

## **PARISH AND PARISH SCHOOLS FINANCIAL SAFEGUARDS**

By Stephen R Bell, Chief Financial Officer

The Diocese of St. Augustine has policies and procedures in place to ensure that the generous gifts of our faithful are handled appropriately and documented accordingly.

### **The Role of the Pastor**

Pastors are appointed by the Bishop and have the authority and responsibility for managing the funds of the parish. Guidance, support and oversight are provided by the Chancery to assist the Pastor in his role as Administrator. New in 2017 the Chancellor's Office coordinated a New Pastor/Administrator Workshop. Multiple groups were brought in to orient a new Pastor in what to expect with his role and to identify how each of these groups can assist him.

### **The Role of the Parish Finance Council**

The Parish Finance Council is the only parish organization required by Canon Law and serves as an advisory board to assist the Pastor in his role. Parish Schools may have their own Finance Council, but at least one member of the School Finance Council should be a member of the Parish Finance Council. Ultimately, the school finances are the responsibility of the Parish Finance Council and the Pastor. Members are appointed by the Pastor and serve three to five year terms and are limited to two consecutive terms.

The Parish Finance Council should advise the pastor on all financial matters with specific interest in matters of:

- Internal Control
- Money Handling
- Adhering to Diocesan Policy on Expenditures
- Annual Budget
- Allegations of Fraud affecting the parish or school
- Compliance with applicable laws and regulations
- Submission of the required Annual Report to the Chancery
- Review and response to any parish or school audits
- Communication of Parish Finances to the Parish at least annually

### **Money Handling**

Money handling is one of the most important aspects of financial control. It is absolutely imperative that good internal control processes govern the handling of funds from collection through deposit and accurate recording. Dual control of funds must be maintained at all times and no one individual should be in custody or have access to funds on a stand-alone basis. This begins with the Ushers (Ministers of Hospitality) and continues through Money Counters,



Deposit Teams, Business Managers and Bookkeepers. The Fiscal Office provides specific guidelines for money handling in section five of the Parish Office Manual.

### Annual Internal Control Questionnaire

Each parish and school is required to complete the Annual Internal Control Questionnaire which is a series of questions to determine if a parish or school is in compliance with Diocesan Policy. The questionnaire covers topics such as; Accounting, Facilities Management, Governance, Banking, Cash Management, Cash Control, Purchases, Disbursements, Employees and Payroll. The Pastor, Finance Council Chair and Bookkeeper are required to review and sign the questionnaire. The questionnaire is a useful tool in helping the Pastor understand if there are any weaknesses in his financial controls. The questionnaire is reviewed by the Fiscal Office and follow up is requested if necessary.

### Reviews of Agreed Upon Procedures (also referred to as Audits)

Several years ago the Diocesan Finance Council recommended to the Bishop that we move from standard statistical audits to what is known as a Review of Agreed Upon Procedures (AUPs). This process seeks to ascertain the compliance level of a parish or school with Diocesan Policy and is more labor intensive than a standard statistical audit. AUPs are performed by external audit firms (1) Every four years (2) Upon a Pastor Change (3) As directed by the Bishop. Results of these reports are provided to the Pastor and are reviewed with the Finance Council and the Fiscal Office.

### Shared Services – Bookkeeping

In 2017 the Fiscal Office began offering an optional service to our parishes and schools. The program is designed to support the Pastor in his role of Administrator of the financial resources of his parish. In this model the Pastor retains all authority for the financial transactions of his parish. The Fiscal Office provides a degreed Accountant who will work with Pastor and his staff to accurately record the financial transactions of the parish. Benefits generally include:

- A higher level of internal control and compliance with Diocesan Policy
- Cost savings to the parish
- Elimination of the Reviews of Agreed Upon Procedures
- Ongoing services in the event of absences (e.g. Vacation, Sick Time etc.)
- Weekly and Monthly Reporting to the Pastor and his delegates
- Payment of properly authorized (by the Pastor) expenditures

Safeguarding the generous gifts of our faithful is of paramount importance. As a Diocese we constantly strive to ensure we have robust policies in place and are prepared to adapt to new challenges as they come to light. If you have questions please consult your Pastor and / or your Parish Finance Council.