

System of Internal Control for Parishes and Schools

The generous support of the people throughout the archdiocese enables the Church of Washington to bring the light of Christ to the faithful and those in need through its many ministries and programs.

The archdiocese and its individual parishes place a high priority on the system of internal control used to safeguard the offertory collection and other financial administration at the parish. The internal control system includes many layered elements of employee formation, governance, policy and procedures.

Employee Formation and Conduct

All employees receive an Employee Policy Manual and agree, in writing on an annual basis, to perform the duties required by their position with integrity and act in a manner consistent with the official teachings, doctrines, and laws of the Roman Catholic Church, as set forth in the Catechism of the Catholic Church and the policies of the Archdiocese of Washington.

Employees participate in a formation program, Living Catholic, which is built upon the Pillars of the Catechism and invites all employees to reflect, in a personal way, on the key teachings of the Catholic faith. The program presents the truths of the faith to prepare employees to live the faith and share the faith with others.

Ethics and Compliance Hotline

The archdiocese utilizes an independent third-party company to administer its Ethics and Compliance Hotline. The Hotline is available for anyone to make an anonymous report of suspected misconduct involving any parish, school, agency, or archdiocesan office. All Hotline reports are researched and resolved through the Office of the Moderator of the Curia.

Governance

The pastor of each parish is appointed by the Archbishop and is the steward of the parish.

Each parish is required by Canon Law to have a Finance Council which meets at least four times per year to provide the pastor with advice and guidance on the financial and administrative matters of the parish and school (if applicable).

Parish administrative and financial operations are reviewed annually by the Dean of each geographical area of the archdiocese. Parish internal audits are conducted by the archdiocese every 3 years or earlier based upon specific parish needs. Parish audit results are discussed on a monthly basis with the Secretary for Finance and Administration and the Moderator of the Curia.

Each parish provides an annual financial report to the Archbishop. The parish financial results are combined into a report to the Archdiocese of Washington Finance Council and are reported to the public via the Catholic Standard publication.

Transactions of individual parishes with a dollar value in excess of \$100,000 must be reviewed and approved by the Priest Consultors, a governing body which reports to the Archbishop. Parish contracts and transactions with a dollar value in excess of \$25,000 must be reviewed and approved by the Office of General Counsel.

Policies and Procedures

The Archbishop has promulgated a suite of guidance covering the requirements of the financial administration of the archdiocese and each parish. The Parish Accounting Manual provides detailed policies, standards, guidelines and procedures for parishes regarding the finance and administration of the parish.

A key component of the Manual relevant to parishioners and donors is the policy regarding the safeguarding of the offertory collection. Highlights of the required controls for parish offertory include:

- Parishes shall physically secure the offertory collection prior to deposit.
- No one person shall be left alone with the offertory collection.
- Parishes shall segregate the duties of offertory custody and counting from the duties of recording offertory revenue in the parish accounting records.
- Parishes shall respect any restriction by a donor as to the purpose for and/or timing of use of their donation.
- Tamper-evident bags shall be used to store offertory between the collection and the count and also between the count and the bank deposit.
- Access to parish safes shall be limited to the pastor and a small number of individuals designated by the pastor, typically other parish priests or deacons.
- The parish shall have written procedures for offertory handling and shall provide training to ushers and offertory counters.
- The offertory count team shall be comprised of at least two unrelated individuals. The parish shall have several teams of offertory count volunteers who rotate responsibility week to week. Offertory shall not, under any circumstances, be counted by the pastor or the parish bookkeeper.
- The offertory count shall be conducted in a controlled environment such as an enclosed room not visible to passersby and with access limited to the count team.
- The parish shall conduct analytical review of trends and patterns in offertory giving.

Questions or requests for additional information about the archdiocese system of internal control for parishes and schools can be directed to the Secretary for Finance and Administration.