
Archdiocese of Chicago

Parish Best Practices for Internal Controls

Promoting good stewardship through best practices



May 2011

A publication of the
Archdiocese of Chicago
Department of Financial Services
Written By: Mary Anne Murphy



Table of Contents

TABLE OF CONTENTSI

FINANCE COUNCIL 1

A) WRITTEN GUIDELINES AND NORMS 1

B) REGULAR MEETINGS..... 1

C) RECORD OF MEETINGS..... 1

D) ROLE OF FINANCE COUNCIL MEMBER..... 1

E) COMMUNICATION OF ROLE OF FINANCE COUNCIL MEMBER 1

F) COMMUNICATION OF FINANCIAL RESULTS TO PARISHIONERS 1

G) TOPICS DISCUSSED..... 2

FINANCIAL REPORTING..... 2

A) RECORD FINANCIAL TRANSACTIONS AND PREPARE FINANCIAL STATEMENTS..... 2

B) FINANCIAL RECORDS..... 2

C) PARISH FINANCIAL REPORTS 2

D) REGULAR FINANCIAL REPORT PREPARATION..... 2

E) COMMUNICATION OF FINANCIAL RESULTS..... 2

PARISH ASSESSMENT OF BUSINESS AND FINANCIAL OPERATIONS..... 3

A) PARISH SELF-ASSESSMENT 3

B) CONSULT VAC..... 3

SUNDAY AND HOLY DAY COLLECTIONS..... 3

A) COUNT TEAMS 3

B) PROPER ROTATION OF COUNT TEAM DUTIES AND MEMBERS 3

C) TAMPER EVIDENT BAGS..... 3

D) TRACKING TAMPER EVIDENT BAG NUMBERS 3

E) COLLECTIONS ARE HANDLED PROPERLY..... 3

F) ADEQUATE PHYSICAL SAFEGUARDS 4

G) SEGREGATING COLLECTION DUTIES..... 4

H) PARISHIONER CONTRIBUTION STATEMENTS 4

I) TRACKING PARISHIONER CONTRIBUTIONS..... 4

J) REVIEWING PARISHIONER CONTRIBUTION SUMMARY REPORT 4

K) ONLINE PAYMENT PROGRAM..... 4

OTHER CHURCH COLLECTIONS 4

A) OTHER CHURCH COLLECTIONS RECEIPT 4

SCHOOL COLLECTION 5

A) SCHOOL TUITION AND FEE COLLECTION 5

B) SCHOOL TUITION COLLECTIONS ADEQUATE PHYSICAL SAFEGUARDS..... 5

C) ADMINISTRATION OF STUDENT ACCOUNTS 5

D) TUITION AND FEE COLLECTION PLAN 5

E) PAYMENTS RECEIVED ARE SEGREGATED BY TYPE..... 5



Archdiocese of Chicago
Parish Best Practices for Internal Controls
Issued by Department of Financial Services – May 2011

F) MONITORING TUITION RECEIVED, DEPOSITED, AND REPORTED..... 6

G) SEGREGATION OF DUTIES 6

H) COLLECTION PLAN 6

I) SCHOLARSHIPS, REDUCTION IN TUITION, TUITION WAIVERS 6

J) RECONCILIATION OF RECEIPTS 6

K) TUITION AND FEE COLLECTION AND A THIRD PARTY VENDOR..... 6

FOOD SERVICE PROGRAM..... 6

A) BANK ACCOUNT 6

B) BANK ACCOUNTS ARE RECONCILED MONTHLY..... 7

C) DEPOSIT RECEIPTS 7

D) PAYMENT FOR MEALS SERVED 7

E) ADEQUATE PHYSICAL SAFEGUARDS..... 7

OTHER SCHOOL COLLECTIONS..... 7

A) OTHER SCHOOL COLLECTIONS ARE HANDLED PROPERLY 7

B) ADEQUATE PHYSICAL SAFEGUARDS..... 7

RELIGIOUS EDUCATION COLLECTION OF TUITION..... 7

A) TUITION AND FEES COLLECTIONS..... 7

B) ADMINISTRATION OF STUDENT ACCOUNTS 7

C) TUITION AND FEE COLLECTION PLAN 7

CASH DISBURSEMENTS 8

A) DISBURSEMENTS ARE APPROVED 8

B) DISBURSEMENTS ARE SUPPORTED BY DOCUMENTATION..... 8

C) DUPLICATE PAYMENTS ARE PREVENTED..... 8

D) PROPER CONTROLS OVER CHECKS..... 8

E) LIMIT THE NUMBER OF CHECKS PAYABLE TO CASH 8

F) USE OF CREDIT CARDS 8

G) SIGNATURE STAMP 9

H) USE OF TAX EXEMPTION LETTER..... 9

BANK ACCOUNTS AND RECONCILIATIONS..... 9

A) IDENTIFICATION OF PARISH ACCOUNTS AT FINANCIAL INSTITUTIONS 9

B) ACCOUNTS AT FINANCIAL INSTITUTIONS ARE REPORTED ACCURATELY AND TIMELY 9

C) MONITORING ALL PARISH BANK ACCOUNTS 9

D) BANK ACCOUNT SIGNATURE CARDS 9

E) BANK ACCOUNTS ARE RECONCILED MONTHLY..... 10

F) EXCESS OPERATING AND OTHER FUNDS 10

G) SAFEGUARDING THE USE OF THE PARISH TAX IDENTIFICATION NUMBER 10

H) CLOSING BANK ACCOUNTS..... 10

I) AUTOMATIC ACCOUNT DEBIT 10

J) CHOICE OF BANKING INSTITUTION..... 11

EMPLOYEE FILES..... 11

A) FILES CONTAIN INS FORM I-9 11



Archdiocese of Chicago
Parish Best Practices for Internal Controls
Issued by Department of Financial Services – May 2011

B) EMPLOYMENT APPLICATION 11

C) OTHER DOCUMENTATION..... 11

D) ACKNOWLEDGEMENT OF RECEIPT OF THE EMPLOYEE HANDBOOK..... 11

E) BACKGROUND CHECKS FOR PROSPECTIVE EMPLOYEES 11

EMPLOYEE BENEFITS..... 11

A) QUARTERLY SHARE PLAN CONTRIBUTIONS..... 12

B) SHARE PLAN PARTICIPATION IS NOT OPTIONAL..... 12

C) REMITTANCE OF 403(B) EMPLOYEE SALARY DEFERRALS 12

D) EMPLOYEE HEALTH BENEFITS 12

E) BENEFIT CO-PAYMENTS..... 12

COMPENSATION TO EMPLOYEES..... 13

A) WAGES AND COMPENSATION 13

B) W-2 AND W-4 FORMS ARE RETAINED..... 13

C) ISSUANCE OF FORM 1099-MISC 13

D) CLASSIFICATION OF WORKERS 13

E) PAYROLL IS PREPARED PROPERLY AND TIMELY..... 13

F) TIMESHEETS AS DOCUMENTATION OF HOURS WORKED..... 14

G) FILING FEDERAL AND STATE TAXES 14

H) CHANGES TO EMPLOYEE STATUS 14

CONTRACTS AND COMMITMENTS (NON-EMPLOYMENT)..... 14

A) PARISH CONTRACTS..... 14

B) CONFLICT OF INTEREST 14

CONTRACTS AND COMMITMENT (EMPLOYMENT: PRINCIPALS/TEACHERS) .. 15

A) EMPLOYMENT CONTRACTS 15

**AUXILIARY ORGANIZATIONS, SUCH AS WOMEN’S AND MEN’S CLUBS
ATHLETIC ASSOCIATION, AND PARENT ASSOCIATION..... 15**

A) PROPER ACCOUNTABILITIES 15

B) SIGNATURE OF PASTOR 15

C) BANK ACCOUNTS..... 15

D) FUNDS REMAINING AT THE END OF THE YEAR 15

E) RECOMMENDED BANKING INSTITUTION..... 15

F) USE OF THE PARISH TAX ID NUMBER 15

G) CHARTERS TO PARISHES USING THE SCOUTING PROGRAM..... 16

OTHER PARISH PROGRAMS AND EVENTS, 16

A) WRITTEN PROCEDURES AND GUIDELINES 16

B) ADEQUATE SEGREGATION OF DUTIES 16

C) SIGNATURE OF PASTOR 16

D) ADEQUATE PHYSICAL SAFEGUARDS..... 16

E) REGULAR RECONCILEMENT OF INVENTORY..... 16

F) REPORTING OF RESULTS..... 17

G) ACCOUNTING FOR EVENTS 17



Archdiocese of Chicago
Parish Best Practices for Internal Controls
Issued by Department of Financial Services – May 2011

PETTY CASH FUND..... 17

- A) PETTY CASH TRANSACTIONS 17
- B) REPLENISHMENT OF THE PETTY CASH FUND 17
- C) FUND LIMIT..... 17
- D) DISBURSEMENTS ARE SUPPORTED BY DOCUMENTATION..... 17
- E) AUTHORIZED CUSTODIAN..... 17
- F) ADEQUATE PHYSICAL SAFEGUARDS **ERROR! BOOKMARK NOT DEFINED.**
- G) DESIGNATING FUNDS TO PETTY CASH..... 17

FACILITY INSPECTIONS..... 17

- A) PERFORM SEASONAL INSPECTION OF FACILITIES 18
- B) SCHOOL ASBESTOS MANAGEMENT PLAN 18

REAL ESTATE 18

- A) PURCHASE / SALE OF PARISH PROPERTY..... 18
- B) LEASING PARISH PROPERTY 18
- C) TAX LIABILITY..... 18

RISK MANAGEMENT 18

- A) SELF-INSURANCE LOSS PROGRAM 18
- B) PREVENTION SYSTEMS AND DEVICES 19
- C) NEW EMPLOYEE / VOLUNTEER ORIENTATION 19
- D) DETAILED INVENTORY OF CONTENTS – PARISH AND PRIEST PERSONAL PROPERTY 19
- E) LOSS REPORTING FOR PROPERTY, AUTO, COMMERCIAL, AND GENERAL LIABILITY 19
- F) LOSS REPORTING FOR WORKERS COMPENSATION..... 19
- G) LOSS RESULTING FROM USE OF VOLUNTEERS OR CONTRACTORS THAT DO NOT CONFORM TO POLICY..... 19
- H) STANDARDS FOR INSURING AUTOMOBILES 19
- I) GENERAL LIABILITY LOSSES..... 20
- J) USE OF EMPLOYEE AND VOLUNTEER LABOR 20
- K) RENTAL OF PARISH FACILITIES..... 20
- L) THEFT OR LOSS OF CASH..... 20
- M) ARCHDIOCESAN SELF-INSURANCE PROGRAM DEDUCTIBLES 21

RECORDS MANAGEMENT..... 21

- A) SACRAMENTAL RECORDS 21
- B) FINANCIAL, ADMINISTRATIVE, AND FACILITY RECORDS..... 22



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

Finance Council

a) Written guidelines and norms

Guidelines and norms should be documented to clearly define the duties, authority, and responsibility of the finance council membership. Elaboration on Parish Finance Councils and an example of written guidelines can be found in the Parish Finance Council Guidelines¹.

b) Regular meetings

Meetings should occur at least once a quarter, more often as needed. Review and discuss the monthly budget and management of income and expenditures. Review actual results compared to budget and forecasts; consider operating and capital requirements. In order to fulfill this role, regular financial reports should be distributed for review at each meeting. At least once a year, review and evaluate internal controls regarding the accounting function; define specific practices and procedures.

c) Record of meetings

Minutes of finance council meetings taken should include attendees, date, and summary of discussion and decisions by topic. Support materials used at meetings should be retained with the meeting minutes. Examples of support materials are agendas, subject materials, reports, and financial statements. The minutes should be distributed and approved at the following meeting, and retained on file at the parish.

d) Role of Finance Council member

Serve in advisory and consultative role to the pastor with respect to expenditures in excess of \$10,000, contracted services, review of business office operations, and implementation of best practices. While parish staff such as a business manager or school principal may be regular attendees at parish finance council meetings, their role is a staff role and not as a voting member.

e) Communication of role of Finance Council member

Distribute the Finance Council Guidelines to members so that they can discharge their responsibilities in an advisory and consultative role. In addition, the Archdiocesan best practices should be communicated and available to all members.

f) Communication of financial results to parishioners

Communicate regularly, but not less than annually, the financial condition of the parish/school, including sources and amounts of income, parish indebtedness, unpaid bills, and parish savings and investments. A comprehensive report is an important element of accountability. A narrative story extolling accomplishments should accompany the report on funds raised and funds spent.

Promulgate the report by mail to parishioners' homes, publish in bulletin or as a separate report, and/or proclaim at weekend masses by the pastor or a finance council member.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

g) Topics discussed

Review and evaluate the internal controls concerning the accounting function, define specific practices, procedures, and techniques. Conduct a self-assessment of the parish business operation to identify improvement potentials and to implement best practices activities. Review and discuss the parish annual report and budget report. Monitor actual results to budgeted comparisons on a regular basis (at least quarterly); discuss reasons for variances. Communicate to the principal the parish support (subsidy) for the school. Assess the condition of the buildings, plan for improvements and future capital needs. Determine the effectiveness of fund-raising campaigns.

Financial Reporting

a) Record financial transactions and prepare financial statements

Financial transactions are recorded and monthly financial statements are prepared using the Archdiocesan standard chart of accounts in QuickBooks. The current chart of accounts and class code list is posted on the Archdiocesan website

b) Financial records

All financial records documenting transactions (including payroll, tax filings for bingo and other fundraisers) should be available to the parish as needed. Records should not be kept offsite at the residences of employees or volunteers where access to the financial records may be limited. Financial records are the property of the parish and must be kept on the parish premises; this includes back-up copies of all financial records.

c) Parish financial reports

The parish budget and annual report should be reviewed and discussed by the pastor, principal, and finance council as evidenced by appropriate signatures, prior to submitting to the VAC who will provide a copy to the Department of Financial Services, Quigley Center.

The parish interim report should be submitted on-line via the third party hosted customized reporting tool.

d) Regular financial report preparation

Financial reporting is made regularly and timely to facilitate control and corrective action. The financial reports should be presented in detail capturing all bank accounts held at local financial institutions and Archdiocesan accounts (not just operating accounts) and debt obligations. Financial statements should contain all activity including programs managed outside the general ledger via a checkbook or other software. Any details or clarifications, such as activities of auxiliary groups and other programs should be identified in footnotes on the financial statements.

e) Communication of financial results

Parish financial results are reported to the pastor, finance council, pastoral council, school principal and the school board on a regular basis (at least monthly). In addition, results are shared with parishioners on at least an annual basis including sources and



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

amounts of income, parish debt obligations, unpaid bills, and parish savings and investments.

Parish Assessment of Business and Financial Operations

a) Parish self-assessment

Engage the multidisciplinary talents of the finance council members and parish staff to conduct a self-assessment of the parish internal controls and to determine whether the parish has effectively applied the principles of best practices. A Parish Self-Assessment Checklist¹ is available on the web site. The checklist provides a structured guide on how to apply best practices to parish operations. Complete a section for discussion at a finance council meeting or complete the entire checklist annually for discussion and planning.

b) Consult VAC

Elicit the expertise of the VAC to gain an understanding of current challenges and to benchmark control and governance management tools and practices.

Sunday and Holy Day Collections

a) Count teams

Collection bags should be maintained in the safe until the count team is assembled and ready to begin counting. At least three unrelated people, not employees, should be present when collections are counted. No one should ever sort and organize money prior to the arrival of the count team.

b) Proper rotation of count team duties and members

Multiple count teams that are periodically rotated should count collections. If there is only a single count team, then count duties should be rotated.

c) Tamper evident bags

The ushers immediately consolidate collections to the assigned pre-numbered tamper evident bags. The use of these bags is required and documented in Management of Sunday Collections¹.

d) Tracking tamper evident bag numbers

Maintain a log to track the sequence of bag numbers distributed and the bag numbers returned. The counters should reconcile these numbers. Collection bag tracking form¹

e) Collections are handled properly

All checks are restrictively endorsed during counting procedures, and a cash collection report is compiled and signed by each of the count team members. It is helpful to establish written cash handling guidelines consistent with the practices described in Management of Sunday Collections¹. The guidelines should be available to count team members.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

f) Adequate physical safeguards

All cash receipts should be deposited intact daily, or locked in a safe, in a pre-numbered tamper evident bag under dual control (access by two people). Limit entry to the safe to only those people requiring such access. The safe combination and / or key should be adequately safeguarded. Consider the cost/benefits of purchasing a depository drop safe since the combination would not be required to safeguard the funds.

g) Segregating collection duties

Ideally, different individuals complete the receiving, processing, recording, and bank reconciliation functions. This option is not always possible especially if there are only one or two individuals available to perform these duties. Separate and rotate these duties among the available people as much as possible. Perhaps the pastor, or a volunteer parishioner with the proper background, can perform or review one of these functions on a monthly basis.

h) Parishioner contribution statements

Someone who is independent of the counting, depositing, and recording of collections prepares and distributes year-end parishioner statements. Reported variances between the donation and collection are investigated and resolved.

i) Tracking parishioner contributions

Develop written procedures to instruct the person completing the data entry. Do not back date envelopes to the Sunday date printed on the envelope; use the date of the collection. For instance, school families submitting multiple envelopes (for previous Sundays on one Sunday). These should be entered with the Sunday date on which the multiple envelopes were received, not the date printed on the envelopes.

j) Reviewing parishioner donor contribution summary report

Periodically (quarterly) print the donor contribution summary report and compare it to the Sunday collection worksheets to determine if the deposit is reasonable. The amount contributed on the contribution summary report should be lower by the amount of cash on the Sunday collection worksheet.

k) Online payment program

Consider implementation of the Archdiocesan online payment program to arrange an opportunity for parishioners and others to select electronic giving as another means of providing financial support.

Other Church Collections

a) Other Church collections receipt

Different individuals should complete the receiving, processing, recording, and bank reconciliation functions. Duplicate pre-numbered receipts are issued for all payments received by the business office. Reported difference between the deposit and the collection receipt book are investigated and resolved.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

School Collection

a) School tuition and fee collection

Checks received for tuition and fees are restrictively endorsed upon receipt. Pre-numbered duplicate receipts are issued for cash/check payments of tuition and fees. If using a third party vendor to process tuition collections, then all payments should be made via the third party vendor and not accepted locally. The principal should receive monthly reports on tuition and fee collections for analysis.

b) School tuition collections adequate physical safeguards

Tuition collections should be deposited at least weekly. During heavy collection periods; daily deposits may be necessary to eliminate large sums of money awaiting deposit. Until a timely deposit can be made, tuition collections should be locked in a safe under dual control. Pre-numbered tamper evident bags will safeguard funds until they can be deposited.

The tuition collection and fees are recorded and reconciled to the student accounts. Tuition collections are reconciled to total tuition revenues recorded on the parish financial records. Separate individuals should be responsible for the custody and recording of tuition collections. Third party vendors are to provide a monthly report to the principal.

c) Administration of student accounts

Maintain student accounts in electronic format. Document a standard policy for recording tuition and any school fees. Ensure that late fees are applied to the appropriate student account. Establish fees and guidelines for processing NSF checks. Monitor to enforce that all appropriate fees are applied and collected.

d) Tuition and fee collection plan

On a monthly basis, outstanding tuition and fee balance should be identified and reviewed to determine if it is collectible. Establish a written plan for the collection of past due tuition. Payment plans and reminder notices should be utilized to collect past due tuition.

To identify past due tuition: document all students registered under different tuition plans to monitor the accuracy of revenue collected on an on-going basis. Uncollected tuition may be written off after review and approval of the pastor and the finance council. Tuition waivers should be documented and approved by the pastor and the principal.

e) Payments received are segregated by type

Payments received are separately recorded by type, such as, tuition and fees (identified by current year and previous year), for pre-school, before and after, and kindergarten through eighth grade including fees, books, fundraising, scholarships and extended day charges. Separating income by type will aid in reconciling and reporting actual tuition and fees received.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

f) Monitoring tuition received, deposited, and reported

Regular comparisons using records of tuition receipts to bank deposit information should be completed. Discrepancies should be documented, investigated, and resolved. Depending on the results of the comparison, recording procedures should be modified to reduce the discrepancies between funds received and deposited. This will provide accessible information and support for tuition-related questions and correct information for reporting purposes.

g) Segregation of duties

Funds should be deposited as soon as possible, weekly or more frequently if needed. Until a timely deposit can be made, funds should be locked in a safe under dual control with limited access.

h) Collection plan

Develop written policies pertaining to reduction in tuition arrangements and collection of delinquent accounts. On a monthly basis, outstanding tuition balances should be identified and reviewed to determine if it is collectible. Establish a plan for the collection of past due tuition. Payment plans and reminder notices should be utilized to collect past due tuition. To identify past due tuition: document all students registered under different tuition plans to monitor the accuracy of revenue collected on an on-going basis. Uncollected tuition should be written off after review and approval of the pastor, principal, and the finance council

i) Scholarships, reduction in tuition, tuition waivers

Obtain written approval by the pastor and the principal and maintain documentation in files. If appropriate, an advisory committee may assist with the allocation of available funds. Written criteria should be promulgated to school families.

j) Reconciliation of receipts

Tuition and fee payments posted to the student account must balance with the deposit slips and pre-numbered receipts. Difference should be investigated and procedures modified as needed.

k) Tuition and fee collection and a third party vendor

Schools utilizing third party vendors to collect tuition and fees must monitor the collection process according to the agreement made with the vendor. It is imperative that tuition and fees are paid in a timely manner and that accurate records are kept at the local school. Written guidelines and procedures for monitoring the collection of tuition and fees should be developed. The pastor, principal, school families, and the parish/school business manager are to be informed about the procedures. Specific responsibilities are to be designated to appropriate personnel.

Food Service Program

a) Bank account

Maintain a separate bank account dedicated exclusively to food service funds. The bank account information should be disclosed on the annual report.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

- b) Bank accounts are reconciled monthly**
Bank accounts are reconciled each month and reviewed by an individual independent of the handling and recording of cash. Reconciling items are investigated and resolved.
- c) Deposit receipts**
Accept daily deposits for lunch order payments and leftover sales. Verify the accuracy of the FSP deposits.
- d) Payment for meals served**
Issue a check to Food Services Professionals (FSP) or other provider each Friday for payment for meals served.
- e) Adequate physical safeguards**
Monies should be deposited as soon as possible, weekly or more frequently if needed. Until a timely deposit can be made, receipts should be locked in a safe under dual control with limited access.

Other School Collections

- a) Other school collections are handled properly**
Separate individuals should complete the receiving, recording and depositing of collections.
- b) Adequate physical safeguards**
Collections should be deposited as soon as possible. Until a timely deposit can be made, school collections should be locked in a safe under dual control.

Religious Education Collection of Tuition

- a) Tuition and fees collections**
Checks received for tuition and fees are restrictively endorsed. Pre-numbered duplicate receipts are issued for cash/check payments of tuition and fees. Parents should be discouraged from paying by cash
- b) Administration of student accounts**
Document all students registered under different tuition plans to determine the accuracy of revenue collected on an on-going basis.
- c) Tuition and fee collection plan**
On a monthly basis, outstanding tuition and fee balance should be identified and reviewed to determine if it is collectable. Establish a written plan for the collection of past due tuition. Payment plans and reminder notices should be utilized to collect past due tuition.

Document all students registered under different tuition plans to monitor the accuracy of revenue collected on an on-going basis and to identify any that are past due.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

Uncollected tuition may be written off after review and approval of the pastor and the finance council. Tuition waivers should be documented and approved by the pastor and the director/coordinator of religious education.

On a regular basis, outstanding tuition balances should be reviewed to determine if it is collectible. Establish a plan for the collection of past due tuition. Payment plans and reminder notices should be utilized to collect past due tuition. Uncollected tuition should be written off only upon review and approval of the pastor and the finance council.

Cash Disbursements

a) Disbursements are approved

Blank checks are never pre-signed. Original supporting documentation should be reviewed and approved by the pastor or someone assigned by the pastor. The supporting documentation should include invoices or receipts that provide evidence of the transaction and the expense account debited. Invoice approval should be recorded by signature or initials and dated. Use of an account coding stamp with identity of approver can be used for this purpose. Never pay a statement unless it has been submitted on an invoice. *Be watchful for bogus invoices sent by companies who have provided neither goods nor 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 should not be issued without an invoice or check requisition form. Invoices should include certain minimum information such as vendor, date of service or purchase, description of service provided or goods purchased.

c) Duplicate payments are prevented

Invoices are canceled upon payment to prevent duplicate payments. The number and date of the check is recorded on the invoice. A stamp indicating date of payment and check number may be used for this purpose.

d) Proper controls over checks

Access to unused check stock is restricted; voided checks are defaced and retained to maintain proper sequential integrity. If an account is closed, remaining check stock is shredded prior to disposal.

e) Limit the number of checks payable to cash

Checks are made payable to a person or organization. No check is made payable to "cash" (petty cash reimbursement checks should be made payable to the individual entrusted for obtaining the funds). All checks should require two signatures (if neither is the pastor's signature) for amounts over the limit set by the parish.

f) Use of credit cards

While parishes may elect to use credit or debit cards to facilitate purchases, it is imperative that adequate controls governing access, signoff, and documentation of type



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

and purpose of purchase be monitored. Parishes are not allowed to incur finance charges on a credit card and are obligated to pay any outstanding balances at the end of each billing cycle. Each individual purchase transaction should be reconciled to a corresponding purchase receipt. If a major purchase is necessary, obtain the appropriate pre-authorization before purchasing the item. Statements should be mailed to the parish address. No personal purchases should be charged to the parish credit card.

A list of the cardholders should be maintained. The list should detail the name of cardholder, the account number, credit limit, and expiration date. This list should be periodically reviewed and updated to reflect changes. Credit cards should be returned when employees or other persons leave their job or position.

All receipts should be submitted with the check request for payment.

g) Signature stamp

Signature stamps should not be utilized.

h) Use of tax exemption letter

Use of the tax exemption letter should be reserved for purchases for the church and the school. Friends or relatives should not use the tax exemption letter for personal purchases. The letter should be secured so that access is limited to authorized individuals. The parish tax exempt letter includes the Archdiocese of Chicago identification number.

Bank Accounts and Reconciliations

a) Identification of parish accounts at financial institutions

The pastor is a signer and a receiver of information for all parish accounts. The parish should periodically verify the existence of all parish accounts, including those for auxiliary organizations, by surveying its various organizations.

b) Accounts at financial institutions are reported accurately and timely

All parish accounts are reported in the annual report submitted to the Department of Finances, Quigley Center and to the parishioners. Include those bank accounts with zero balances – such as sweep accounts. These accounts still reference the parish tax identification number and transactions are processed through these accounts.

c) Monitoring all parish bank accounts

All original bank statements are mailed to the parish where a copy is maintained and then distributed to the auxiliary group and/or school. This will ensure that the pastor is aware of all parish bank accounts utilizing the parish tax identification number. The pastor may request electronic access to accounts on line.

d) Bank account signature cards

As personnel change in the parish, periodically verify the approved signers on each parish bank account – include the accounts where few transactions occur since these



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

accounts are often overlooked. Signers that have left the parish or relinquished responsibilities for the account should be removed as authorized signers.

e) Bank accounts are reconciled monthly

Bank accounts are reconciled each month and reviewed by an individual independent of those handling and recording of cash. All checks that remain outstanding for more than three months should be investigated and resolved. Contact the payee if necessary, checks may need to be voided and reissued.

f) Excess operating and other funds

Excess operating funds (those over 90 days) are deposited with the Archdiocesan Bank. Funds collected for capital campaigns or building funds as well as parish and school endowment funds are deposited with the Archdiocesan Bank.

g) Safeguarding the use of the parish tax identification number

Parish tax identification number is issued only after the approval of the pastor. Identify the reason for the use of the parish tax identification number: establish parish (church, school, and auxiliary groups) accounts, and state and city licensing. The pastor receives copies of the resulting documents, example, bank statements and licenses. The parish should maintain a log identifying the recipient of the tax identification number and the purpose for the request.

National organizations (e.g. Knights of Columbus, St. Vincent de Paul Society, Boy Scouts of America) should not ask for or be given the parish tax identification number to use for their bank accounts or for their activities.

The parish or school federal tax identification number is specific to the parish and or the school. School families use it when they file taxes. It may be given, upon request, to those school families whose children are either enrolled in the school's extended day program or the State of Illinois Action for Children programs.

h) Closing bank accounts

Access to unused check stock should be restricted. When a decision is made to close an account, inventory the remaining check stock. The remaining check stock should be shredded to prevent fraudulent use of the checks. Blank checks from a closed account can be presented for payment resulting in a loss for local currency exchanges, banks, or merchants. Local merchants as a member of the community will often honor a parish check unaware of the consequences.

i) Automatic account debit

If the business relationship is ended, make sure the bank is instructed not to honor debits from the company. Determine what is required by the bank to cease this activity – complete bank forms, write a letter, and/or close the account. Make sure the requirements are satisfied. Maintain a file documenting any such arrangements.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

j) Choice of banking institution

Consider maintaining parish bank accounts (operating, auxiliary group accounts) at one financial institution. Higher account balances may enable the parish to negotiate added services, better terms and/or rates with the bank.

Employee Files

a) Files contain INS Form I-9

Verify employment eligibility of anyone hired after 11/6/86 by completing and retaining this form in the employee file. Employees must present the required documentation within three days of their hire date. Employees who do not present the appropriate documentation may not continue in our employ. Human Resources must be contacted prior to taking any employment action on the basis of an incomplete I-9.

b) Employment application

Everyone applying for employment or volunteer service must complete an official employment application, even if she/he has submitted a resume. Retain application, employment verification, official academic credentials (where appropriate), job description, and employment contracts, where appropriate (teachers and principals only); other parish and school employees are not eligible for employment contracts.

Personnel files for school employees are secured in the principal's office.

c) Other documentation

Retain documentation that may form the basis of any decision affecting employment. Some examples include: performance appraisals, salary reviews, letters of commendations or disciplinary memos, documentation of continuing education and development.

The principal maintains documentation for school employees.

d) Acknowledgement of receipt of the Employee Handbook

Retain the documentation that shows the employee received the Archdiocesan Employee Handbook¹.

e) Background checks for prospective employees

Verify employment references and academic credentials. If any deception or material omission exists, do not hire this person. All current employees and volunteers, as well as any new employees and volunteers, must complete the e-apps on-line background check. No candidate for employment or volunteer service is to be hired until this process has been completed with satisfactory results.

The principal maintains required documentation for school employees.

Employee Benefits



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

a) Quarterly share plan contributions

All full time and benefits eligible part time employees automatically receive a share plan contribution into their 403(b) account each quarter. The contribution amount is a percentage of quarterly gross earnings. Employees in a benefit eligible position as of June 30, 2007 will receive an age based contribution, and those hired into a benefits eligible position on or after July 1, 2007 will receive a flat percentage to be determined annually. The Archdiocese calculates the share plan contribution using data from the payroll system, and therefore all employees' demographic information must be correct in payroll.

b) Share plan participation is not optional

All full-time and benefits eligible part-time employees automatically participate in the share plan. This plan was funded exclusively through employer contributions, and eligible employees do not have the option to waive out of this plan.

c) Remittance of 403(b) employee salary deferrals

All employee salary deferrals are remitted to the record keeper as part of the payroll processing service. Quigley Center funds the quarterly match on 403(b) employee deferrals.

d) Employee health benefits

Participating employees must pay the employee co-pay for single health coverage that is appropriate for the plan they have chosen. If the dependent health option is selected, the employee must pay the appropriate family coverage premium.

No parish, school, or agency is authorized to waive the employee cost for any benefit, nor are they authorized to pay the employee cost for any benefit. *For example, principal and teacher contracts cannot be amended to waive this cost.* In addition, as stated in the employee handbook, no parish, school or agency is authorized to pay employees any alternate form of compensation in lieu of our standard benefits. Benefits cannot be selectively offered but must be uniformly offered to all full time and benefits eligible part time employees. Employers are legally required to be consistent in administering eligibility requirements, employee cost, and the list of benefits to which employees are entitled. Inconsistency can be construed as disparate treatment among groups of employees and can result in costly litigation. Also, paying any employee portion of benefits results in taxable income for the employee and taxable obligations and reporting for the employer.

e) Benefit co-payments

At least quarterly, ideally monthly, the health insurance billing and the payroll register should be reconciled to verify that the correct amounts are deducted from the pay of employees. Benefit rates are subject to change annually. However, changes to employee enrollment in the plan may vary from month to month with new hires and terminations. Report any discrepancies to the benefits administrator in the Human Resource Department.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

Compensation to Employees

a) Wages and compensation

Wages for employees, and payment to vendors and service providers, must be paid by check, never cash. All compensation paid to employees, including religious employees, must be paid through payroll on a bi-weekly basis. No check is ever paid to an employee outside of payroll except to reimburse them for items purchased for the parish. Bonuses must be paid through payroll. Payments to employees, vendors and service providers should be recorded in the financial records of the parish.

Employees should not be paid as independent contractors. Independent contractors are not considered employees of the parish and should not be paid through the parish payroll system.

All parish employees should receive a W-2 Form by January 31st of each year.

b) W-2 and W-4 forms are retained

W-4 forms should be retained by the parish. Copies of W-2 forms should be retained by the parish and the payroll service provider.

c) Issuance of Form 1099-MISC

Form 1099-MISC should always be issued when payments of more than \$600 are made to a service provider or contractor (non-employees) during a calendar year, for other than W-2 reportable services. Before issuing checks payable to individuals, verify the individual's social security number. Monitor payments during the year to determine if \$600 or more was paid to an individual. When an independent contractor is initially engaged, form W-9 should be signed. Vendor information and payments should be maintained in QuickBooks and 1099/1096 forms should be printed from QuickBooks to ensure consistency with accounting records and accuracy in preparation.

d) Classification of workers

To be an independent contractor, the individual must be free to choose when, where and how the job will be accomplished. For example, if you hire someone to do a particular job where the individual must work at your location during your work hours, using your equipment, he or she is not an independent contractor, and must therefore be paid through the regular employee payroll, with all appropriate taxes withheld, and be treated the same as any other employee for purposes of benefits. Independent contractors do not receive any employee benefits. Cleaning staff and security guards are generally parish employees, unless contracted through an agency.

e) Payroll is prepared properly and timely

All employees: parish, school and agency, must be paid on a bi-weekly basis through payroll. No employees are to be paid in cash. Besides being illegal, this practice often imposes unintended hardships on the employee. For example, an employee who had been paid in cash for many years and now chooses to retire will not likely be eligible for pension benefits or Social Security benefits because both are based on reported payroll earnings. Employee payroll deductions for supplemental life insurance are



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

remitted monthly to the vendor by the payroll vendor. Payroll advances or loans of any kind are discouraged.

f) Timesheets as documentation of hours worked

Individual timesheets are required for all exempt and non-exempt employees. There are no exceptions. By law, all non-exempt employees are required to record their actual hours worked on their timesheet each day. Absences are to be recorded with an appropriate explanation. Hours actually worked in excess of 40 in the same workweek by a non-exempt employee must be paid at the rate of time and a half. Supervisors must not complete the time records for their non-exempt employees. By policy, all exempt employees are required to submit timesheets indicating whether they were present or absent each day, noting the reason for any absences. Employees must complete and sign the timesheet before submitting it to the supervisor for payroll processing. In addition to documenting the pay the employee is to receive on payday, timesheets are the means by which the employer tracks paid time off benefits, such as sick days, personal days and vacation days for all exempt and non-exempt employees. Retain timesheets for a period of three years.

g) Filing federal and state taxes

All parishes, schools and agencies should be filing their quarterly state and federal taxes with assistance from the payroll service provider.

h) Changes to employee status

All changes to employment status should be documented and include the approval of the pastor for parish employees and the principal for school employees. Former employees are removed from active status on payroll. Document the date of the status change and the date of the last check. The Archdiocesan Human Resource Department must be promptly notified of employment status changes for benefit eligible employees on the document transmittal form.

Contracts and Commitments (Non-Employment)

a) Parish contracts

Parish contracts are processed according to Archdiocesan norms. These norms include consulting with the parish finance council before committing parish resources in excess of \$10,000.

b) Conflict of interest

Engaging non-parishioners in contracts for goods and/or services best accomplishes maintaining objectivity and independence in a business relationship. Avoid situations where personal interests may conflict with his or her official actions or influence in a business transaction.

Parishioners with specific expertise can be very helpful in assisting in the proper definition of the scope of work needed, review of bids, and helping the parish and pastor understand its options.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

Contracts and Commitment (Employment: Principals/Teachers)

a) Employment contracts

Contracts for school employees (principal or teachers) may not be revised without written approval from the Office of Catholic Schools. The contract will not be effective unless the Office of Catholic Schools approves it.

Auxiliary Organizations, such as Women's and Men's Clubs Athletic Association, and Parent Association

a) Proper accountabilities

Auxiliary organizations are accountable to the pastor; therefore, an annual report should be submitted to the pastor. The annual report to the pastor should include both the activities as well as the financial results of the auxiliary organization. Suggested forms are available for group bank account information – Club Bank Accounts¹ and reporting of activities - Club Financial Report¹ **All new accounts must be approved by the pastor.**

b) Signature of pastor

The pastor should be a signatory and receiver of information on any bank accounts held by these organizations.

c) Bank accounts

The auxiliary organization bank accounts are reported in the parish annual report submitted to the Department of Finances, Quigley Center. It is recommended that the original bank statement be mailed to the parish where a copy is retained and then forwarded on to the group.

d) Funds remaining at the end of the year

Excess funds (more than the amount needed to begin next year's activities) should be transferred from the auxiliary bank account to the parish to be used for ministerial purposes.

e) Recommended banking institution

Recommend a bank of choice for the auxiliary groups' bank accounts. All parish bank accounts (church and school) maintained at one banking institution may result in better interest rates and fees that are more favorable.

f) Use of the parish tax ID number

Groups, organizations, and clubs that utilize the parish tax ID number must account for all cash receipts and expenditures through the corresponding bank accounts. This includes national organizations erroneously utilizing the parish tax ID number as opposed to utilizing the national organizations own tax ID number, such as St. Vincent de Paul Society. Previous arrangements where the national organization uses the parish tax ID number should be corrected.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

g) Charters to parishes using the scouting program

If the parish has one or more charters with one or more scouting programs, such as, Cub Scouts, Boy Scouts, Varsity Scouts, and Venture Scouts, then all of the above auxiliary group requirement applies since the organization becomes a parish organization and all of its assets are parish assets. When signing the annual charter, distribute the Auxiliary Organizations Best Practices¹ to the scouting unit's leaders. This will inform them of their responsibilities to the pastor and parish. A copy of the signed charter should be retained on file in the parish office.

Other Parish Programs and Events,

a) Written procedures and guidelines

Written procedures and guidelines should be developed and distributed to the program and events volunteers. Emphasis should be on segregating duties to distribute the responsibilities. Written procedures and guidelines will aid volunteers in carrying out their duties.

b) Adequate segregation of duties for certificate programs

Ideally, one person should be responsible for sales and the safekeeping of certificates. A second person should be responsible for the treasury duties. The rebate program should be monitored by a third person. In addition, periodic inventory of certificates should be completed.

c) Signature of pastor

The pastor should be a signatory and receiver of information on any bank accounts held by these organizations. The original bank statement should be mailed to the parish where a copy is retained and then forwarded on to the group. Depending on the available resources, the authorized signers and reconcilers of the bank account should be administered by the parish business office, with payment requests submitted by the group. Whoever reconciles the bank account should not be an authorized signer on the bank account.

d) Adequate physical safeguards

These certificates should be considered as cash and handled appropriately. The inventory of certificates on hand should be kept to a minimum based on sales activity. Under no circumstances should certificates ever be taken off parish property to a personal residence for safekeeping.

e) Regular reconciliation of inventory

Inventory should be reconciled on a regular basis (at least weekly) to calculate the actual inventory on hand. The reconciliation form should include inventory of certificates, purchases of additional certificates by company, adjustments + or – for back orders, sales errors, etc., and sales deposits by date to determine the calculated inventory. This should be compared to the physical inventory count. Any differences are researched, documented, and resolved. This reconciliation form should be



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

distributed to the program moderator and the parish business office with the appropriate signatures.

f) Reporting of results

Regular income and expense statements should be submitted to the parish business office. The statements should reflect cash in accounts, an inventory of certificates, tuition rebates distributed, adjustments for prepaid certificates, and the program profits.

g) Accounting for events

Revenue should be counted and deposited intact, never take cash generated from an event prior to deposit to pay for event related expenses. Receipts should be retained to document any reimbursable expense.

Petty Cash Fund

a) Petty cash transactions

Record all petty cash transactions in a petty cash register to maintain a clear record of the payment of expenses with a small amount of cash. A record of each petty cash payment should be maintained to identify the person paid, the reason, the amount, and the date of payment.

b) Replenishment of the petty cash fund

Write a check from the parish operating account to the name of the person responsible for the replenishment of the petty cash fund. Never take cash directly from the Sunday collections or other income. Determine the total for the petty cash fund and periodically make the deposits necessary to maintain this pre-determined total.

c) Fund limit

Keep the limit at a minimum to cover incidental expenses, such as postage. It is advised to maintain a \$100 or \$200 limit depending on local needs. At any point in time, cash and receipts should equal the total of the fund.

d) Disbursements are supported by documentation

Keep petty cash receipts to document the types of expenses, the payee, and number of transactions to determine that petty cash is appropriately used.

e) Authorized custodian

Assign a primary person and a secondary person responsible for processing transactions and serving as a custodian.

f) Designating funds to petty cash

Petty cash funds should be designated for small recurring expenses of the parish. Petty cash funds should not be commingled with the funds used for benevolent gifts.

Facility Inspections



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

a) Perform seasonal inspection of facilities

Please refer to the seasonal maintenance and mechanical checklists found in the “Construction Guidelines” published by the Facilities & Construction Department. The parish maintenance staff or building committee should inspect facilities. The results of the inspection will aid in planning for upcoming expenses.

b) School Asbestos Management Plan

The school principal must notify the parents, teachers, and employees about the availability of the onsite asbestos management plan. The annual notification should occur by October. A copy of the notification and a description of how it was sent should be mailed to the Department of Facilities and Construction, Quigley Center for inclusion in the parish’s Archdiocese management plan. Forms are available by contacting the Facilities & Construction Department.

Real Estate

a) Purchase / sale of parish property

Contact the Real Estate Office whenever you are contemplating the purchase or sale of parish property. The Real Estate Office will obtain the necessary approvals from the local Vicar, Pastor, Director of Finance, and VAC. The Real Estate Office will originate the appropriate documents for the transaction.

b) Leasing parish property

Contact the Real Estate Office if you have property available to lease. The property will be added to the list of available property that is sent to potential tenants. The Real Estate Office will work with the parish to establish the rent amount and other terms of the lease. The Real Estate Office will negotiate with the tenant and coordinate the drafting of the lease agreement.

c) Tax liability

Any parish property that is used for religious purposes is tax exempt. Any new property purchased is not automatically tax exempt. You should contact the Real Estate Office to file the necessary documents with the appropriate government agency. This process usually requires a six to nine month period to complete. If the parish receives a property **tax bill, it is to be faxed to the Real Estate office of the Archdiocese of Chicago.**

Risk Management

a) Self-insurance loss program

All locations are insured through a self-insured loss program and are encouraged to engage in practices and programs that will reduce the risk of any type of loss/injury. The Archdiocese of Chicago self-insurance program includes property, liability, automobile, and workers’ compensation. The vast majority of losses fall within self-insured retention, which is funded wholly through the property casualty insurance assessments.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

b) Prevention systems and devices

To minimize theft and flooding claims, all locations are encouraged to obtain and activate prevention devices, i.e., alarm systems and backup sump pumps.

c) New employee / volunteer orientation

Items to address with new employees include benefit plans and enrollments, work place rules, child safety, workplace safety, payroll periods, overtime approval, etc.

d) Detailed inventory of contents – parish and priest personal property

Covered locations must maintain a detailed inventory of assets. Items to include are works of art, fixed items of significant value, and movable items of sufficient monetary value including these items: televisions, computers, printers, etc. The inventory must list the name of the item, description of the item, acquisition cost, date of acquisition and serial number. Include a photocopy of appraisal for items that are unique. Video and / or photographs can be attached to supplement any worksheets. One copy of the inventory should be maintained off-site at the Archdiocesan Archives and Records Center.

e) Loss reporting for property, auto, commercial, and general liability

Covered locations must immediately report any property, automobile, commercial general liability losses to Gallagher Bassett Claim Services at 847-273-3880 or the after-hours phone number at 866-889-8486. Late loss reporting could result in a poor practice deductible and / or a reduction in coverage.

f) Loss reporting for workers compensation

Covered locations must immediately report any employee injury / workers' compensation loss to Gallagher Bassett Claim Services at 888-256-4921. Losses should generally be reported within 24 hours of an accident. Late loss reporting could result in a poor practice deductible.

g) Loss resulting from use of volunteers or contractors that do not conform to policy

Property losses must be reported to Gallagher Bassett Claim Services. Losses caused because of non-approved contractors or volunteers will result in a poor practice deductible and/or limited or no coverage. damage, which has occurred over an extended period, is not covered. Contact the Facilities and Construction Department to obtain guidelines on approved contractors.

h) Standards for insuring automobiles

Automobile losses must be immediately reported to Gallagher Bassett Claim Services. Location vehicles are to be used for business purposes. Authorized drivers should be at least 21 years old and have a good driving record. A background check should be conducted through your local police department. Losses occurring because of non-location use, drivers under 21 years old, or use of drivers with poor driving records will be subject to a poor practice deductible. Note, leasing and finance companies may not recognize our self-insurance and may require you to secure separate physical damage coverage.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

i) General Liability losses

General liability losses must be immediately reported to Gallagher Bassett Claim Services. Losses resulting from failure to repair a known condition in a timely manner, use of a volunteer for hazardous work, late loss reporting, use of contractor without a contract, or other violations of Archdiocesan policy are examples of actions which would make a parish subject to a poor practice deductible.

j) Use of employee and volunteer labor

Employees and volunteers should be encouraged to complete their work in a safe, thoughtful manner. Volunteers should not engage in hazardous activities, which normally include electrical, mechanical and plumbing. Volunteer activities involving ladders or scaffolds dangerous equipment or chemicals should be prohibited. Questions and concerns regarding this policy is found in the Construction Guidelines1 published by the Facilities & Construction Department

k) Rental of parish facilities

Locations who rent their facilities for non-parish sponsored activities must follow the established instructions / guidelines in the Special Events/Facility Usage1. This is available on the Archdiocese of Chicago web site. Loss resulting from non-parish sponsored events where the Special Events/Facility Usage1 is not followed will result in a poor practice deductible.

l) Theft or loss of cash

To be eligible for coverage for theft or loss of cash, the location must adhere to the process and procedures for Management of Sunday Collections1 that require the use of tamper evident bags, tracking and logging bag number sequence/condition.



m) Archdiocesan self-insurance program deductibles

Line of Coverage	Best Practice Deductible	Poor Practice * Deductible
Property Cash - Robbery/Theft \$5,000 maximum coverage	\$1,000	Full amount of loss
Property – Building	\$1,000	\$1,000,000
Property – Contents	\$1,000	\$100,000
Automobile - Physical Damage	\$500	\$10,000
Automobile – Liability	\$0	\$25,000
Employee dishonesty, Forgery, alteration, Destruction, computer Fraud, robbery & safe	\$10,000	Full amount of loss
Liability-Commercial General	\$0	\$25,000
Workers' Compensation	\$0	\$25,000

* Applied when Poor Practice is deemed material to a loss.

Records Management

a) Sacramental records

All sacramental records are to be stored in a secure area where these records are safeguarded against physical damage and deterioration: the best choice is a fireproof safe. For more specific instructions related to records, contact the Archives and Records Center at 312-534-4411.



Archdiocese of Chicago

Parish Best Practices for Internal Controls

Issued by Department of Financial Services – May 2011

b) Financial, administrative, and facility records

All financial records documenting transactions should be available to the parish as needed. Records should not be kept offsite at the residence of employees/volunteers or other locations where access to the records is limited. The Archdiocesan Record Retention Schedule should be reviewed for specific retention dates and methods of disposal. For more specific instructions related to records, contact the Archives and Records Center at 312-534-4422.

1 Please refer to the Archdiocesan web site, for copies of this and other useful policies, procedures, and reference documents.

<http://www.archchicago.org>

Click on departments, financial services, and then select the document for viewing or printing.

2 Please refer to the Archdiocesan web site.

<http://www.archchicago.org>

Click on about the archdiocese, and then select policy books.