109 Internal Control Policies For Related Organizations

109 INTERNAL CONTROL POLICIES FOR RELATED ORGANIZATIONS

The following section explains the internal control procedures that apply to parish and school organizations, which benefit from the tax-exempt status of the parish. All major parish/school organizations and programs such as the religious education program, fund raising groups, the choir, and youth groups should be accounted for through the parish/school's general ledger. Specific accounts have been included in the Archdiocesan parish and school chart of accounts. Note, certain groups such as Home and School Associations and sponsored Scout groups are subject to the full range of internal controls required at each parish and school.

109.1 General Internal Control Policy for Related Organizations:

All related organizations must follow all internal control procedures of their respective parish or school. Additionally, related organizations are subject to the following procedures.

Procedures:

A) Financial records of the organization must be maintained at the parish or school office.

B) The organization must use the address of the parish or school office for business purposes.

C) The organization must maintain cash collection procedures consistent

with the internal control procedures applicable to parishes and schools. Specifically, the organization's Bookkeeper should not have any access to funds (i.e. receive, count, safe keep or transport), should not approve disbursements or sign checks or have use of the organization's debit/credit card.

D) The organization must maintain a written system to track and record the sources of funds received and expended. Checking account balances of the organization must be reported to the parish or school for tracking as an asset/liability on the general ledger.

E) The organization must prepare and submit for review and approval by the school/parish an annual budget.

F) The organization must report to the Pastor and/or School President/ Principal at least quarterly on the activities to-date and budget versus actual. In addition, a report of the organization's financial and operating results should be provided to the Pastor/School President/Principal at least annually.

G) The Pastor/School President/ Principal should be a signer on all accounts. The Pastor/ School President/ Principal should review bank statement activity, including cancelled check images, and bank reconciliations monthly and they should initial and date the bank statements and bank reconciliations evidencing their review.

H) The organization should have a dual signature policy where checks over that limit need to be signed by 2 authorized individuals and one of those individuals should be the Pastor/School President/ Principal.

I) The foregoing procedures must be followed by all members of the organization, including volunteers.

109.2 Charitable Contributions to Related Organizations:

Related organizations are not permitted to solicit, raise or accept charitable

contributions except as approved by the pastor or principal.