GUIDELINES AND PROCEDURES FOR CASH DISBURSEMENTS

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 organizations.

GENERAL GUIDELINES AND PROCEDURES

Cash Disbursements

a) Disbursements are approved
Original supporting documentation must be reviewed and approved by the pastor or someone assigned by the pastor. The supporting documentation must include invoices or receipts that provide evidence of the transaction and the expense account debited. Invoice approval must be recorded by signature or initials and dated. Be watchful for bogus invoices sent by companies who have provided no goods or services.

b) Disbursements are supported by documentation
Verify all items were received prior to presenting for payment. Check items received against documents for description, quantity, and prices. Checks must not be issued without an invoice or check requisition form. Invoices must include certain minimum information such as vendor, date of service or purchase, description of service provided or goods purchased.

c) Remitting invoices for payment
The invoice is stamped with a vendor stamp furnished by the Diocese. Invoices may be stamped wherever there is available space, or a Request for Payment may be completed and attached to the invoice. Invoices should be sent to the Office of Financial Administration weekly.

d) Proper controls over checks
Access to unused check stock is restricted; voided checks are defaced and retained so as to maintain proper sequential integrity. If an account is closed, remaining check stock is shredded prior to disposal.

e) Limit the number of checks payable to cash
Checks are made payable to a person or organization. No check is made payable to "cash" (except to reimburse petty cash "petty cash") and all checks must require two signatures (if neither is the pastor's signature) for amounts over the limit set by the parish. Blank checks should NOT be pre-signed. Prior to signing of checks by an authorized signer, all checks should be fully completed and accompanied by a complete set of supporting documentation.

f) Use of credit cards
While parishes may elect to use credit or debit cards to facilitate purchases, it is imperative that adequate controls governing access, signoff, and documentation of type and purpose of purchase be monitored. Parishes are not allowed to incur finance charges on a credit card and are obligated to pay any outstanding balances at the end of each billing cycle. The account must be reconciled. If a major purchase is necessary, obtain the appropriate pre-authorization before purchasing the item. Statements must be mailed to the parish address. A list of the cardholders must be maintained. The list must detail the name of cardholder, the account number, credit limit, and expiration date. This list must be periodically reviewed and updated to reflect changes. Credit cards must be returned when an employee or other person leaves their job or position.

g) Use of tax exemption letter
Use of the letter must be reserved for purchases for the church and the school. Friends or relatives must not use the tax exemption letter for personal purchases. The letter must be secured so that access is limited to authorized individuals.