

# **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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