



## CONSOLIDATION OF PARISH CHECKBOOKS

**“The community of believers were of one heart and one mind.  
None of them ever claimed anything as (one’s) own;  
rather, everything was held in common” (Acts 4:32).**

The Diocese of Green Bay recommends that all parishes operate with one checkbook. However, we recognized that a parish may have several checkbooks. In fact, a separate checkbook is required for scrip and bingo accounts. Separate checkbooks for the parish general fund, payroll, Men’s Club, Ladies’ Society, etc. help in tracking income and expenses. However, using only one checkbook can simplify the financial management of the parish thereby, strengthening stewardship as a parish family, and insuring more responsible accountability.

Mark Twain once said, “Habit is habit, and not to be flung out of the window by any (one), but coaxed downstairs a step at a time.” This may also be true of consolidating several checkbooks into one. The advantages of simplification in decision-making, stronger internal control, accountability, and enhancing earnings may take time. In addressing this issue, the obligations in both the Code of Canon Law and Civil Law apply.

## **Canon & Civil Law**

According to Canon 532 and Wisconsin Statute 187.19 (1), the pastor/parish director/administrator are responsible for all the activities of the parish. The pastor is the legal representative in Civil Law. Therefore, the pastor is responsible for all activities using the parish identification number and parish name. Cemeteries, adult education, religious education, Holy Name Society, Parish Council of Catholic Women, and Home and School Association are examples of groups that use the parish name and parish identification number.

On January 1, 1998, the Diocese of Green Bay sent out The Parish Check Signing Policy.

This policy states:

The authorized check signers are the pastor or parish director and the two lay trustees. In the event a pastor or parish director is not assigned to a parish, the priest administrator takes the place of the pastor and is an authorized check signer.

Each parish check must be signed by two authorized check signers. One check signer must be the pastor, parish director or priest administrator. This responsibility may not be delegated. The only exception is when the pastor or parish director is on vacation. During that vacation the check signers are the two lay trustees. Upon returning from vacation the pastor or parish director must review the checks signed while absent.

Both signatures must be original signatures. Stamp signatures or other facsimile signatures are not original. Signing a check indicates approval of the expenditure and that the amount is correct.

This policy applies to checking accounts using the federal identification number or name of the parish, except scrip and bingo accounts. Accounts covered by this policy include school, religious education, cemetery, and all service organization accounts.

These signatures indicate approval of the expenditure. This important internal control step safeguards parish assets.

## **Process of Implementation**

Administration of goods requires responsible investing after expenses are paid. The use of one checkbook encourages such behavior by:

- Lowering administrative time since only one account needs to be reconciled and one check written to a vendor
- Creating the potential for greater return on investment since less resources may be needed to maintain minimum balances
- Lower bank charges

A parish will probably not get to one checkbook overnight. Steps in working toward one parish checkbook and 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?”
- Request that all organizations with checkbooks use the account numbers as listed in the Diocesan Chart of Accounts.
- Request monthly, quarterly, or 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 comparison to their budget.
- Offer parish organizations the use of the parish petty cash reimbursement system and the ability to charge on a vendor’s account as a means to facilitate expedient expenditures.
- Share the Good News as organizations consolidate their accounts.

Having all funds located in a single bank is one step toward consolidation of the accounts while at the same time simplifying registration of authorized check signers. The pastor or parish director or the two lay trustees can access balances in each account to review the big picture of the **financial health of the parish**. Sharing information related to potential dollars that could be gained as well as time saved if the parish had one account encourages the practice of good stewardship. A minimum balance maintained in only one account allows “excess” dollars to be invested in higher yielding funds i.e. money market funds, certificates of deposits, common stocks, bonds or long-term investment vehicles. The invested income could be shared, based upon percentages in the account, with each organization.

Examining a checkbook can be positive testimony to what we are doing with what we have been given. Faithful stewardship encourages conscientiously evaluating the financial practices in the form of monthly or quarterly reports. Information on the reports may include a Statement of Revenue & Expense (stating Actual, Budgeted, Variance, Total Annual Budget, and Budget Remaining). If the parish has a good reporting system, this service may be offered to the organizations to assist them in evaluating their activities. Following the **Diocese of Green Bay Chart of Accounts** will allow tracking of assets, expenses, and income. In order to merge the accounts into one, it may be necessary at some point, to create a letter of agreement between the organization and the Parish Council. This letter could outline the steps for distribution of an organization’s funds if the parish were to face a serious financial challenge. A process of prayerful dialogue is central to each step. A pastoral approach needs to be balanced when implementing one checkbook for the parish.