort.
- 6) The credit card user must obtain an original receipt for all purchases. Each receipt must contain an explanation of the business purpose of the disbursement along with the same approvals necessary to process an invoice.
- 7) For online purchases, a printout of the confirmation for the purchase is acceptable as a receipt. However, the user must still document the business purpose and get the necessary approvals.
- 8) All receipts must be presented to the parish office for reconciliation with the statement on a timely basis, Ex: within 3 business days of a purchase.
- 9) If there are charges which are not supported by an original receipt, the card user must submit properly documented and approved invoices within 3 business days. If such invoices are not submitted, the charges should be considered personal – see item #2 under “security” above for treatment of personal charges.
- 10) The credit card statement must be received by someone other than the credit card user. This person must thoroughly examine the credit card statement before submitting it for payment. Part of this review includes making sure there is an original receipt with **documented business purpose** and necessary approvals to support **EVERY** charge. One of the best safeguards for discovering fraudulent use of the card is looking through the statements for unauthorized charges.

11) The check signer must also review the charges to the card before signing the payment check.

Verify that:

- a. Only authorized people use the card.
- b. Only approved products are purchased.
- c. Only designated vendors are used.
- d. The policy of avoiding the payment of sales tax is being followed.

12) Cardholders must sign an agreement indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

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**PARISH**

### **CARDHOLDER AGREEMENT**

I, \_\_\_\_\_, hereby acknowledge receipt of the following  
(Name of Cardholder)

credit card: \_\_\_\_\_ / \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
(Type of Credit Card) (Credit Card Number)

I understand that improper use of this card may result in disciplinary action, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Diocese of Green Bay Employee Credit Card Policies and Procedures.

I acknowledge receipt of said Agreement and Policies/Procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the Parish and that the Parish will be liable to

\_\_\_\_\_ for all charges made on this card.  
(Name of Credit Card Company)

I will strive to obtain the best value for the Parish when purchasing merchandise and/or services with this card.

As a holder of this Parish card, I agree to accept the responsibility and accountability for the protection and proper use of the card, as enumerated above. I will return the card to the Business Office, upon demand, during the period of my employment. I further agree to return the card immediately upon termination of employment.

I understand that the card is not to be used for personal purchases. If the card is used for personal purchases or for purchases for any other entity, the Parish will be entitled to reimbursement from me of such purchases. Using parish credit card for personal purchases may result in disciplinary actions, including immediate dismissal for unauthorized use. The ministry shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Cardholder)

Printed Name \_\_\_\_\_





## **Scrip Instructions for Parishes/Schools and School Systems**

Since the National Scrip Center introduced the Scrip program to the Diocese of Green Bay in the mid '90s, parishes and schools have earned millions of dollars. The sale of Scrip certificates is recognized as a beneficial source of additional income. At present, Great Lakes Scrip, Green Bay Scrip, St. Bernard's Scrip and local merchants are the primary sources of Scrip certificates. Great Lakes provides program manuals and software. However, the integrity of any Scrip program rests with the accountable individuals and fiduciary procedures within each parish/school program.

If you are planning to begin a Scrip program in your parish and/or school, it is important to get information guides from a primary Scrip provider, e.g., Great Lakes Scrip and be familiar with their suggestions. Read and study the information carefully; talk with program coordinators in other parishes or schools as well. When you are ready to design your program, be certain to consult the information in these instructions in addition to the following companion instructions and policies of the Diocese of Green Bay:

- Parish Budget Process Instruction
- Instruction for Handling Parish Collections
- Consolidation of Parish Checkbooks Instructions
- Parish Finance Council Policy
- Financial System Checklist
- Parish Administrator's Reference Guide
- Policy – Budgets
- Policy – Check Signing

These diocesan instructions and policies are intended to help parishes and schools implement a Scrip program and to serve as a standard for established programs in the Diocese of Green Bay. However, this handbook cannot anticipate every situation or question regarding Scrip. Those involved with Scrip are encouraged to contact the Finance Office of the Diocese of Green Bay for specific questions at 920-272-8261.

### **Planning and Oversight**

Planning is critical to the success of a Scrip program, as well as any other funding ventures; therefore, a Scrip Committee accountable to the Finance Council must be established. A Scrip Committee is charged with designing the Scrip program, establishing the goals, and setting and reviewing practices and procedures. The Scrip Committee will oversee the volunteers including the Scrip coordinator. The committee presents the program to the finance council or to the Board of Trustees for a Catholic School System, monitors the activities of the program, and offers encouragement and support to Scrip workers and participants. The actual distribution of profit would be the responsibility of the committee and the benefactors would be determined by the Pastor or Pastoral Leader in consultation with the Finance Council or the Board of Trustees of a Catholic school system.

### **Internal Controls**

As a parish/school program, Scrip activity is subject to the same accounting procedures as those that are used in the parish, i.e., use of the Uniform Chart of Accounts. This includes **recording all transactions on the parish/school system books**. Scrip certificates/cards are the equivalent of cash. A system must be in place to assure that certificate inventory is counted on a regular basis (at least monthly) and that certificates are protected from theft. Without an adequate internal control system in place, it may be difficult or impossible to prove a loss for an insurance claim. Key areas of Scrip internal control include:

#### **Safeguard Assets**

1. Use one separate checking account for Scrip activity.
  - Each check requires two signatures.
  - The pastor/administrator/pastoral leader with the advice of the parish trustees, appoints the two check signers
  - For Catholic school systems the President and Board of Trustees determine check signers.
  - ACH payments require the same signatures as a check.
2. The Scrip certificates/cards must be kept in a secured location on the parish/school premises.

- Certificates are to be sold on the parish/school premises.
  - Allowing Scrip to be stored in an individual's home creates risk both to the parish/school and the individual.
3. Parishioners participating in the program should pick up Scrip at the parish/school in a centralized location. Scrip can be sent home from school with an individual's son or daughter if the person signs a waiver allowing the parish/school permission to do so (sample attached).
  4. A reasonable dollar limit must be set for scrip inventory and monitored periodically. Since Scrip is cash, keeping inventory low reduces theft exposure. Parishes/School should only order the amount of Scrip that has been requested by program participants. When necessary, Scrip can be received from Scrip clearinghouses in one day by airmail.
  5. When selling Scrip, two or more adults must be present. Family members selling together are considered one person.

### **Segregation of Duties**

1. The individual(s) selling Scrip or filling Scrip orders may not be the same person that is preparing the bank deposit.
2. The individual ordering Scrip from the Scrip provider may not have checking signing authority.
3. The individual reconciling the Scrip bank account and Scrip inventory may not have access to the Scrip inventory, check signing authority, or make bank deposits.

### **Accuracy and Reliability of Accounting Records**

1. Scrip bank account needs to be reconciled on a monthly basis.
2. Scrip inventory should be reconciled on a weekly basis (no less than monthly).
3. Forms - use forms to expedite record keeping:
  - a. **Customer Order Form**, the weekly form used to order Scrip
  - b. **Inventory Form**, a form listing all certificates in inventory used for sales, tracking and accounting
  - c. **Sales Tracking Form**, this form allows for recording customers, items, and quantities
  - d. **Envelope**, an order-taking/delivery system used primarily by schools
  - e. *Vendor List*, provided by the Scrip distributor; presented/modified on/for order forms
  - f. *Scrip Provider Order Form*, use provider's form to order program certificates

Internal parish/school forms may contain:

<p style="text-align: center;"><b>Customer Order Form</b></p> <ul style="list-style-type: none"> <li>• Name of Vendor</li> <li>• Rebate Percentage</li> <li>• Certificate Denomination</li> <li>• Quantity of Each Item Purchased</li> <li>• Total Purchase/Amount Paid</li> <li>• Customer Identification Number and Name</li> <li>• Signature &amp; Date</li> <li>• Scrip Seller Initials</li> </ul>	<p style="text-align: center;"><b>Inventory Form</b></p> <ul style="list-style-type: none"> <li>• Date</li> <li>• Beginning Inventory Numbers for: Name of Vendor, Amount, and Number of Certificates</li> <li>• Post Sale Inventory Numbers for: Name of Vendor, Amount, and Number of Certificates</li> <li>• Certificate Identification Numbers</li> </ul>
<p style="text-align: center;"><b>Sales Tracking Form</b></p> <ul style="list-style-type: none"> <li>• Date</li> <li>• Purchaser's Name</li> <li>• Name of Vendor</li> <li>• Quantity of Denomination Purchased</li> <li>• Certificate Identification Numbers</li> <li>• Total Sale (Check # if applicable)</li> <li>• Name of Person Selling</li> </ul>	<p style="text-align: center;"><b>Envelope</b></p> <ul style="list-style-type: none"> <li>• Date</li> <li>• Name</li> </ul>

**\*\* Consider making the Customer Order Form and Sales Tracking Form a carbonless form that includes – date, amount received, check # or cash, and initials of scrip seller. These forms can then also serve as the cash receipt form.**

## Staffing

The ideal Scrip worker is both honest and accurate. Volunteers and paid employees handle large amounts of cash and Scrip certificates/cards. Typically, cash is transferred electronically to pay for Scrip inventory purchases. The integrity of a Scrip program rests with the quality and integrity of the people involved with it.

The Scrip program staff can be employees and/or volunteers. Designing a workforce of 85% or more volunteer time will eliminate the need to file a tax return with the Internal Revenue Service and pay taxes.

Each volunteer and paid worker needs to have a job description. See suggestions below. There are several categories of tasks within a Scrip program. Some tasks may be combined. However, the person who receipts monies may not complete the deposit slip and deposit the funds. Likewise, the person who completes the record of receipts/expenditures may not reconcile the account.

Suggested roles and tasks:

<p style="text-align: center;"><b>Scrip Program Coordinator</b></p> <ul style="list-style-type: none"> <li>• Recruits program volunteers</li> <li>• Defines the workers' tasks</li> <li>• Oversees all workers</li> <li>• Updates forms</li> <li>• Attends all Scrip meetings</li> <li>• Responsible for advertising/marketing</li> <li>• Reports to parish/school board</li> </ul>	<p style="text-align: center;"><b>Scrip Sellers</b></p> <ul style="list-style-type: none"> <li>• Be familiar with the sales procedures</li> <li>• Un/relock the inventory</li> <li>• Pull the certificates from inventory</li> <li>• Record the sale with required information on appropriate form(s)</li> <li>• Accept cash, COD, or prepaid orders</li> </ul>
<p style="text-align: center;"><b>Order Person</b></p> <ul style="list-style-type: none"> <li>• Pick up, assemble and check customer unfilled prepaid orders</li> <li>• Consolidate orders per vendor</li> <li>• Place order with vendor(s)</li> </ul>	<p style="text-align: center;"><b>Count Teams</b></p> <ul style="list-style-type: none"> <li>• Receives orders and money from Scrip Sellers or Order Person</li> <li>• Prepares bank deposit</li> </ul>
<p style="text-align: center;"><b>Order Fillers</b></p> <ul style="list-style-type: none"> <li>• Verify incoming Scrip with order</li> <li>• Record certificate number sequence for inventory</li> <li>• Prepare customer order for pick up</li> </ul>	<p style="text-align: center;"><b>Scrip Pick-up Person</b></p> <ul style="list-style-type: none"> <li>• Goes to regional and local vendors to pick up preordered Scrip certificates</li> <li>• Deliver certificates to Order Fillers for verification</li> <li>• May be reimbursed for mileage</li> </ul>
<p style="text-align: center;"><b>Record keeper (Reconciler)</b></p> <ul style="list-style-type: none"> <li>• Use a separate Scrip account; two signatures are required for disbursements</li> <li>• Tally certificates sold, cash received, inventory, deposits</li> <li>• Keep files</li> </ul>	<ul style="list-style-type: none"> <li>• Reconcile bank statement and Scrip inventory</li> <li>• Prepare a statement of transactions</li> <li>• Prepare a comprehensive monthly report</li> </ul>

## Marketing and Promotion

The marketing and sales of Scrip are to keep with the mission and philosophy of the sponsoring parish/school. It is important to remember that Scrip purchases are **not** tax deductible as charitable contributions. To maximize participation of the parish/school members in the Scrip program, effective marketing and promotion is essential. Items of concern are:

1. While it is important to make the sale of Scrip convenient for the customer, sale of Scrip certificates must be on parish/school property.
2. According to information received from the Internal Revenue Service in May 2003, parents, grandparents, and other individuals who purchase Scrip from a school sponsored program for their own **personal use** may designate who is to receive any applicable **school tuition** credits/rebates without any income or gift tax consequences.

The IRS also noted that when grandparents and other individuals purchase Scrip and then apply any credits/rebates towards **religious education program tuition**, gift tax consequences could result. However, currently gifts totaling \$14,000 per donor per calendar year are exempt from gift tax so in most cases taxes will not apply.

Please note that the IRS did caution that income tax issues could arise in the following situations:

1. Parents, grandparents and other individuals purchase Scrip from the sponsoring organization and then **resell** the Scrip to others.
2. A **business purchases** Scrip from the sponsoring organization and will be deducting the purchase as a business expense.

In these instances, the exact income tax and withholding tax requirements will depend on the specific facts and circumstances. In both cases there would be significant additional recordkeeping and reporting requirements, and any profit on these sales would be offset by the cost of the additional requirements. Therefore, the Diocese of Green Bay's instruction is that Scrip **only** be sold to **private individuals** for their **personal use** and **not** be sold to **businesses**.

### **Ordering and Selling Scrip**

Establish a working relationship with Scrip vendors (Great Lakes, Green Bay Scrip, St. Bernard Scrip, local). Follow their guidelines for purchasing Scrip certificates. Establish a Scrip checking account and an ACH relationship (electronic transfer of funds) with your bank. Upon receipt of your Scrip, ALWAYS check certificates against the order. Items of concern are:

#### **Selling Scrip**

1. There are two primary sales methods used by parishes/schools. (1) One-to-One sales where the scrip is sold at assigned times (before/after school or mass) from the organizations scrip inventory and (2) Prepaid sales where participants complete order forms and then the Scrip is picked up at the parish/school at a later time. The Prepaid sale method is the preferred method as it allows the parish/school to carry minimal or no Scrip inventory. The availability of online ordering, ACH payment and next day delivery by many Scrip providers has greatly improved the Prepaid sale method.
2. Sales teams may not be given all of the inventory when they sell. A sales assortment "kit" can be provided for most sales instances. It can be easily replenished and facilitate an inventory count after each sales team is done.
3. One-to-One sales and filling prepaid sale orders should be done in teams of 2 or more unrelated adults.
4. Triplicate pre-numbered cash receipt forms should be issued for cash payments. The original form should be given to the customer. One duplicate form should be retained by the scrip program and the third copy remains in the book. The cash receipt form can be combined with a numbered carbonless order form.
5. Inventory count sheets should be completed after each selling team has finished selling. Physical counts must be compared to the perpetual inventory records. Two individuals must be present during inventory counts. Both counters should sign and date the inventory count sheet.
6. Any inventory adjustments should be fully documented in writing and signed by the volunteer(s) making the adjustment. All inventory adjustments should also be signed by the Scrip coordinator to document approval for the adjustment.
7. Keep a copy of the record of the inventory in a different building than the Scrip certificates.

#### **Ordering Scrip**

1. Scrip order forms should be reviewed and approved by the Program Coordinator.
2. When a parish/school receives an order of Scrip, serial numbers are to be recorded. In the event that Scrip is lost or stolen, the parish/school can quickly determine which Scrip certificates are missing. Serial numbers are needed for insurance reimbursement.

### **Accounting and Reporting**

Accounting and reporting systems assure that financial activities of a program are proper and that information is communicated to all that participate in the program. Below are key items that will help to create a system that meets the individual needs of each parish/school.

1. All Scrip transactions should be recorded on the parish/school general ledger using the Uniform Chart of Accounts. The parish/school is required to report Scrip activity to the diocese each year. Using the same accounting system for Scrip will greatly facilitate this requirement. Items that can be kept in separate records may include lists of purchasers, volume of sales per customer, inventories, etc.
2. Scrip records should not be stored with the Scrip, but in a separate area (building).
3. Use only one Scrip checking account. Two signers are needed for each check. This requirement is similar to the diocesan rules on parish checking accounts.
4. The person who reconciles the checking account or the inventory may NOT be a person who is also involved with selling/ordering/filling orders. The parish/school bookkeeper may reconcile these accounts as paid staff time.
5. The Scrip Committee should review Scrip activity monthly. This review should include a review of the revenue, expenditure documentation, profit margin, inventory count sheets, and bank statements and reconciliations. This review is to be documented by initialing/dating the financial reports and by notation in the finance council meeting minutes.
6. Reports should be made monthly to the finance council or Board of Trustees and annually to parishioners.
7. A computer with a Scrip software program can greatly help in organizing Scrip information. For larger Scrip programs such a program is highly recommended.
8. **The IRS considers Scrip fundraising activities a trade or business.** The profits made from the activity are exempt from corporate income tax when the number of volunteer hours is at least **85%** of the total number of hours it takes to run the program. In a letter dated December 3, 1998, the IRS stated on this matter, "It is the responsibility of each participating parish or school to maintain any records necessary to show that this is in fact the case."

All Scrip programs must maintain a record of the hours compiled for each volunteer and paid employee. At a minimum, a sign in/sign out sheet with dates, times and hours worked should be maintained. At the end of the fiscal year, June 30, a calculation must be made to see if the program meets the "85% test". If the paid hours exceed 15% of the total hours, a federal form 990T must be prepared and tax paid on the profits. Filing this tax return is a significant burden, but can be avoided with proper planning

### **Online Scrip and Similar Programs**

In recent years companies have begun offering different types of online scrip programs where a percent of parishioner/parent online purchases are donated to a charity of the purchaser's choosing. The following are some online programs that are currently available followed by a brief description.

#### **Percent of Online Purchases Donated to Specified Nonprofit**

An individual makes a purchase online from a company like Amazon.com (Amazon Smile program) or iGive.com and a percentage of the purchase is donated to a nonprofit specified by the donor. The recipient organization (nonprofit) must register with the seller and provide bank information in order to receive any donations via ACH transfer.

#### **Percent of Credit/Debit Card Purchases are Donated to Specified Nonprofit**

An individual registers their credit card, debit card or other store discount card with an organization like eScrip and a percentage of any purchases on the registered cards are donated to a nonprofit specified by the donor. The recipient organization (nonprofit) must register with online Scrip company and provide bank information in order to receive any donations via ACH transfer.

Programs like these contain an even higher level of risk than the traditional scrip programs. Therefore, the following precautions should be taken prior to beginning any of these types of programs:

1. Thoroughly research the program; making sure to understand how the program works and any fees associated with the program compared to what you may potentially receive in donations.
2. Talk to organizations currently using the program to see how satisfied they are with the program and how frequently they are seeing donations being deposited into their account.
3. Be very cautious about giving out bank account information to online companies. Consider consulting with your bank prior to entering into any such arrangement.

4. In order to minimize any potential loss, scrip bank account balances should be kept as low as possible and bank activity should be reviewed online daily for unusual activity.
5. NEVER give out personal information (names, addresses, social security numbers, credit card numbers) of your parish members or school families.

As stated previously, those involved with Scrip are encouraged to contact the Finance Office of the Diocese of Green Bay for specific questions at 920-272-8261.

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## ATTACHMENT

### PERMISSION FOR CHILD/WARD DELIVERY OF SCRIP AND WAIVER OF CLAIM

I, \_\_\_\_\_, give permission to  
(Parent/Guardian)  
\_\_\_\_\_ to deliver Scrip, which I have ordered from the  
(Parish/School)  
Parish/School, to my child/ward, \_\_\_\_\_.  
(Child/Ward)

I understand that my child/ward will be responsible for the safe transport of the Scrip from school to my home and certify that I have discussed the responsibilities associated with the transport of the Scrip with my child/ward. I further understand that I have the option of personally picking up my Scrip orders from the Parish/School rather than having my child/ward transport it.

I agree that once the Parish/School delivers the Scrip to my child/ward that the Parish/School is not responsible for any Scrip that is lost, stolen or misplaced. I hereby waive any right of recovery that I may have against the Parish/School for Scrip which is lost, stolen or misplaced after it is given to my child/ward.

This agreement is effective for the \_\_\_\_\_ school year.  
(Year)

\_\_\_\_\_  
(Parent/Guardian Signature)

\_\_\_\_\_  
(Date)



## PETTY CASH INSTRUCTIONS

Under some circumstances, it may not be practical and/or economical to make cash disbursements by check. A parish may facilitate minor expenditures for items such as postage stamps, office supplies, or travel expenses by providing cash to individuals. A petty cash fund provides a convenient way to pay for these minor expenses. However, keeping cash in any office entails risk of misuse or theft. These instructions establish the proper uses and administration of petty cash funds to mitigate these risks.

### Establishing the Petty Cash Fund

The best method of maintaining control over the petty cash fund is to establish it as an imprest fund. An imprest fund is a petty cash box that is established for a fixed amount that is reimbursed in the exact amount spent. The fixed amount to maintain in the petty cash box should be sufficient to cover two to four weeks of small purchases (expenditures). For most parishes \$250 is adequate. This amount should be noted in the Finance Council minutes.

To establish petty cash, the parish issues a check to “Petty Cash – *parish name*” for the authorized amount. A General Journal is created by the parish accounting program when the check is issued to establish the petty cash fund. Use account #101 as the “expense” account when entering the invoice.

The proceeds from the check are placed in a petty cash box that has a lock. The petty cash box must be stored in a secure area (safe or locked cabinet).

The person who administers the petty cash fund is known as the fund Custodian. Custodian responsibilities include:

- Documenting expenditures
- Obtaining receipts for all expenditures
- Safeguarding the fund. The fund should be kept in an office safe or other locked cabinet. The Custodian should be the only individual with access to the fund.
- Reconciling the fund when it needs to be reimbursed or at least monthly if it hasn't been reimbursed.
- Investigating any discrepancies

### Making Disbursements from the Petty Cash Fund

There are two methods of withdrawing funds from petty cash:

1. **Reimbursement Method:** Individual makes a purchase using his/her personal funds. Upon presentation of an original receipt, paid vendor invoice, or other adequate documentation, the Custodian will reimburse the individual for the exact amount of the purchase. The individual must sign and date a receipt/paid invoice and indicate the authorized purpose for the purchase.
2. **Advance Method:** Custodian advances petty cash to the individual prior to the authorized purchase. Adequate documentation (original receipt or vendor invoice) must be submitted to the custodian within a reasonable time, e.g. three days. The amount of the purchase may vary from the actual cash advanced. If the actual expenditure was less than the amount advanced, the individual must return the excess cash together with valid documentation of the expenditure. If the actual expenditure was more than the amount advanced, requiring an outlay of personal funds by the individual making the purchase, the individual should be reimbursed for the excess amount after submitting adequate documentation to support the expenditure. The individual must sign and date the receipt/paid invoice and indicate the authorized purpose for the purchase.

The custodian of the petty cash fund should prepare a pre-numbered petty cash voucher for all expenditures. On each pre-numbered petty cash voucher the custodian enters the date, amount, and purpose of the expenditure (Reference Exhibit 1.1). The voucher is signed by the person receiving the payment and the person disbursing the cash and/or coin.

## Exhibit 1.1

Petty Cash Voucher	
Date _____	Number 0010
Payee _____	
For _____	
Expense Account _____	
Amount:	\$ _____ <i>(Original amount disbursed)</i>
Less Change: \$	_____ <i>(Change returned after purchase)</i>
Net Amount Spent	\$ _____ <i>(Amount of purchase)</i>
Received By: _____ <i>(Purchaser)</i>	
Approved By: _____ <i>(Petty Cash Custodian)</i>	

All documentation supporting the petty cash disbursement (original receipt, vendor invoice, etc.) should be attached to the Petty Cash Voucher. The petty cash fund is to be used to pay expenses, *not* to receive miscellaneous income, Ex: 49 cents to purchase a stamp.

### Reimbursing the Petty Cash Fund

After a specified time or when the petty cash fund becomes low, it is reimbursed by a check issued to “Petty Cash – *parish name.*” At this time the Custodian summarizes all expenditures to be recorded as an invoice in the accounting program (Exhibit 1.2).

## Exhibit 1.2

Petty Cash Summary							
For the Month or Date Range: _____							
Voucher No.	Date	Total	Expenses				
			Postage	Supplies	Delivery Charges	Travel Expenses	Other
<b>Totals:</b>							

Total voucher amount: \_\_\_\_\_ *(enter Totals from above in column Total)*

Petty cash on hand: \_\_\_\_\_ *(enter actual petty cash on hand)*

**Total:** \_\_\_\_\_ *(sum of Totals and actual petty cash on hand)*

Petty cash fund: \_\_\_\_\_ *(established petty cash fund amount)*

Cash short / over: \_\_\_\_\_ *(difference between Total and established petty cash fund)*

**Signed by:** \_\_\_\_\_ *(petty cash custodian)*      **Date:** \_\_\_\_\_

**Approved by:** \_\_\_\_\_ *(manager)*

The amounts entered into the petty cash summary come from the individual petty cash vouchers. There is a reconciliation of petty cash and vouchers to the petty cash fund included on the form. From time to time there may be minor discrepancies in the amount of cash left in the fund at the time of reimbursement. In these cases, the amount of the discrepancy should be recorded in #995 – Miscellaneous Expense as a debit if short or as a credit to #495 – Other Revenue if over. The check amount should be adjusted accordingly.

For the sake of example, assume that after three weeks the petty cash fund established as described above had a cash balance of \$14.27 and petty cash vouchers as follows: postage, \$25.00; office supplies, \$30.55; liturgical flowers, \$30.00; and picnic supplies, \$150.



The completed Petty Cash Summary would look as follows:

<b>Petty Cash Summary</b> <b>For the Month or Date Range: ___ Oct 2014</b>							
Voucher No.	Date	Total	Expenses				
			Postage	Supplies	Delivery Charges	Travel Expenses	Other
0010	10/4/2014	\$ 25.00	\$ 25.00				
0011	10/9/2014	\$ 30.55		\$ 30.55			
0012	10/11/2014	\$ 30.00			\$ 30.00		
0013	10/27/2014	\$ 150.00					\$ 150.00
<b>Totals:</b>		\$ 235.55	\$ 25.00	\$ 30.55	\$ 30.00	\$ -	\$ 150.00

Total voucher amount:	\$ 235.55	(enter Totals from above in column Total)
Petty cash on hand:	\$ 14.27	(enter actual petty cash on hand)
<b>Total:</b>	<b>\$ 249.82</b>	(sum of Totals and actual petty cash on hand)
Petty cash fund:	\$ 250.00	(established petty cash fund amount)
Cash short / over:	\$ (0.18)	(difference between Total and established petty cash fund)

Signed by: _____	Date: _____
(petty cash custodian)	
Approved by: _____	
(manager)	

To replenish or replace the fund enter an invoice in the parish accounting software that lists the following expenses:

Oct. 31 1 - Postage - #860	\$ 25.00
1 - Supplies - #855	30.55
1 - Liturgical flowers - #740	30.00
1 - Picnic supplies - #433	150.00
1 - Misc. expense - #995	0.18
A/Payable	235.73

To replenish petty cash fund

Expense accounts will be debited each time the fund is replenished. Under this system a petty cash fund is established at a fixed amount and is periodically reimbursed (at least monthly) based on documented expenditures for the exact amount necessary to bring it back to the fixed amount.

### Internal Controls

Petty cash funds help staff members and volunteers access money more readily in order to meet the needs of the parish. However, as with any fund, it requires attention to internal controls in order to safeguard the temporal goods. Such controls should include:

1. Maintaining the fund on an imprest basis.
2. Keeping the petty cash fund in a locked storage cabinet or safe.
3. Don't make the petty cash fund too large.
4. Establishing a maximum amount per individual purchase (e.g. \$50).
5. Establishing a petty cash custodian. This should be the only person with access to the petty cash.
6. Using pre-numbered Petty Cash Vouchers.
7. Requiring original receipts or vendor invoices for all disbursements from the fund.
8. Using a Petty Cash Summary to track purchases from the fund.
9. Before the petty cash fund can be replenished, the person writing the check to the petty cash fund should match all vouchers and cash on hand to the total petty cash fund. Any discrepancies need to be evaluated and noted. This review should be noted by signature.
10. Representatives from the Finance Council must make periodic, unannounced audits of the petty cash fund.

