GUIDELINES AND PROCEDURES FOR BANK ACCOUNTS
Parishes, Parish Elementary Schools, and Related Organizations/Activities
Revised: January, 2013

The following guidelines and procedures have been recommended by the Diocesan Task Force for Financial Policies for parish, parish elementary school, and parish related organization checking accounts.

GENERAL GUIDELINES AND PROCEDURES

ACCOUNT REGISTRATION AND SIGNATORIES

1) For the sake of clarity and consistency, all bank accounts and savings accounts with the Diocese should be registered as follows:

PARISH NAME – ORGANIZATION/ACTIVITY NAME/ACCOUNT DESCRIPTION

For example: ST. UNIQUE PARISH – FESTIVAL ACCOUNT
PARISH ADDRESS

The intention is that the descriptive portion of the title of the account reveals the purpose and/or nature of the organization/activity/account. “Special Account” is not considered sufficiently descriptive to qualify as an acceptable account name.

2) All bank accounts need to use the Diocesan federal ID number: XX-XXXXXXXX. Those accounts not currently using the Diocesan federal ID number need to be corrected as soon as possible.

3) National organizations (e.g. Knights of Columbus, St. Vincent de Paul Society) should not ask for, or be given, the Diocesan federal ID number to use for their bank account or for their activities.

The Pastor and the Parochial Vicar need to be signatories on all checking accounts maintained by a parish/parish elementary school, as well as those maintained by related organizations/activities. If there is no Parochial Vicar, the Pastor and the Dean are the required signatories.

BANK STATEMENTS AND OTHER FINANCIAL INFORMATION

1) The Pastor should be the receiver of all financial information (i.e. bank statements) for all parish accounts, including parish/parish elementary school, as well as those maintained by related organizations/activities. The Pastor should periodically verify the existence of all parish accounts, including those for auxiliary organizations, its various organizations.

2) All original bank statements should be mailed directly to the parish and maintained by the parish office. Copies of the statements are to be distributed to any related organizations and/or school. This will ensure that the Pastor is aware of all parish bank accounts utilizing the parish tax identification number.
NUMBER OF ACCOUNTS

1) There should be only one bank account per organization or activity.

2) The number of bank accounts used by a parish should be kept to a minimum and should not be excessive. Examples of organizations and activities include accounts for Festivals, PTO’s, Athletic Associations, etc.

BANK ACCOUNT SIGNATURE CARDS

1.) As personnel change in a parish (including the Pastor, Parochial Vicar, Dean, and Treasurers of related organizations), the parish should verify the approved signors on each parish bank account. Signers that have left the parish or relinquished responsibilities for the account should be removed as authorized signers.

BANK ACCOUNT RECONCILIATION

1.) Bank accounts should be reconciled each month and reviewed by an individual independent of the handing and recording of cash. All checks that remain outstanding for more than two months should be investigated and resolved.
2.) Cancelled checks are to be compared with the check register to verify number, date, payee and amount.
3.) Cancelled checks should be examined for the presence of authorized signers and for irregular endorsements or alterations.
4.) Dates and amounts of daily deposits, as shown on the bank statements, are to be compared with cash receipts transmittals.

CHECK STOCK

1.) Access to unused check stock should be restricted to those that have signature authority (i.e. Pastor and Activity Treasurers) and reasonable safeguards should be implemented as to restrict access by others.

CLOSING OF A BANK ACCOUNT

1.) When a decision is made to close a bank account, inventory should be taken of any remaining check stock. The remaining check stock should be shredded to prevent fraudulent use of checks. The Parish is responsible for informing the Finance Council and the Diocese that the bank account has been closed.

SEGREGATION OF DUTIES

1.) All reasonable steps should be taken so that no one individual is responsible for the depositing of cash, disbursing of funds, recording activity, and the reconciliation of the bank account. At a minimum, the reconciliation of the bank statement should be prepared by someone other than an authorized signor on the account and the reconciliation reviewed and approved by a separate individual, knowledge of the account activity, such as the Pastor.
AUDITS

Unannounced audits of all parish, parish elementary school, and parish related organization bank accounts will be conducted on an ongoing basis by the firm which performs the Diocesan audit.

PARISHES AND PARISH ELEMENTARY SCHOOLS ACCOUNTS

TRANSFER CHECKING ACCOUNT

1) No more than $1,000 should be retained in a parish transfer checking account as a compensating balance.

2) It is strongly recommended that a check to the Diocese be written weekly from the transfer checking account where income is deposited. Neglecting to write checks to the Diocese on a regular basis from this account may result in an assessment on funds in excess of $1,000. The assessment amount would be equal to the Lenten Appeal assessment percentage multiplied by the amount in the checking account in excess of $1,000.

PETTY CASH ACCOUNT

1) The maximum balance in a petty cash checking account should be $3,000.

2) It is strongly recommended that no check in excess of $500 be written from the petty cash account.

3) Reimbursement from the Diocese should be requested either weekly or when the balance of the petty cash account has been reduced by approximately one-half.

4) Petty cash may be utilized when an emergency expenditure is required or when there is clearly insufficient time to make a request for funds through the Diocesan accounting system.

6) Individuals rendering services to the parish/school should not to be paid from petty cash. Establish if service provider is an employee or Independent Contractor. All substitute teachers and coaches must be paid through payroll. Any individual, regardless of service provided who is already on payroll anywhere within the Diocese, must be paid through payroll as an employee. If established as a vendor they must be paid through accounts payable. If payment is to housekeepers, organists, maintenance services etc. the vendor must supply invoice.

MASS ACCOUNT

1) It is recommended that the balance in the Mass bank account be limited to $500 or less. Amounts in excess of $500 should be used to open a savings account with the Diocese.

2) The interest from a Mass account with the Diocese may be used at the discretion of the parish. Interest can be added to an account each quarter or paid by a quarterly check.
RELATED ACTIVITIES AND ORGANIZATIONS ACCOUNTS

CHECKING AND SAVINGS ACCOUNTS

1) Under most circumstances, the maximum balance in an organization/activity bank account should be $3,000. Any funds in excess of this amount should be deposited in a specifically designated savings account with the Diocese of Harrisburg. Interest will be accrued daily on such accounts for the benefit of the parish/parish elementary school activity or organization. If the normal operating use of an account is such that a lower balance can be maintained, then any excess cash should be deposited and maintained in a savings account with the Diocese. Conversely, if the purpose of such an account requires that a higher average balance be maintained, the reasons for the higher balance should be documented and submitted to HCAS.

2) Funds in excess of $3,000 discovered in any organization/activity bank account not previously approved will be subject to an assessment. The assessment amount would be equal to the Lenten appeal assessment percentage multiplied by the amount in the bank account in excess of $3,000. The excess funds would be transferred immediately to the Diocese for deposit into a savings account, from which withdrawals can be made at any time by submitting a written request.

3) No parish, parish elementary school or organization/activity using the Diocesan federal ID number may invest money in an investment vehicle (e.g., CD’s, bonds, stocks, mutual funds) other than a savings account with the Diocese.

4. Keeping accurate records and creating timely reports is the responsibility of designated personnel involved in individual organizations/activities. These organizations are accountable to the Pastor and should report the related finances of the organization on a regular basis consistent with the purpose of the organization.