

ARCHDIOCESE OF SEATTLE

SECTION A

PARISH ACCOUNTING POLICIES

ARCHDIOCESE OF SEATTLE

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I. ANNUAL REPORTS

(A&F Section II)

1. Each parish (and its dependent organizations) and Archdiocesan institution shall submit a Parish Annual Report (PAR) to the Archdiocese in the format provided by the Archdiocese, along with accompanying financial statements (i.e. Balance Sheet/Statement of Financial Position, Profit & Loss/Income Statement/Statement of Activities). Parishes are also encouraged to submit a Statement of Cash Flows.
2. The PAR shall be submitted in accordance with the timetable set by the Archdiocese. Late PARs may result in the Archdiocese imputing ordinary income for assessment purposes.
3. Each parish shall issue an annual report to its parishioners no later than October 31st of the fiscal year immediately following the fiscal year being reported on (e.g. annual report for FY 16/17 should be issued by October 31, 2017).
 - a. The annual report must show the financial position of the parish at fiscal yearend, provide a summary of all financial activity for that fiscal year, and show the budget for the current fiscal year.
 - b. The parish must submit a copy of the annual report to the Archdiocese (Parish Financial Services) as soon as it is available.

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II. PARISH REVOLVING FUND (PRF) SYSTEM

(A&F Section III)

1. All parishes and archdiocesan institutions must participate in the Archdiocesan Savings and Loan System.
2. Parishes must deposit funds in excess of an average of 45 days operating expenses into a PRF Savings account.
3. Parishes are permitted to have interest bearing checking accounts or combined checking/savings accounts, but are not permitted to have separate savings accounts, securities, or real estate.
4. To deposit to the PRF, parishes must issue a check payable to "CCAS" or "PRF". Address the envelope to the attention of the PRF to ensure that it is routed to the correct office. It is important to include your savings account number on the check so that it is credited to the right account.
5. To withdraw PRF savings, parishes must make a written request including the purpose of the withdrawal. The signed written request may be transmitted electronically through fax or e-mail. The form is available through Parish Financial Services or the Archdiocesan website.
6. Parishes are not permitted to go to outside banks, other organizations or individuals for loans without prior approval from the Archbishop.
7. Requests for PRF construction loans should be addressed to the PRF Commission. Construction projects must be approved by the Archbishop and conducted in accordance with archdiocesan construction policies.
8. The PRF Commission may provide operation loans in case of temporary financial difficulty. Prior to request for an operation loan, the parish must meet with the Director of Parish Financial Services.
9. Parishes are responsible for repaying loans in accordance with the Loan Agreement.
10. Monthly or quarterly PRF Savings and Loan Statements are available for download via DLS online. Annual statements will be mailed to the parish. Statements must be reconciled at least quarterly.
11. Parishes should limit their PRF savings accounts to seven if the parish has no school and cemetery, and additional two accounts each if the parish has a school and/or cemetery. A maintenance fee may be charged to accounts that are over the limit. The PRF will inform the parish when an account is over the limit and fees, if any, that may be charged. The PRF Commission will periodically review the account limits.

(See Section G of the Parish Accounting Manual for procedures related to PRF Savings and Loan accounts.)

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III. CEMETERIES

(A&F Section IV)

1. A cemetery administered by a parish is considered a program of the parish.
2. The cemetery's operating financial records must be maintained separately from the general parish organization within the parish accounting system. Records must be maintained in accordance with Archdiocesan Administration and Finance Policies found within "Many Gifts, One Spirit."
3. The parish must maintain a Cemetery Care Fund in accordance with Archdiocesan Administration and Finance Policies. Important among these policies are:
 - a. The Care Fund must be kept as a separate account in the Parish Revolving Fund and not commingled with other parish or cemetery funds. If not otherwise designated, the parish cemetery account in the Parish Revolving Fund shall be designated a Care Fund. These funds cannot be spent for any purpose other than the care of the cemetery.
 - b. The principal of the Care Fund must be left untouched. Unless otherwise specified by the donor, only the interest and capital gains (if any) may be withdrawn to be used for care and maintenance of the cemetery. The principal of the Care Fund may only be reduced with written approval of the Archbishop.
4. Unless otherwise established, the parish Finance Council shall be designated the parish Cemetery Board. At least one meeting per year must be held at which the financial status of the cemetery shall be discussed. Minutes of that meeting shall be made available to the Director of Parish Financial Services.
5. The parish should establish its own cemetery rules and provide a copy of these rules to the Director of Parish Financial Services and Director of Cemeteries. In the absence of parish rules, the rules in Many Gifts, One Spirit shall be deemed the cemetery rules.

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IV. INSURANCE

(A&F Section XII)

1. The Corporation of the Catholic Archbishop of Seattle (CCAS) maintains the Property and Liability insurance for Archdiocesan entities.
2. As specified in the Archdiocesan Administration and Finance Policies, individual parishioners, non-profit organizations or outside groups using archdiocesan facilities must either provide Certificate of Insurance coverage or purchase Third Party Coverage through the Archdiocese's current insurance provider.
3. All archdiocesan vehicles are legally owned by CCAS but the parish is the registered owner.
4. Priests are responsible for their own insurance coverage on any personal vehicle.
5. Individuals (employees and volunteers) who use their personal vehicles for parish business are required to provide proof of liability insurance coverage that meets the state minimum requirement.

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V. INVENTORY LIST

1. Parishes should maintain a complete inventory list of parish property and equipment with a replacement cost of over \$10,000 regardless of whether the item is capitalized or expensed.
2. The inventory list should include a description, picture, date of purchase or acquisition, or date when the asset was first put in service, original cost, location, and estimated useful life. See sample below.
3. The inventory list should be updated annually and include the date of the previous inspection.
4. A backup of the inventory list must be stored offsite. If no offsite location is available, Parish Financial Services can keep a copy of the list.

FIXED ASSETS INVENTORY LIST

Description of Asset	Purchase/ Acquisition Date	Date Asset Was First Put in Service	Original Cost	Location of Asset	Estimated Useful Life (Years)	Date of Previous Inspection

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VI. CAPITAL ASSETS & DEPRECIATION

1. All capital acquisitions must be recorded on the books as assets.
2. A capital asset is defined as any item purchased or any capital improvement which costs \$10,000 or more and is expected to have a useful life of more than one year. Both criteria must be met in order to classify something as a capital asset.
3. Generally accepted accounting practices require depreciation to be recorded. However, parishes are not required to depreciate but there should be a capitalization policy that says capital assets are to be funded by capital campaigns.
4. The recommendation to allow parishes to choose whether or not to depreciate fixed assets was based on the following:
 - a. Most parishes fund major projects through capital campaigns, not operations.
 - b. The use of depreciation is very inconsistent. For example, a recently constructed parish will have the accounting records to support depreciating major facilities. However, older parishes do not. Capitalization of major expenditures is inconsistent.
 - c. When parishes record depreciation, if their budgets are breakeven or better, they should be accumulating cash to replace capital assets. However, most parishes are not experiencing this increase in cash reserves.
 - d. The Archdiocese believes that the best measure of parish operating performance is surplus before depreciation expense.
 - e. When parishes fund capital assets through Capital Campaigns as is generally the case, the assets are constructed with proceeds from the campaign. In this case, additional revenues from capital campaigns are realized and used to pay for the capital assets added. It is also true that financing from the PRF is used and proceeds from periodic payments of pledges are applied to reduce the liability and pay interest.
5. Parishes which elect to discontinue depreciation should:
 - a. Discontinue depreciation as of the beginning of the fiscal year. For assets partially depreciated, simply stop computing depreciation.
 - b. Asset purchases under the capitalization threshold of \$10,000 should continue to be expensed.
 - c. Capital Campaign proceeds should be accounted for and reported on a separate line item in revenues.
 - d. Fixed asset acquired should be recorded with a charge directly to the asset account.
6. For all parishes:
 - a. Parish Financial Services will prepare a new format for annual reporting of the statement of activities that will capture the results of operations before depreciation and capital campaign proceeds.
 - b. Cash flow reports will continue to reflect adjustments to the results of operations for non-cash items, debt service, and fixed asset additions.

(See Section E of the Parish Accounting Manual for the accounting procedures relating to the recording of capital assets and depreciation.)

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VII. BANKING (A&F Section XX)

1. All parish funds are to be deposited only in accounts that bear the parish name.
2. No checks made payable to the parish may be endorsed and converted into cash or deposited in accounts other than parish accounts.
3. Personal funds and parish funds may never be commingled in any bank account.
4. Each parish is to have its own Taxpayer Identification Number (TIN). The TIN is to be used in all reports requiring this number, such as payroll tax returns, W-9's and other government forms. See Policy XI for more information.
5. Each parish should maintain a complete list of all bank accounts using the parish name and/or TIN number(s).
6. No parish or parish sponsored organizations shall get their own Uniform Business Identification (UBI) number. Any parish with a UBI number shall let its UBI lapse.
7. All bank accounts including parish sponsored organizations bank accounts must be included in the parish general ledger and the Parish Annual Report that is submitted to the Archdiocese.
8. Separate accounts for parish sponsored organizations may exist. Such accounts should contain reference to the name of the parish. (See Policy XVIII for policies regarding these accounts.)
9. The pastor must be a signer on all parish, school, and parish sponsored organization bank accounts. However, authority to sign checks and other financial documents may be delegated by the pastor using approved Archdiocesan forms and instructions. Regardless of the delegation of signing authority, the pastor is always responsible for the financial affairs of the parish.
10. All unused checks are to be kept in a safe or locked cabinet.
11. Checks or copies of the front and back of checks should be returned with the bank statement. While copies of the front and back of all checks may be available online through the financial institution, having copies of canceled checks with the bank statements will facilitate review of the bank statement and bank reconciliation.
12. Bank statements and bank reconciliations should be reviewed by the pastor or an independent party (a person not involved in the check approval or writing process). The reviewer should sign and date the statement and reconciliation to indicate that the review was completed.

The review should cover such items as:

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- a. Unusual withdrawals, debit card activity, and Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) transactions
 - b. Deposit patterns to see if they match normal operations
 - c. Large items
 - d. Normal payroll entries
 - e. Long outstanding items
 - f. Duplicate payments or unauthorized payments
 - g. Transfers in and out of an account which could be sign of theft.
13. Bank reconciliations should be performed on a timely basis, preferably within ten working days of receipt of the bank statement. The preparer of the bank reconciliation shall sign and date the reconciliation.

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VIII. PARISH FINANCIAL OPERATIONS REVIEW

(A&F Section XXII)

1. The Archdiocese will conduct a Parish Financial Operations Review (PFOR) at each parish when there is a change in pastor, priest administrator, pastoral coordinator, or other appointed pastoral leader or every three years, whichever comes first.
2. A review may also be completed at the direction of the Archbishop or request from the pastor.
3. The review shall include HR compliance procedures including Safe Environment.

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IX. CASH RECEIPTS

(A&F Section XXIV)

I. Counting Mass Collections

1. A collection counting committee should be established in sufficient number to count collections as expeditiously as possible. Selection of members is extremely important. Prospects should be screened and approved by the pastor. The number of members should be sufficient to cover the counting requirements without overburdening the members; consider absences, vacations, etc.
2. The cash counting procedure should be in writing and furnished to each member of the counting committee. Members of the counting committee must be given copies of the procedures and be trained on these procedures. Sample cash counting procedures are in Appendix A-8.
3. The collection count should be done in a secure area in the parish office or other parish facility. Counting collection in parishioners' homes is not permissible.
4. Collections should be counted and checks endorsed for deposit as soon as possible after the service. Endorsement may be made by stamping the back of the check with the parish bank account information or writing "For Deposit" at the back of the check.
5. Deposits should be made no later than the first business day following the service. However, if there is no safe on the premises, collection proceeds should be deposited immediately. Remote deposit may be made by the parish.
6. All collections must be placed in pre-numbered tamper evident bags which must be tracked in a bag log. The collection must be placed in the bags by two unrelated people, at least 18 years old, either at the back of the church at collection time or when they remove the basket from the altar after mass. The bags must be sealed with at least two persons present and these persons must sign and date the bags. After the bag is sealed, it can be in the presence of one person; however when the bag is opened two people must be present. A suggested tamper evident bag procedure and sample log are included in Appendix A-1.
7. Collections must be counted by individual mass.
8. All counters must successfully complete a background check.
9. At least two unrelated people must be involved in counting parish collections and they should be rotated on a regular basis. As a policy, counters should be all volunteers. However, parish staff other than the bookkeeper or other employees involved in financial recordkeeping for the parish may participate in the count with a volunteer as warranted by circumstances.

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10. The same two unrelated people must make the final tally in ink and should sign and date the tally sheet in ink. The amount of the bank deposit should agree with the final tally.
11. The amount of offering and the check number or “Cash” should be indicated on the outside of the envelopes for subsequent posting to parishioners’ records. All envelopes must have an amount written on them. Loose checks should be listed or copied for subsequent posting to parishioners’ records.
12. The envelopes and check listing should be forwarded to the appropriate individual to update the offering records. The individual should not have participated in counting the collection and should not be the bookkeeper or another employee involved in financial recordkeeping for the parish.
13. The amount deposited to the bank must be reconciled to the amount posted to parishioner records. This reconciliation should be done weekly by a party not involved in either the count or the posting. The reconciliation report should be part of the deposit records.

II. Miscellaneous Cash Receipts

1. Each parish must have a written policy documenting the processing of receipts. Staff and volunteers should be trained on these procedures. Sample procedures are in Appendix A-9.
2. Funds received during the week (other than collections) must be recorded and deposited in a timely manner.
3. Checks should be restrictively endorsed (bank stamped or writing “For Deposit” at the back of the check) upon receipt.
4. All cash and checks received must be recorded using a three part receipt book with the original given to the individual, the second copy staying with the cash/check, and the final copy staying in the book.
5. For major fundraising events, the parish/school should consider utilizing tamper evident bags when proceeds are transported for counting and depositing. Procedures should follow mass collection procedures (i.e. counting by two unrelated individuals, preparation of tally sheet and signing the tally sheet in ink, reconciling amounts in the tally sheet with the amounts for deposit, etc.).
6. Cash and checks collected during fundraising events and other events must be deposited intact. Expenses should not be paid out from the funds collected during the event.

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X. PARISHIONER STATEMENTS

(A&F Section XXIV)

1. Contributions are free will offerings. Payments for services (tuition, CYO fees, facilities usage charges, etc.) are not contributions.
2. A person not involved in the collection count or deposit must post contributions to individual parishioner records.
3. Parishioner contribution records are confidential financial records and must be treated as such. Parishioner contribution records must be maintained in a secure (locked) file or password protected computer in the parish office. Access must be limited to individuals delegated by the pastor or pastoral leader.
4. Parishioner contributions must be acknowledged in accordance with IRS requirements. A separate acknowledgment may be provided for each single contribution of \$250 or more, or one acknowledgment, such as an annual summary, may be used to substantiate several single contributions of \$250 or more. The written acknowledgment is typically sent to the donor no later than January 31st of the year following the donation and must be received by the donor no later than the date the donor files the tax return for the year the contribution is made.
5. Parishioner statements for donated goods should only acknowledge the receipt of goods with a description of the goods received but a value for the goods should not be indicated in the statement.
6. Statements should be preprinted with the following confirmation request: "This statement is for your records. Please examine it carefully. If it does not agree with your records, please communicate this directly to (name of responsible person who is not involved in posting contributions)."
7. The parish must mail out parishioner statements no less than twice a year. Mailing out statements quarterly is recommended. Parishes may send out statements through e-mail.
8. Acknowledgement receipts from sponsored giving programs (e.g. United Way) shall be given out by the sponsored organization.

Documentation requirements for charitable contributions can be found in Appendix A-2.

Sample contribution acknowledgement receipts and letters are in Appendix A-3

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XI. PAYROLL (A&F Section XXIV)

1. All parishes must use the payroll system used by the Archdiocese.
2. Federal Income tax, Social Security and Medicare taxes are deducted from all employee paychecks and automatically swept from the parish's bank account.
3. Bonuses are taxable income and must be included in payroll expenditures and employee W-2 forms. According to IRS regulations, "gift cards", SCRIP or merchandise bonuses or gifts not considered de minimis fringe benefits are reportable income and must be included on the employee's W-2. Cash or cash equivalent items provided by the employer are never excludable from income.
4. All parish personnel must be classified properly as either employee or independent (self-employed) contractor. Independent Contractors are responsible for their own withholding taxes. Classification should be accomplished in accordance with the IRS guidelines found at <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>. All Independent Contractors or stipended volunteers or project pay must be vetted through the Human Resources office of the Archdiocese prior to engagement.
5. Parishes must obtain a W-9 from independent contractors prior to making a payment. Independent contractors who do not submit a W-9 may be subject to 28% backup withholding.
6. If it is absolutely necessary to store social security numbers, the parish must store these numbers in a secure location or safe or in a computer that has adequate safeguards and access controls.
7. All Independent Contractors paid \$600 or more in a year must be given a Form 1099-NEC. No individual should receive both a W-2 and a 1099-NEC from the same employing unit unless their status changed in the calendar year. This includes priests providing weekend and/or sacramental help.
8. Incardinated priests are required to pay Self Employment Tax and are prohibited from electing out of the Social Security System without the express written permission of the Archbishop and only under extraordinary circumstances (e.g., if a priest will not have completed 40 quarters of participation in order to be eligible for the program). Priests may elect to withhold self-employment tax by making a W-4 election.
9. Payroll advances are not the norm and should be granted only in exceptional circumstances. If granted, payroll advances to employees more than one month in advance are not permitted. Payroll advances must be approved by the pastor, priest administrator, pastoral coordinator or other appointed pastoral leader.
10. The payroll register reports should be reviewed and reconciled to the payroll general journal entry every month by the pastor or an authorized person not involved in the payroll process. This person should sign and date the payroll report to indicate that the review is completed. At a minimum, the reviewer should review the employees included in the payroll, pay rates, and accuracy of hours worked.

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XII. CASH DISBURSEMENTS

(A&F Section XXIV)

1. All disbursements, excluding petty cash transactions, must be made by check, electronic funds transfer (EFT), or direct deposit. The use of debit cards is highly discouraged. Withdrawing funds from the bank should also be avoided.
2. All disbursements must have supporting documentation in the form of an invoice, check request with receipts, or a voucher with receipts. A check request form (see Appendix A-4) or voucher is to be used for non-recurring expenditures and disbursements that are not accompanied by a formal invoice. The check number and General Ledger account coding should be written on the invoice or check request form for proper recording.
3. Disbursements must have proper written authorization prior to payment. The person having budgetary responsibility for the expense may authorize the disbursement by initialing and dating the invoice (for recurring expenses) or signing and dating the check request or voucher. No one shall authorize their own reimbursement request.
4. Reimbursement requests must be submitted within three months after the expense was incurred. All reimbursements for business expenses must comply with an Accountable Expense Reimbursement Plan.
 - a. In accordance with the IRS rules, reimbursement of business expenses is considered taxable income unless there is a detailed report of the expenditure made to the employer. This report is the employee's responsibility.
 - b. All expenditures must be supported by documentation including amount, date, time, place, business purpose of each reimbursement and the original cash receipt. If under extraordinary circumstances a receipt is not received or is lost, and no duplicate is available through the vendor, all substantiating information including date, expense, and purpose must be provided in writing.
 - c. The same information is needed when paying for business expenses by credit or debit card. The detail may be recorded on the back of the charge slip with the original receipts attached, if applicable.
 - d. Any reimbursable mileage must be documented.
5. Checks payable to "Cash" must be avoided. Under extraordinary circumstances these checks may be issued; however two signatures are required on the check and all expenditures must be documented. We recommend that the checks be made payable to the person responsible for the money. (e.g. John Smith – Cash).
6. No one shall sign a check payable to oneself.
7. Funds received in Custodial Collections should be remitted within four weeks.

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8. Signature stamps should not be used for signing checks. The pastor should designate another check signer in case the pastor is not available to sign checks.
9. Only the pastor and parish employees can sign parish checks. The Treasurer of parish-sponsored organizations (except Scrip) may also sign checks only for the organization.
10. The check signer must ensure that there is supporting documentation for the disbursement.
11. The person mailing the check should not be the signer or preparer of the check.
12. Parishes must obtain a W-9 from any non-employee (i.e., Independent Contractor) providing goods or services in return for payment prior to payment. This is also for the purpose of issuing a 1099-NEC at the end of the year for vendors who were paid at least \$600 for the year. Although incorporated vendors do not require a 1099-NEC to be issued at the yearend (i.e., C-Corps and S-Corps) and therefore would not require a W-9, it is still within the parish's right to request a W-9 for these types of vendors.

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XIII. PETTY CASH

(A&F Section XXIV)

1. Parishes may establish one or more petty cash funds for convenience. The size of the fund should be determined by its activity, but should not exceed the amount of one month's activity.
2. The funds should be maintained on an imprest basis. In an imprest system, the total of the amount of cash in the box and receipts for disbursements made from the fund (including IOUs) must equal the General Ledger amount at all times.
4. Petty cash must be periodically replenished for exactly the amount of expenditures from the fund.
5. The fund should be in the sole custody of one employee. The custodian should balance the fund at least monthly. Periodically the pastor, priest administrator, pastoral coordinator, or his/her delegate should count and review the fund.
6. Disbursements from the fund must be supported by petty cash vouchers prepared in ink and signed. All supporting data such as receipts should be attached to the voucher. Upon reimbursement of the fund, every voucher and related supporting documentation (such as receipts) covered by the reimbursing check should be canceled in such a manner as to prevent their reuse.
7. The petty cash fund should be maintained on the books as a balance sheet account. Cash should be replenished and expenses recorded when petty cash vouchers are submitted and the fund is reimbursed.

A sample Petty Cash policies and procedures is in Appendix A-5.

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XIV. SCRIP (A&F Section XXIV)

1. A SCRIP program may only be started with permission from the pastor.
2. A minimum of 85% of SCRIP hours must be accomplished by uncompensated volunteers.
3. A separate bank account must be maintained for all SCRIP activity.
4. SCRIP must be treated as cash and stored in a secure facility.
5. SCRIP inventory will be accounted for and reconciled regularly (at least monthly). If a Scrip account is not reconciled at least monthly, the Parish Financial Services office would be recommending to the pastor and principal of any school that sells Scrip that the sale of Scrip must be discontinued until they are in a position to reconcile on a monthly basis. Reconciliation must include inventory, Scrip sales and bank deposits.
6. SCRIP volunteers who have individual access to inventory must successfully complete a background check.
7. All persons working for the SCRIP program must have a job description that lists responsibilities.
8. Adequate controls over the delivery of SCRIP must be in place. This must include proof of delivery, such as having a form (e.g. sales tracking form) that shows the signature and date of the persons delivering and receiving the Scrip card. Volunteers must never store SCRIP at home. If absolutely necessary for volunteers to take home SCRIP for delivery (e.g. to the elderly), adequate controls must be in place.
9. The Scrip coordinator is not allowed to approve and release his/her own Scrip purchases under electronic purchasing and payment for Scrip where the Scrip coordinator releases Scrip to the purchaser after verification that payment has been received. Another Scrip volunteer or parish staff (e.g. bookkeeper) must approve and release Scrip after verifying that payment has been received.
10. SCRIP inventory must be maintained at a reasonable level.
11. SCRIP inventory should be maintained in the books as a balance sheet account.
12. Financial Reports for the SCRIP program must be generated monthly and reviewed by the pastor and/or his delegate.
13. Scrip procedures must be document in writing. Procedures should cover sales, purchases, recording Scrip transactions, inventory reconciliation, and financial reporting. Responsibilities of volunteers involved in these areas must be clearly defined.

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XV. CREDIT CARDS

(A&F Section XXIV)

1. Parishes may obtain one or more credit cards with the approval of the pastor, priest administrator, pastoral coordinator or other appointed pastoral leader.
2. Only employees normally making parish purchases may be issued a credit card.
3. Parish credit cards must not allow access to cash advances.
4. The credit card should be in the name of the parish/school but the employee name may be indicated on the card.
5. The credit limit on the card should be minimal. Credit limits should be reviewed annually to ensure that the limits are not excessive.
6. The card must be used only for legitimate business expenses. Personal expenditures are not allowed and may subject the cardholder to cancellation of credit card privileges or other sanctions.
7. Credit payments must be approved by the person having budgetary responsibility for the expense prior to charging them to the credit card.
8. The monthly credit card statement alone is not sufficient documentation for the expenses. Receipts must be obtained for all credit card charges. The receipts must contain the same information as is required for cash reimbursements (See Policy XII). For online purchases a printout of the payment receipt or e-mail acknowledgment of the payment is sufficient documentation for the purchase.
9. In accordance with IRS regulations, undocumented expenditures will be considered compensation and will be included on the individual's W-2 or 1099-MISC.
10. The parish/school must document its credit card policy. Employees who are issued a credit card must sign this policy to signify that they understand and accept the policy. A sample credit card policy is in Appendix A-6.

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XVI. ELECTRONIC RECEIPTS, DISBURSEMENTS AND WIRE TRANSFERS

I. Electronic Receipts

1. We encourage parishes to offer electronic payment methods to their parishioners. Different methods include third party merchant services, local bank set-up, and personal online banking.
2. All donor credit card information must be handled in compliance with current PCI (Payment Card Industry) regulations. Parishes must use the services of a third party vendor who is PCI compliant.
3. Any parishioner bank or credit card information submitted to the parish must be stored in a secure (locked) file or safe or password protected computer.

II. Electronic Disbursements

1. Retail online payments to infrequent suppliers should be made by credit card. Adequate paper trail must be maintained with documented approval of the transaction.
2. Parishes and schools are allowed to pay recurring expenses through automated payments. The pastor, priest administrator, pastoral coordinator, or other appointed pastoral leader must approve the list of vendors for which automated payments are to be made.
3. Automatic payments must be reviewed annually to determine the continued necessity of the expenses.
4. Electronic Funds Transfers (EFTs), including ACH, should be limited to specific pre-determined bank accounts (e.g. payroll bank account) and amounts. All limits on EFTs should be documented by the parish and noted in writing by the bank. For large payments or transfers by EFT, the initiator of the EFT must not be the approver of the EFT. The parish should avoid making EFT, and particularly ACH, payments to any vendor that is not part of the regularly scheduled or pre-approved EFT payments but instead make payments by check or credit card. In any case, the decision to make an EFT payment must be made by the parish after verifying the legitimacy of the transaction and not merely responding to a vendor request for a particular payment method.
5. Parishes must have adequate computer safeguards and software to protect all financial information. Appendix A-7 contains tips for safer online banking.

III. Wire Transfers

The parish may only do wire transfers upon instruction of the pastor, priest administrator, pastoral coordinator, or other appointed pastoral leader. Instructions must be made through personal contact. Instructions through e-mail or other communication other than personal contact is absolutely prohibited.

All hard copy of parishioner records with identifying information such as credit card, debit card, or social security numbers must be stored securely, under lock and key with access only by the PAA and/or bookkeeper, and properly cross-cut shredded after the information is no longer needed.

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XVII. GAMBLING ACTIVITIES

(A&F Section X)

1. All parishes and schools must follow federal, state and local gambling and recordkeeping guidelines. The federal regulations can be viewed at <https://www.irs.gov/pub/irs-pdf/p3079.pdf> and the state guidelines can be viewed at <https://app.leg.wa.gov/WAC/default.aspx?cite=230>.
2. If applying for a gambling license, the parish may be asked for an authorization letter. This letter must be furnished by the Archdiocesan General Counsel. Please contact Parish Financial Services or the Office of the General Counsel to get this process started.
3. The State has the right to audit gambling activities. A separate bank account must be maintained for all gambling activity. All revenues/expenditures are to be recorded in this account and proceeds must be distributed as defined in the parish/school's application.
4. Raffle winnings are reported on form W-2G (not 1099-MISC). Raffle winnings include both cash and noncash prizes.
 - a. The parish must report raffle prizes if:
 - the amount paid, reduced at the parish's option by the wager (the amount a person paid for the chance to win a prize), is \$600 or more; and
 - payout is at least 300 times the amount of the wager.
 - b. The regular gambling withholding applies to winnings of more than \$5,000. The parish must withhold 25% from the winnings and report this amount to the IRS on Form W-2G. If the parish fails to withhold correctly, it is liable for the tax.

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XVIII. PARISH SPONSORED SOCIETIES AND GUILDS

(A&F Section XXV)

1. Parish sponsored groups, clubs, societies, circles, etc. are accountable to the pastor, priest administrator, pastoral coordinator, or other appointed pastoral leader. The purpose of each parish group must clearly indicate the way in which funds will be raised and expended before the parish group is approved and sponsored. All funds raised by the group are part of the overall parish financial structure and must be treated as such.
2. Parish organizations are not to be separately incorporated.
3. All fundraising activities, including one-time and special events, must be pre-approved by the pastor, priest administrator, pastoral coordinator or other appointed pastoral leader, in conjunction with the appropriate Archdiocesan office, prior to the fundraiser being announced. Approval must be documented in minutes of meetings, e-mail or other written documentation.
4. Each parish organization should have written guidelines or bylaws documenting the purpose, rules and procedures of the organization. A copy of the procedures should be given to all concerned parties, including parish administration, and incoming officers should sign a statement that they have read and understand these guidelines. All organizations must adhere to all policies found in this manual.
5. Parish staff should periodically meet with each organization to review policies, fundraising, and contribution acknowledgment practices.
6. Financial activity for parish sponsored organizations should be maintained in the parish general ledger as a custodial liability.
7. Parish and school groups are only allowed to have a separate checking and/or PRF account with the written approval of the pastor, priest administrator, or other appointed pastoral leader. The pastor, priest administrator, or other appointed pastoral leader must be a signer on all accounts.
 - a. All bank accounts must be included in the parish general ledger, and bank statements for these accounts must come to the parish or school office for review prior to forwarding to the appropriate group. The parish/school bookkeeper or the Treasurer of the group may prepare the bank reconciliation.
 - b. Each parish organization with a separate checking account must submit a report of financial activity to the sponsoring parish at least annually.
 - c. All organizations with separate accounts are subject to periodic financial review by parish staff appointed by the pastor, priest administrator, or other appointed pastoral leader.
 - d. If the financial records of the organization are not maintained by the parish offices, a checkbook, a simple ledger or a computer spreadsheet are ordinarily adequate to maintain financial records for these organizations. All financial transactions are to be entered.

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- e. As a general rule, all receipts should be deposited in the checking account and all disbursements should be made by check. Cash payouts are discouraged.
 - f. In general, direct payments to vendors for operating expenses is the acceptable method of payment. Reimbursement to individuals should be allowed only in exceptional circumstances. Receipts are required for all reimbursements.
8. No one shall sign a check payable to oneself.
 9. When an organization makes a donation to the parish/school for a specific item, the organization should issue a check to the parish/school, which, in turn, should pay the vendor. This allows the donation or purchase to be properly recorded in the parish/school financial records.
 10. Accumulation of funds in these checking accounts beyond what is required to carry out annual activities is not allowed. Any such excess should either be presented to the parish or program as a donation or deposited in the PRF in the name of the group.

St. Vincent de Paul

St. Vincent De Paul Councils and related conferences are separate entities for Federal Income Tax purposes. We understand that a separate group ruling letter has been obtained by the National Council of St. Vincent De Paul.

1. The best practice for handling St. Vincent De Paul donations would be to give these donations directly to the St. Vincent de Paul Society without being processed through the parish. The members of St. Vincent de Paul are responsible for acknowledging donations according to IRS guidelines.
2. Alternatively, parishes may continue to handle and process donations for their St. Vincent De Paul conference as custodians. Donations should be recorded in the parish family database. Funds must be remitted to S.V.D.P. within 30 days with an accompanying donor list.

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XIX. VOLUNTEERS

1. Compensation

Any compensation in exchange for work performed must be recognized as income to the individual. Compensation includes tuition reduction, fee waivers, salaries, gift cards, etc.

2. Donated Services

Donations of services by parishioners or others must be handled in accordance with IRS regulations. The value of donated services is not deductible by the donor.

3. Out-of-Pocket Expenses

Although the value of services given to a qualified organization cannot be deducted, some amounts that the volunteer pays (e.g. travel expenses) in giving services to a qualified organization may be deducted. The amounts must be:

- unreimbursed
- directly connected with the services
- expenses incurred because of the services rendered
- not personal, living, or family expenses.

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XX. RECORD RETENTION

Records must be retained in accordance with applicable sections of Canon and Civil Law.

(Contact Archives & Records at (206) 382-4352 or e-mail archives@seattlearch.org for more information.)

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APPENDICES

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APPENDIX A-1

Sample Tamper Evident Bag Procedure

1. Tamper evident bags must be numbered. One or two bags should be assigned for each mass depending on size of bags and collection. One person can assign the bags to a mass. The bag number, date and assigned mass should be recorded on bag log and the person preparing the bags should sign the log. A best practice is to pre-print the bag numbers on the log to ensure that the bag sequence is intact.
2. Collection should be placed in bags by ushers before bringing up to the altar or two people can transfer the collection from the basket to the bags after Mass has ended. The people transferring the collection should sign and date the bag with a permanent marker. Once the bag is sealed it can be in the presence of only one person.
3. Bags should be placed in locked fireproof safe or cabinet. Access to the area should be limited. Bags should always be kept secure. They should not be left unattended where someone could walk off with them.
4. The person/s picking up the bags from the safe should compare the bag number to the bag log, verify that the numbers match, and sign off on the bag log. At least two people must be present when the bag is opened and throughout the count process.
5. The detachable bag tags or seals must be filed with the deposit records. Alternatively, bag numbers must be written on the tally sheets if the bag tags or seals are not kept.

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SAMPLE TAMPER EVIDENT BAG LOG

Date	Mass	Bag #	Bagged by	Signature. of bagger	Bag retrieved from safe by:	Signature of person retrieving bag from safe
11/2/2019	5:30 PM	701602	John Doe		Bob Smith	
					Sarah Jones	
11/3/2019	8:00 AM	701603	John Doe		Bob Smith	
			Richard Winston		Sarah Jones	
11/3/2019	10:00 AM	701604	John Doe		Bob Smith	
					Sarah Jones	
11/3/2019	5:30 PM	701605	John Doe		Jane Webber	
			Mary Hines		Sarah Jones	
11/9/2019	530 PM	701606				
11/10/2019	8:00 AM	701607				
11/10/2019	10:00 AM	701608				

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APPENDIX A-2

Documentation for Charitable Contributions

	Applies to Cash or Noncash Dontributions	Not more than \$75	Over \$75 and under \$250	At least \$250 and under \$500	At least \$500 and under \$5,000	\$5,000 and over
Canceled check acceptable for donor's deduction?	Cash	Yes	Yes	No	No	No
Contribution receipt required for deduction?	Cash and Noncash	No*	No*	Yes	Yes	Yes
Charity's statement on donor's receipt of goods or services required?	Cash and Noncash	No	Yes**	Yes**	Yes**	Yes**
Form 8283*** required?	Noncash	No	No	No	Yes	Yes
Independent qualified appraisal and appraiser's signature required?	Noncash	No	No	No	No	Yes

* Contribution receipt is required only if cancelled check or bank record is unavailable.

** May be avoided if the charity meets the minimum value requirements of Revenue Procedures 90-12 and 92-49 and 2006-53.

*** Form 8283 may be downloaded from IRS.gov: <https://www.irs.gov/uac/about-form-8283>

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APPENDIX A-3

IRS Charitable Contribution Substantiation Rules Receipt Examples

Example 1: Statement for Contributions

Contribution Statement St. XYZ Parish December 31, 2016			
Donor Name:	Mary Smith		
Address:	123 Main Street Anytown, WA 90000		
<u>Date Received</u>	<u>Check Number</u>	<u>Description of Item</u>	<u>Amount Donated</u>
1/23/16	3759	Offertory Check	\$100.00
4/2/16	5267	Check for Building Fund	\$425.00
7/16/16	9220	Offertory Check	\$ 70.00
Note: No goods or services, other than intangible religious benefits, were provided in exchange for this contribution.			

Example 2: Receipt for Contributions of Non-cash Property – Tax deduction will be allowed only if donated clothing or household goods are “in good condition or better”

Receipt St. XYZ Parish February 15, 2016		
Donor Name:	Mary Smith	
Address:	123 Main Street Anytown, WA 90000	
<u>Date Received</u>	<u>Item Number</u>	<u>Description of Item</u>
2/15/16	32	Handmade Rug
This item was donated in good used condition.		
Thank you for your donation.		

(Note: Value determination is the donor’s responsibility.)

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Example 3: Auction Receipt

St. XYZ Auction Receipt March 1, 2016			
Donor Name:	Mary Smith		
Address:	123 Main Street Anytown, WA 90000		
<u>Item Number</u>	<u>Description of Item</u>	<u>Good Faith Estimate of Value</u>	<u>Amount Paid</u>
26	Dinner at Vito's	\$25.00	\$100.00
102	Guitar lessons	<u>\$15.00</u>	<u>\$ 25.00</u>
Total		\$40.00	\$125.00
Note: Contributions are tax deductible only to the extent they exceed the value of any goods or services provided.			

Example 4: Acknowledgment Letter for Cash Donation

December 6, 2016

Mary Smith
123 Main Street
Anytown, WA 900000

Dear Ms. Smith,

Thank you for your generous contribution of \$1,000 to St. XYZ on December 1, 2016 (or "during the calendar year 20XX"). No goods or services, other than intangible religious benefits, were provided in exchange for this gift. (May add some language regarding how the donation benefits the church – e.g. enables church to carry out its ministry or programs, etc.).

We are hoping for your continued support to St. XYZ.

Sincerely,

[Signature]

Fr. John Doe
Pastor

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Example 5: Acknowledgment Letter for Donated Goods

December 6, 2016

Mary Smith
123 Main Street
Anytown, WA 900000

Dear Ms. Smith,

Thank you so much for your donation of tables and chairs for our parish hall. This letter serves as a formal acknowledgment for federal tax purposes that you made this in-kind gift on December 1, 2016. No goods or services, other than intangible religious benefits, were provided in exchange for this gift.

Pursuant to federal tax law, we are not permitted to determine the value of your gift for purposes of a charitable contribution deduction. However, you may wish to document the estimated value of your gift in the space provided below. Thank you again for your continued support to our parish.

Sincerely,

[Signature]

Fr. John Doe
Pastor

Donor estimate of Fair Market Value \$ _____

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APPENDIX A-4

Sample Check Request Form

CHECK REQUEST

Pay to the order of: _____

Total Amount of Check: _____ Invoice#: _____

DISTRIBUTION

Account Name	Account No.	Purpose	Amount

Requested by: _____ Date: _____

Authorized by: _____ Date: _____

Mail or Give to:

Office Use Only:

Date Paid _____

Check # _____

Batch # _____

Posted by: _____

Posting date: _____

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APPENDIX A-5

Sample Petty Cash Policies and Procedures

PETTY CASH POLICIES

1. One or more petty cash funds may be established. The amount and allowable uses for each petty cash fund should be documented and approved in writing.
2. The funds should be maintained on an imprest basis and periodically replenished for exactly the amount of expenditures from the fund. The size of the fund should be determined by its activity, but should not exceed the amount of one month's activity.
3. The fund should be in the sole custody of one employee. The designation of the Petty Cash Custodian should be in writing. The custodian should balance the fund at least monthly, and periodically the Pastor, Priest Administrator, Pastoral Coordinator, or his/her delegate should count and review the fund.
4. Disbursements from the fund must be supported by petty cash vouchers prepared in ink and signed by the requester. All supporting data should be attached to the voucher. Upon reimbursement of the fund, every voucher (and related supporting data) covered by the reimbursing check should be canceled in such a manner as to preclude its reuse.
5. The petty cash fund should be maintained on the books as a balance sheet account. Cash should be replenished and expenses recorded when petty cash vouchers are submitted and the fund is reimbursed.

Procedures for Handling Petty Cash

1. To establish Petty Cash (PC), write a check payable to Petty Cash and cash the check in the bank. Use a check request form to request the establishment of Petty Cash.
2. Disbursements from Petty Cash
 - a. Cash Advance (See Form 1)
 - 1) Issue a Petty Cash Advance Form to the person requesting the cash (requester). The PC custodian fills out the upper half of the Cash Advance Form. The form should be signed by both the person receiving the cash and the PC custodian.
 - 2) To liquidate the advance, the requester brings back all receipts to substantiate the expenses incurred. The PC cash custodian reviews the receipts and determines validity of the expenses based on the approved uses of the funds.
 - 3) If the receipts are the less than the amount of cash advance, the requester returns the unspent cash. If the receipts are more than the

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amount of cash advance, the PC custodian pays out of PC the excess amount to the requester.

- 4) The PC Custodian fills out the bottom half of the Cash Advance Form (Petty Cash Liquidation) to close the advance.
- 5) The GL code should be indicated in the form or receipts (if there are several receipts with different GL codes) for proper accounting.
- 6) Cash advances should be fully liquidated when receipts are provided by the requester in the same manner that amounts payable to the requester should be fully paid when receipts are provided in order to avoid the complications of accounting for outstanding balances.

b. Reimbursement (See Form 2)

- 1) The staff or volunteer presents receipts to the PC custodian.
- 2) The PC custodian reviews the receipts and determines validity of the expense based on the approved uses of the funds.
- 3) The PC fills out a Petty Cash Payment Form and staples the receipts to the form.
- 4) The PC custodian pays the staff or volunteer.
- 5) The GL code should be indicated in the form or receipts (if there are several receipts with different GL codes) for proper accounting.

3. Replenishment of Petty Cash

- a. Add up all the receipts in the PC box.
- b. The PC custodian prepares a check request form for the total amount of the receipts. The check request form should be approved by the Pastor or PAA.
- c. The bookkeeper issues a check payable to "Petty Cash" and the PC custodian cashes the check in the bank. The expense accounts to be used and the amounts should correspond to the receipts as indicated by the GL codes.
- d. The total of the PC replenishment plus the amount of currency and coin and outstanding advances should equal the established amount for the PC fund.

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Form 1

PETTY CASH ADVANCE FORM

Department: _____

Requested by: _____

Date: _____

Amount: _____

Purpose: _____

Payment Received by: _____ Payment Issued by: _____
(Requester) (PC Custodian)

Date: _____ Date: _____

(do not cut)

PETTY CASH LIQUIDATION FORM

(Note: This section is filled out when receipts are turned in.)

Amount Advanced: \$ _____

Total Amount of Receipts: \$ _____

(If receipts are less than the advance amount)

Amount owed by requester (if receipts less than advance amount) \$ _____

Amount returned by requester \$ _____

Amount received by: _____ \$ _____

Signature of PC Custodian

(If receipts are more than the advance amount)

Amount owed to requester \$ _____

Amount paid to requester \$ _____

Amount received by: _____ \$ _____

Signature of requester

Date: _____

GL Codes and amount:

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Form 2

PETTY CASH PAYMENT FORM

(Note: This form is used when there is no petty cash advance, just reimbursement)

Department: _____

Requested by: _____

Date: _____

Amount: _____

Purpose:

Payment Received by: _____ Payment Issued by: _____

Date: _____ Date: _____

GL Codes and amount:

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APPENDIX A-6

SAMPLE CREDIT CARD POLICIES AND AGREEMENT

Regular, full-time employees may be issued a business credit card with written approval from the Pastor. Any credit card the Parish issues to an employee must be used for parish business purposes only, in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any non-business, non-essential purpose, i.e., for any personal purchase or any other transaction that is not authorized or needed by the Parish. To be eligible for a corporate credit card, an employee must travel frequently in the course of his/her duties, purchase significant volumes of goods and services for use by the Parish, or incur other regular frequent business expenses of a kind appropriately paid by credit card.

- The Parish credit card cannot be used for personal expenses or to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers for expenses other than those incurred by the assigned employee named on the card.
- Misuse of the card will result in cancellation of the card and withdrawal of credit card privileges.
- Misuse of a Parish credit card for these, or any other type of unauthorized transactions in violation of this policy, i.e., incurring financial liability on the Parish's part that is not within the scope of the employee's duties or the employee's authorization to make parish business-related purchases, the cost of such purchase(s) or transaction will be the financial responsibility of that employee, and the employee will be expected to reimburse the Parish via deductions from pay until the unauthorized amount is fully repaid.
- Each card will be limited to a maximum of \$_____. Increases to the established maximum may be made on a case-by-case basis with written approval by the Pastor.
- Lost or stolen cards must be reported immediately to the Pastor or PAA.
- Parish credit card expenditures must be reconciled and submitted with original receipts to the PAA within 10 business days of the statement date. In accordance with IRS regulations, undocumented expenditures will be considered compensation and will be included on the individual's W-2 or 1099-MISC. Continued or repeated non-conformance to this policy will result in cancellation of the card and such other actions as appropriate.

I have read the Parish credit card policy and I understand that personal or unauthorized charges, cash transactions or failure to provide original receipts on a timely basis, or other violations of this policy may result in withdrawal of the card and withholding from my pay of any unauthorized amount.

Employee Cardholder

Date

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APPENDIX A-7

TIPS FOR SAFER ONLINE BANKING

While online banking is extremely convenient and easy-to-use, it also comes with various security risks. The online world is swarming with hacking and phishing attempts from hackers trying to break into another person's financial account, steal their information and, subsequently, all of their money. Therefore, every person who regularly uses some form of online banking should be alert to possible vulnerabilities in this system and know the ways to prevent hackers from getting ahold of their banking information.

[Naked Security](#) published an article outlining 8 tips for safer online banking. By following these tips, users can minimize risks to the security of their financial accounts.

1. Choose a bank account that offers some form of two factor authentication for online banking, such as a key code or unique image.
2. Create a strong password, avoiding common words or phrases, and change it every few months. Also, for security questions, the answer does not have to be the real answer, just one you will remember.
3. Keep your security software (anti-virus, firewall, etc.), operating system, and other software up-to-date to ensure that there are no security holes present when using your computer for online banking.
4. Beware of suspicious emails and phone calls that appear to be from your bank asking for account information. Access your online bank account directly by typing the address into your browser and call your bank back via a number that you are familiar with and you know is legitimate.
5. Access your accounts from a secure location, using computers and networks you know are safe and secure. Avoid using public networks and always look for the padlock icon in the corner of the browser, signaling that the website is encrypted.
6. Always log out and clear your computer's cache at the end of each session.
7. Set up account notifications to immediately alert you if there is any suspicious activity on the account, such as large withdrawals or a low remaining balance.
8. Monitor your accounts regularly, paying attention to all transactions over the past few months.
9. In general, bankers who take advantage of online banking services should be aware that technology, the Internet, and networks are not totally safe. Online banking is a great and convenient service, however those who use it must always be alert and aware of their financial accounts and possible hacking attempts.

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APPENDIX A-8

SAMPLE CASH HANDLING PROCEDURES

The parish must ensure maximum security for money received at Mass, and accuracy for accounting for those donations. Archdiocesan policy requires the parish to have written collection counting procedures that are made available to and known by the collection counters.

The following mass collection counting procedures incorporates Archdiocesan policies contained in the Parish Accounting Manual. These procedures must be given to the members of the counting committee who should be trained on these procedures.

Counting Committee

Prospective members are screened and approved by the pastor. The number of members should be sufficient to cover the counting requirements without overburdening the members (consider absences, vacations, etc.). All members of the committee should undergo a background check.

At least two unrelated people must be involved in counting parish collections and they should be rotated on a regular basis. As a policy, counters should be all volunteers. However, parish staff other than the bookkeeper or other employees involved in financial recordkeeping for the parish may participate in the count with a volunteer as warranted by circumstances.

COUNTING PROCEDURES

1. Counting is scheduled on the next business day following the weekend masses (usually Monday).
2. During count day, two unrelated counters will retrieve the mass collections from the safe located at the church sacristy. These counters will compare the bag serial numbers with those listed in the tamper evident bag log and sign the bag log. If everything is in order, the counters shall proceed to the counting area. If there are discrepancies or anomalies noted (e.g. bag seems to have been tampered with; bag is missing), the counters will note it in the log and report it to the Pastoral Assistant for Administration (PAA) for further investigation.
3. Counting shall be done in a designated secure room within the parish office. This room will be locked during the count. Only the collection counters and (specify a staff member who will oversee the collection but not involved in the count) are allowed in the room while the count is being conducted.
4. Counting supplies and forms shall be provided by parish staff to the counters. These supplies and forms shall be returned by the counters or left in the room after the count.
5. Collections are to be counted by individual mass. There shall be three count teams assigned to each mass (i.e. Saturday evening mass, Sunday morning and evening masses).

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6. All entries to the “Cash Count Sheet” and any other worksheets and counter signatures are to be made using permanent ink. If there any corrections after the entries have been made, strike out the incorrect amount, put the correct amount and initial the correction.
7. Write the mass date on the Cash Count Sheet and encircle the mass time associated with the collection.

There are two Cash Count Sheets to be used depending on the collection being counted:

- a. Cash Count Sheet – Sacrificial Giving (for regular mass collections and pledges)
 - b. Cash Count Sheet – Special/Other Collections (for other than regular mass collections and pledges)
8. Bags will be opened in the presence of all members of the count team. The bag seal shall be set aside and form part of the deposit records. (Alternatively, the bag serial number may be written on the “Cash Count Sheet”.
 9. Contents of the bags for each mass are to be grouped according to the following:
 - Weekly contribution envelopes – donors identified
 - Loose cash – donor not identified
 - Loose checks – checks not contained in an identifying envelope
 - All other special envelopes/collections grouped according to the type of contribution (e.g. Christmas collections, Roofing project collections)

Loose Cash (Regular Collection)

Separate coins and bills into various denominations. One counter will conduct the initial cash count. For each denomination, list quantity and total on the “Mass Loose” section of the “Cash Count Sheet – Sacrificial Giving”. The second counter will recount the cash and check the entries made by the first counter. When everything matches, the total coins and bills will be posted on count sheet.

Rubber band this group of bills as follows: ones (\$100), fives (\$500). Ten, twenty, fifty and hundred dollar bills shall be paper clipped per denomination. Coins shall be placed in a small plastic (e.g. Ziploc) bag. Include a post-it note with the total amount for each group of bills and coins.

Loose Checks

Add up loose checks on the adding machine (to print on paper tape with the item count enabled). After totaling the amount of checks, compare the total item count printed on the paper tape with the actual number of checks counted. Then reconcile the amount on each check with the amount printed on the paper tape. Put a check mark on the paper tape to signify that it has been reconciled with the check. If everything matches, list the total amount of loose checks on the “Mass Loose” section of the “Cash Count Sheet – Sacrificial Giving”. If there is any discrepancy, repeat the process until everything matches.

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Photocopy the loose checks for subsequent posting to parishioner records. (Alternatively, you may list the loose checks on a separate sheet which includes donor name, amount and check number).

After the count, clip the loose checks together for subsequent posting to parishioner records. Label the paper tape "Loose Checks" and include with the loose checks bundle.

Weekly Contribution Envelopes

Open each envelope and verify that the check is made out to the parish and the amount written on the envelope matches the amount on the check. Write the check number on the envelope.

If the envelope contains cash, verify that the amount written on the envelope matches the total amount of cash in the envelope. Write "CASH" on the envelope.

If the amount on the envelope is different from the amount of the check or cash, write the correct amount on the envelope and put your initials beside the correct amount. If no amount is written on the envelope, write the amount on the envelope and put your initial.

Process bills and coins similar to processing loose cash but write the total bills and coins on the "Contributions" section of the "Cash Count Sheet – Sacrificial Giving". Process checks similar to processing loose checks but write the total amount of checks in the "Contributions" section of the "Cash Count Sheet – Sacrificial Giving".

After the count, rubber band the contribution envelopes together for subsequent posting to parishioner records. Label the paper tape "Contribution Envelopes" and include with the envelopes.

Other Special Collections/Envelopes

Checks and cash received in special collections are to be processed in accordance with the procedures above. Holy day collections (identified contributions and loose) are to be recorded in the "Cash Count Sheet – Sacrificial Giving" form while other collections are to be recorded in the "Cash Count Sheet – Special/Other Collections" form. Write the type of holy day or special collection in the blank column heading of the appropriate cash count sheet (e.g. Donation: Votives and Flowers, Roofing project).

10. When everything has been counted, the counters will sign the cash count sheet using permanent ink.
11. The next step is to prepare the "Deposit Summary and GL Distribution" form.
 - a. One of the counters will transfer all of the totals from the cash count sheets for all the masses under the appropriate mass column and General Ledger (GL) line. Write totals to the line labeled "1115 – Total Receipts for this Deposit".

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- b. Another counter will add up all the currency, coins and checks for all the masses and write them on the “Reconciliation Summary” section of the “Deposit Summary and GL Distribution” form.
- c. The totals in 11.a and 11.b should match. If they don’t match, recount the cash/coin and checks from each bundle and make the appropriate changes in the cash count sheets and subsequent correction in the “Deposit Summary and GL Distribution” form.

DEPOSIT PROCEDURES

- 12. All checks are to be endorsed after the count and prior to deposit.
- 13. Combine all cash/coin and combine all checks.
- 14. Prepare the bank deposit slip in duplicate. The amounts in the deposit slip will be taken from the “Deposit Summary and GL Distribution” form. The original deposit slip is placed together with the checks, currency and coins in the bank bag.
- 15. Deposit will be taken to the bank immediately after the deposit is prepared. If this is not feasible under extraordinary circumstances, the deposit will be kept at the parish safe for deposit the next day.

POSTING TO PARISHIONER RECORDS

- 16. The individual posting to parishioner records should not have participated in counting the collection and should not be the bookkeeper or another employee involved in financial recordkeeping for the parish.
- 17. Forward all contribution envelopes and copies of loose checks to the appropriate individual to update the offering records.
- 18. After posting, the amount posted must be reconciled with the amount deposited to the bank. This reconciliation should be done weekly by someone not involved in either the count or the posting. The reconciliation report should be part of the deposit records.

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CASH COUNT SHEET - SACRIFICIAL GIVING						
Date:			Bag no.			
Mass time:	Saturday 5:30 pm	Sunday 8:30 am	Sunday 11:00 am	(encircle one)		
CONTRIBUTIONS (4101)			MASS LOOSE (4102)			
No. of Bills	Total		No. of Bills	Total		
	xx \$100 =			xx \$100 =		
	xx \$50 =			xx \$50 =		
	xx \$20 =			xx \$20 =		
	xx \$10 =			xx \$10 =		
	xx \$5 =			xx \$5 =		
	xx \$2 =			xx \$2 =		
	xx \$1 =			xx \$1 =		
Total Bills			Total Bills			
No. of coins			No. of coins			
	xx 50 ¢ =			xx 50 ¢ =		
	xx 25 ¢ =			xx 25 ¢ =		
	xx 10 ¢ =			xx 10 ¢ =		
	xx 5 ¢ =			xx 5 ¢ =		
	xx 1 ¢ =			xx 1 ¢ =		
Total Coins			Total Coins			
Total Coins and Bills			Total Coins and Bills			
Total Checks			Total Checks			
Total Cash/Checks			Total Cash/Checks			
HOLY DAY CONT... <u>Christmas</u> (4103)			HOLY DAY LOOSE... <u>Christmas</u> (4104)			
No. of Bills	Total		No. of Bills	Total		
	xx \$100 =			xx \$100 =		
	xx \$50 =			xx \$50 =		
	xx \$20 =			xx \$20 =		
	xx \$10 =			xx \$10 =		
	xx \$5 =			xx \$5 =		
	xx \$2 =			xx \$2 =		
	xx \$1 =			xx \$1 =		
Total Bills			Total Bills			
No. of coins			No. of coins			
	xx 50 ¢ =			xx 50 ¢ =		
	xx 25 ¢ =			xx 25 ¢ =		
	xx 10 ¢ =			xx 10 ¢ =		
	xx 5 ¢ =			xx 5 ¢ =		
	xx 1 ¢ =			xx 1 ¢ =		
Total Coins			Total Coins			
Total Coins and Bills			Total coins and Bills			
Total Checks			Total Checks			
Total Cash/Checks			Total Cash/Checks			
Counted by: _____			Verified by: _____			
Date Prepared: _____						

ARCHDIOCESE OF SEATTLE

CASH COUNT SHEET - SPECIAL/OTHER COLLECTION						
Date:			Bag No.			
Mass time:	Saturday 5:30 pm	Sunday 8:30 am	Sunday 11:00 am	(encircle one)		
OTHER <u>Donations: Stole Fees</u>			OTHER <u>Donations: Votive & Flowers</u>			
No. of Bills	Total		No. of Bills	Total		
	x \$100 =			x \$100 =		
	x \$50 =			x \$50 =		
	x \$20 =			x \$20 =		
	x \$10 =			x \$10 =		
	x \$5 =			x \$5 =		
	x \$2 =			x \$2 =		
	x \$1 =			x \$1 =		
Total Bills			Total Bills			
No. of coins			No. of coins			
	x 50 ¢ =			x 50 ¢ =		
	x 25 ¢ =			x 25 ¢ =		
	x 10 ¢ =			x 10 ¢ =		
	x 5 ¢ =			x 5 ¢ =		
	x 1 ¢ =			x 1 ¢ =		
Total Coins			Total Coins			
Total Coins and Bills			Total Coins and Bills			
Total Checks			Total Checks			
Total Cash/Checks			Total Cash/Checks			
OTHER <u>Donations from Auxiliary Groups</u>			OTHER <u>Coffee Hour</u>			
No. of Bills	Total		No. of Bills	Total		
	x \$100 =			x \$100 =		
	x \$50 =			x \$50 =		
	x \$20 =			x \$20 =		
	x \$10 =			x \$10 =		
	x \$5 =			x \$5 =		
	x \$2 =			x \$2 =		
	x \$1 =			x \$1 =		
Total Bills			Total Bills			
No. of coins			No. of coins			
	x 50 ¢ =			x 50 ¢ =		
	x 25 ¢ =			x 25 ¢ =		
	x 10 ¢ =			x 10 ¢ =		
	x 5 ¢ =			x 5 ¢ =		
	x 1 ¢ =			x 1 ¢ =		
Total Coins			Total Coins			
Total Coins and Bills			Total coins and Bills			
Total Checks			Total Checks			
Total Cash/Checks			Total Cash/Checks			
Counted by: _____			Verified by: _____			
Date Prepared: _____						

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CASH COUNT SHEET - SPECIAL/OTHER COLLECTION							
Date:					Bag No.		
Mass time:	Saturday 5:30 pm	Sunday 8:30 am	Sunday 11:00 am	(encircle one)			
OTHER <u>Donations: St. Vincent de Paul</u>			OTHER <u>Donation: Roofing Project</u>				
No. of Bills		Total		No. of Bills		Total	
	x \$100 =				x \$100 =		
	x \$50 =				x \$50 =		
	x \$20 =				x \$20 =		
	x \$10 =				x \$10 =		
	x \$5 =				x \$5 =		
	x \$2 =				x \$2 =		
	x \$1 =				x \$1 =		
Total Bills				Total Bills			
No. of coins				No. of coins			
	x 50 ¢ =				x 50 ¢ =		
	x 25 ¢ =				x 25 ¢ =		
	x 10 ¢ =				x 10 ¢ =		
	x 5 ¢ =				x 5 ¢ =		
	x 1 ¢ =				x 1 ¢ =		
Total Coins				Total Coins			
Total Coins and Bills				Total Coins and Bills			
Total Checks				Total Checks			
Total Cash/Checks				Total Cash/Checks			
OTHER <u>Fundraising Dinner</u>			OTHER TOTAL CASH COUNT				
No. of Bills		Total		No. of Bills		Total	
	x \$100 =				x \$100 =		
	x \$50 =				x \$50 =		
	x \$20 =				x \$20 =		
	x \$10 =				x \$10 =		
	x \$5 =				x \$5 =		
	x \$2 =				x \$2 =		
	x \$1 =				x \$1 =		
Total Bills				Total Bills			
No. of coins				No. of coins			
	x 50 ¢ =				x 50 ¢ =		
	x 25 ¢ =				x 25 ¢ =		
	x 10 ¢ =				x 10 ¢ =		
	x 5 ¢ =				x 5 ¢ =		
	x 1 ¢ =				x 1 ¢ =		
Total Coins				Total Coins			
Total Coins and Bills				Total coins and Bills			
Total Checks				Total Checks			
Total Cash/Checks				Total Cash/Checks			
Counted by: _____			Verified by: _____				
Date Prepared: _____							

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DEPOSIT SUMMARY AND GL DISTRIBUTION					
Dates: _____					
[date of masses]					
		TOTAL	Saturday 5:30 pm	Sunday 8:30 am	Sunday 11:00 am
General Ledger Distribution:					
4101	Contributions				
4102	Mass Loose				
4103	Holy Day Collections				
4104	Holy Day Loose				
4105	Children's Collection				
4310	Fundraising				
4410	Stole Fees				
4425	Votive and Flowers				
4430	Donation from Auxiliary Groups				
4552	Coffee Hour				
2211	St. Vincent de Paul				
2401	Roofing Project				
1115	Total Receipts for this Deposit				
	Reconciliation Summary:				
	Currency				
	Coin				
	Checks				
	Total for Deposit				
Prepared by:	_____				
Date prepared:	_____				
			Verified by:	_____	

ARCHDIOCESE OF SEATTLE

APPENDIX A-9

SAMPLE MISCELLANEOUS CASH HANDLING PROCEDURES

The following procedures pertain to cash received at the parish or school office:

1. The staff member receiving the money will count the cash and/or coin in the presence of the person (payer) bringing the cash to verify the amount of cash received.
2. If payment is received in an envelope, write "Cash" or check number and amount on the outside of the envelope.
3. The staff member will prepare a three-part carbonless receipt.
 - a. The first copy (white) is given to the payer and should include the amount received, date, and what the payment is for.
 - b. The second copy (yellow) is clipped to the check or the envelope with the money.
 - c. The third copy (pink) copy is to remain in the receipt book.
4. If a receipt is not issued, the cash received must be entered in a logbook. Details should include at least the name of payer, date and amount received, "Cash" or check number, purpose of the payment, and name of staff receiving the money.
5. Endorse checks immediately upon receipt.
6. Keep all cash and checks received at the office safe until retrieved by the collection counters for counting with the mass collections.

The following procedures pertain to cash received during fundraising and other events (e.g. fundraising activities, Coffee Hour, Rummage Sales, etc.):

1. Prior to the event, already identify individual(s) who will be tasked with collecting and counting the money during the event and emphasize that they are accountable for all monies received. Make sure that individuals involved in either the collection or count are not related and have been trained with the cash handling procedures.
2. After the event the money will be counted by two individuals who will prepare and sign a tally sheet in ink. It is better if these counters are different from those tasked with collecting money during the event.
3. The tally sheet and the money collected will be put into a tamper-evident bag. The individuals putting the money into the tamper-evident bag must seal the envelope and write their names, the date, amount collected, event and the organization on the front of the bag.
4. The bags shall be brought to the parish office where it will be received by the Pastor or a staff member and kept in the office safe until retrieved by the collection counters for counting with the mass collections.
5. If the event is more than one day, money collected each day will be brought to the office each day.
6. On the day of the mass collection count, the collection counters shall count the money and verify the count against the amount indicated in the tally sheet. Any discrepancy between the count and the tally sheet shall be noted and initialed on the tally sheet. Any discrepancies must be investigated and resolved.
7. The deposit shall be prepared in accordance with the deposit procedures. The tally sheet shall be filed together with the deposit slip and bank receipt.