PARISH / SCHOOL ACCOUNTING PROCEDURES

FINANCE COUNCILS
Each parish is to have a Parish Financial Council (Board or Committee) in accord with Canon #537 that operates in accord with diocesan policies.

Schools are recommended to have a School Financial Council.

BANK ACCOUNTS
Any organization using the Federal tax identification number of the Diocese of San Jose for a checking or savings account must have the pastor or principal as a signatory on the account. The account name should include the name of the parish or school.

PARISH COLLECTIONS
Collections should be placed in a locked receptacle. This should be kept in a locked safe or other secure place. The keys to the bank bag(s) or receptacle should be kept at the parish office.

At least two people should be present at all times when the collection is counted.

All checks received should be endorsed "For Deposit Only to (the parish account)."

PAYROLL CHECKS
Payroll checks should be delivered to the pastor or principal who should review names before passing them on to the secretary for distribution.

All checks to priests for sacramental stipends should come through the Payroll system since they need to be reported on W-2 forms.

DISBURSEMENTS
All disbursements should be made by pre-numbered checks.

Unused checks, investments, accounting records should be kept secured in either a safe or locked cabinet.

The person who prepares a check should be different from the person who signs the check. The person who signs a check should never be the person to whom the check is made out. Checks in excess of $5,000 should bear two signatures.

All non-operational expenditures that exceed $10,000 require prior approval of the Chief Financial Officer of the Diocese of San Jose.

Diocesan and other special collections should be remitted within six weeks of the time the collection is taken up.

All invoices should be reviewed and initialed before payment. When a check is prepared the account codes, check number and date paid should be indicated on the invoice.

All reimbursements for out of pocket expenditures must be requisitioned in writing and supported by receipts.

All payments should be filed both by check number and alphabetically by invoice.

Parish Administrative Handbook June 2007
PETTY CASH FUND
The petty cash fund should not be used for cashing checks, when replenishing the petty cash fund-of any employee, the check should be made out to "Mary Smith/Petty Cash." "Petty Cash" must follow the name of the person to whom the check is made out.

No petty cash fund should exceed $200. Each item paid out of a petty cash fund should be signed for on a purchase receipt and attached to a petty cash slip. Expenditures from petty cash should not exceed $35.

BANK STATEMENTS
The pastor or principal should receive the unopened bank statement, and review it before it is reconciled. Bank reconciliation should be prepared within two weeks of receipt of the bank statement.

CASH ON HAND
Cash on hand includes all accounts with assets in the form of money; this can be checking accounts, savings, investment accounts and scrip accounts. Any account under the 11XXXX account number section of the balance sheet.

Available cash on hand is all accounts with assets in the form of money excluding endowments. (Endowments are to be deposited per Diocesan Policy)

Available cash on hand in excess of 10% of the following year annual budget is to be kept on deposit in the Diocesan Savings and Loan Fund.

OPERATING EXPENSES
Operating expenses are the total expenses incurred during the year due to the normal course of running a business.

ANNUAL REPORT
The diocesan fiscal year runs from July 1 through June 30. Each parish and school will submit the annual financial report to the diocese by August 15th.

TAX EXEMPT STATUS
As a tax-exempt organization the parish is not to make personal loans to employees.

USE OF PARISH FACILITIES
All non-parish groups using parish facilities should complete a user agreement and file a Certificate of insurance. A copy of the user agreement should be sent to the Chancery Office.