

**DIOCESE OF SIOUX CITY
PARISHES
CASH RECEIPT PROCEDURES**

The area of revenue and cash receipts is extremely important for parishes and schools. Parishes and schools must generate sufficient revenue to support activities year in and year out. Because of the difficulty in raising funds, it is imperative that the parish/school properly receive, deposit, process, and records its revenue. The accounting process helps to ensure that funds earned by the parish/school are indeed made available for the organizations' activities and for the purposes intended by the donors.

Numerous internal control objectives are required for the implementation of effective internal control over revenue and cash receipts. Of those, three broad objectives are essential to the overall effectiveness of the accounting system. The three control objectives are to:

1. Provide information to accurately report the parish/school activities
2. Prevent loss or theft
3. Minimize the opportunity for employees or volunteers to steal

We recommend implementing the following procedures:

1. Refer to the offertory collection receipt procedures for handling of cash and checks from weekly collections. Other parish receipts should be listed individually on a separate deposit slip. A written policy should be established and all areas should be notified of this policy.
2. All receipts should be locked in a safe or cabinet in the parish office until deposited.
3. A pre-numbered, written receipt should be issued for all non-offertory receipts, including parish sponsored funds. The duplicate copy should be retained by the parish office. Receipts should be written even if the person declines the original copy. A detailed list or deposit slip should be kept identifying the cash receipts.
4. The bookkeeper should be responsible for maintaining all bank accounts of the parish (refer to Guidelines for Parish Sponsored Organizations for exceptions). While the efforts of the volunteers are an essential component to the parish's operations, controls are significantly enhanced if the bookkeeper maintains all parish bank/investment accounts. A policy should be established authorizing only the bookkeeper to maintain bank accounts using the parish's taxpayer identification number (TIN). The policy should also include:
 - a) Limit the number of bank accounts held by the parish. This will improve efficiency and control. The finance committee and parish should be cognitive of all opportunities to consolidate bank accounts. Examples of organizations that should not have separate accounts include:
 - CYO/Youth groups
 - Choir/Religious Education
 - Charity Funds
 - Checking/Savings accounts that consistently have minimal/no activity

Examples of organizations where it is acceptable to have separate accounts:

- Cemetery
- Hot lunch
- Capital campaign

- b) Require authorization by the finance committee to open any new bank accounts.
- c) Inform area banks that only the pastor is authorized to open new bank accounts under the parish's TIN. Use sub-accounts to segregate transactions rather than open new accounts.
- d) Require bank reconciliations be completed in the accounting system on each account.
- e) Establish financial reporting requirements. The parish bookkeeper must provide a written accounting of the transaction activity for parish sponsored organization funds that he/she manages on a monthly basis to the officers of the organizations.

Bank accounts maintained by other employees, parishioners, and volunteers, except as noted, should be turned over to the parish bookkeeper.

5. All investments must have advance approval by the parish and this authorization should be documented in the minutes. In addition, diocesan policy requires that diocesan resolutions be adopted for all investments of school and parish funds, other than traditional investments in federally insured accounts such as CDs and savings accounts.
6. Capital campaigns require numerous additional controls. Please contact the diocese for assistance developing procedures and controls specific to your campaign.
7. Whenever possible, segregate the responsibility of initially receiving funds within the parish office from the responsibility of recording the funds in the accounting system. For instance, a secretary or volunteer can be assigned the responsibility of initially receiving the funds. He/she would prepare and sign a daily cash sheet and then forward the receipts and sheet to the bookkeeper for deposit and posting to the accounting records. Preferably someone independent of the cash receipts process should compare the daily cash sheet to the bank deposit.
8. All checks should be restrictively endorsed (stamped) when received. The stamp should include:
For Deposit Only
Parish Name & City
Bank Name & Account Number
9. All cash receipts should be deposited to the bank weekly (daily for large deposits).
10. Establish a policy for acknowledging donor contributions, including non-cash contributions.
11. Complaints from donors are best resolved by an employee independent of the cash receipt process and the pastor.
12. The parish cash receipt procedures should be written and approved by the parish/finance council. Written procedures should also be put into place for parish sponsored organizations. Although it's best for these receipts to be counted with the offertory, this may not always be feasible. Note that these organizations should not receive donations. All donations should be received by the parish.