

Diocese of Scranton

Guidelines and Procedures for Maintaining Records

General Guidelines and Procedures

Financial records

All financial records should be kept in a safe or locked filing cabinet. Every parish should have a safe. Backups should be made for all computer files.

Cemetery records

Cemetery records should be maintained in the rectory or cemetery office in a secure fireproof safe or cabinet.

Duplicate cemetery records should be maintained in another location.

Recommended Retention Period for Accounting Records

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| • Accounts payable invoices | 7 years |
| • Accounts payable ledgers | 7 years |
| • Invoices and paid bills, general accounts | 7 years |
| • Invoices and paid bills major construction | Permanent |
| • General ledger, annual | Permanent |
| • Journal entry sheets | 7 years |
| • Payroll journals | 7 years |
| • Payroll tax reports | 7 years |
| • W-2 and W-4 forms | 7 years from date of filing |
| • Duplicate deposit slips | 3 years |
| • Bank reconciliations | 3 years |
| • Bank statements | 7 years |

DIOCESE OF SCRANTON

GUIDELINES AND PROCEDURES FOR CASH DISBURSEMENTS

General Guidelines and Procedures

Cash Disbursements

- a.) Disbursements are approved

The pastor should open and review all bills for payment.

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. 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. Invoices must include certain minimum information such as vendor, date of service or purchase, description of services provided or goods purchased. Never pay based on a summary statement without the copies of the invoices included therein.

- c.) 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.

- d.) 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). Blank checks should never be pre-signed. Prior to the pastor signing checks, all checks should be fully completed and accompanied by a complete set of supporting documentation.

- e.) Use of credit / debit cards

When credit / debit cards are used supporting documentation must be included with the monthly statement.

- f.) Proper documentation should be maintained for petty cash disbursements.

g.) Use of tax exemption letter

Use of this letter must be reserved for purchases for the church. 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.

h.) Signature stamps are not to be used

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DIOCESE OF SCRANTON

GUIDELINES AND PROCEDURES FOR BANK ACCOUNTS

General Guidelines and Procedures

a.) Check Signer

The pastor needs to be the signer on all checking accounts maintained by the parish, as-well-as those maintained by related organizations / activities

b.) Bank Statements and Other Financial Information

The pastor should be the receiver of all financial information (i.e.) bank statements for all parish accounts, as-well-as those maintained by related organizations/activities.

All original bank statements should be mailed directly to the parish and maintained by the parish office. Copies of the statements can be distributed to any related organizations. This will insure that the pastor is aware of all parish bank accounts utilizing the parish tax identification number.

c.) Number of Accounts

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

The number of bank accounts used by a parish should be kept to a minimum and should not be excessive.

d.) Bank Account Reconciliations

Bank accounts should be reconciled each month and reviewed by the pastor. If the pastor is unable to review the bank reconciliations, then someone independent of the handling and recording of cash should perform the review.

Canceled checks are to be compared to the check register to verify number, date, payee and amount. If imprints are not received back with the bank statements, arrangements should be made with the bank to download same.

Canceled checks should be examined for the presence of authorized signers and for irregular endorsements or alterations.

Dates and amounts of daily deposits, as shown on the bank statements, are to be compared with cash receipts transmittals.

Periodically bank reconciliations should be reviewed by a member of the Parish Finance Council . Careful attention should be paid to stale-dated outstanding checks and other unusual reconciling items.

Bank reconciliations must be retained.

e.) Closing of a Bank Account

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 that the bank account has been closed.

f.) Excess Cash.

Pastors and administrators are to deposit all excess operating funds in the Diocesan Institute Trust Fund for the benefit of all their parishes.

g.) Segregation of Duties

All reasonable steps should be taken so that no one individual is responsible for depositing of cash, disbursing of funds, recording activity and the reconciliation of the bank account. At a minimum, the reconciliation of the bank account statement should be prepared by someone other than an authorized signor on the account and the reconciliation should be reviewed and approved by a separate individual who has knowledge of the account activity, such as the Pastor. If the Pastor is unable to review the bank reconciliations, a member of the Finance Council should review the bank reconciliations

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