

**Archdiocese of Washington**  
**Parish Accounting Manual**  
**Section III. Cash and Cash Receipts**  
**Bank Account Administration Policy**

**Introduction and Purpose**

A significant asset of most parishes is cash from sources such as offertory, donations and school tuition. Cash is highly susceptible to loss or misappropriation. Therefore, it is very important for the Pastor to maintain a strong system of internal control for handling and accounting for cash.

The purpose of this policy is to communicate the requirements for administering parish bank accounts.

**Scope**

This policy is applicable to all canonically established parishes and missions of the archdiocese.

All references to parish also apply to the parish school and parish organizations.

**Policy Statement**

**Bank accounts** shall refer to all types of parish accounts including checking, savings, money market, investment, certificates of deposit, balances on mobile giving platforms, etc.

All bank accounts shall use the parish Federal Employer Identification Number as the taxpayer identification number on the account, shall bear the name of the parish on the account and shall use the parish mailing address.

**Limitations on bank accounts** The parish shall have only one checking account to handle the operations of the parish and school. Parish programs, such as Religious Education, shall not have a separate checking account. The limit of one checking account is intended to simplify parish administration and to enable the Pastor to be aware of and have final approval over all financial activity of the parish and school.

There are certain instances where a separate bank account may be permitted if authorized by the Pastor. See the related Cash and Cash Receipts Standard regarding the provisions for:

- school principal checking account,
- parish organization checking accounts, and
- checking accounts for other specific business purposes.

**Bank account features** The parish shall understand available bank and investment account features and select those features considered by the Pastor as necessary to facilitate the parish operations at a reasonable cost to the parish.

The parish shall decline and shall not utilize the Automated Teller Machine (ATM) feature on any parish bank, investment or credit card account. ATM withdrawals are difficult for the parish to track and to ensure they are used for bona-fine parish transactions.

The parish shall decline and shall not utilize the debit card feature on any parish bank or investment account. Debit card transactions are immediately deducted from the parish bank account and do not have the fraud protection of credit card transactions.

**Bank account signatures** Only priests shall sign checks on parish accounts and, whenever possible, the Pastor should sign the checks himself. The parish shall not use a signature stamp or electronic signature to sign checks. The related Cash and Cash Receipts Standard discusses individuals who may sign checks in the absence of the Pastor.

**Bank account access** Telephone and Internet (on-line) access to parish bank and investment accounts shall be controlled by the Pastor. The Pastor shall be the primary user and senior administrator of the on-line access. The Pastor shall be the only individual with system capability to add additional users.

#### *Other authorized users*

If the parish uses on-line access to its bank and investment accounts, the Pastor may authorize other individuals such as the parish bookkeeper or other parish staff to have on-line, view only/inquiry only access to bank accounts, as the Pastor considers necessary. The Pastor shall ensure that other authorized users are not able to both initiate and complete electronic disbursements without the on-line approval of the Pastor. See more under Dual-Approval below.

#### *Multi-factor authentication and passwords*

The Pastor and all other authorized users of on-line account access must use multi-factor authentication. Multi-factor authentication is the use of different channels of identity verification, such as a username/password for primary authentication, and the use of a telephone call or text/email message for secondary authentication.

Bank account passwords (including passwords, pin numbers and similar) shall be changed by the Pastor and other authorized users every 90 days (or more frequently as required by the financial institution). Passwords should be a long mix of numbers and letters, capitals and lower case. Each user shall have their own password and passwords shall not be shared.

**Electronic transactions** The Pastor shall authorize, in the system software, all electronic bank transactions including, but not limited to:

- Automated Clearing House (ACH) payments to vendors according to Pastor-approved contract terms
- Direct debits of parish accounts, e.g., for loan repayments, payroll direct deposit, etc.
- Transfers between parish bank and investment accounts including sweep arrangements

The parish shall not establish ACH or direct debit payments for credit card statements and other transactions that first require review and approval of detailed invoices.

### *Dual-Approval*

The Pastor may authorize the parish bookkeeper to initiate electronic bank transactions, such as ACH payments or transfers only if dual-approval is established. With dual-approval, the bookkeeper can initiate electronic transactions that can only be completed with the approval, in the on-line system, of the Pastor. Most financial institutions offer dual-approval in multiple, convenient ways for the Pastor such as text, email or telephone call authorization of electronic transactions. The related Cash and Cash Receipts Standard discusses individuals who may be designated by the Pastor as a back-up, on-line dual-control approver in the absence of the Pastor. If a parish's bank does not offer dual-approval for electronic transactions, the Pastor shall not give the bookkeeper authority to process electronic transactions as that activity is incompatible with the bookkeeper's primary responsibility of recordkeeping.

### *Requests to change ACH arrangements*

If the parish is contacted by a purported employee or vendor requesting their ACH payment be directed to a different/new bank account, the parish shall first contact the individual via an alternate communication method to verify the request is from a bona fide party known to the parish. For example, if the parish bookkeeper receives an email request, the bookkeeper should telephone the requestor using a phone number known by the parish to confirm the identity of the requestor. And a request received by telephone should be verified by an in-person conversation or a return call initiated by the parish to a phone number on record at the parish.

**Fraud protection** The Pastor should stay informed new fraud protection services offered by the bank and weigh the benefits of their use against the cost and convenience to the parish operations. For example, the Pastor should consider whether to use the fraud prevention tool of 'positive pay' for check and ACH transactions. In positive pay, the parish transmits daily check issuance data to the bank. The bank compares the check number, dollar amount, and payee name to checks presented at the bank. Only the presented checks that exactly match the parish's transmitted data are cashed by the bank.

**Bank statements** All statements for the parish accounts shall be received to the attention of the Pastor at the mailing address of the parish. The parish shall not opt out of receiving printed statements for its accounts. The Pastor shall be the first individual to open the statements from the mail. The Pastor shall determine that he recognizes the transactions on the statement, recognizes the signatures on cancelled checks and check images and that the ending balance seems reasonable. The Pastor shall initial and date the statement as evidence of his review.

**Communication with banks** The parish shall not respond with private parish data to messages (email, text, telephone, etc.) purporting to be from the parish's bank, investment company or credit card company. The parish should initiate communications with known representatives of these companies to confirm the validity of messages received from the bank.

**Recording parish accounts in the financial records** All parish bank accounts shall be recorded in the general ledger of the parish. All cash receipts, cash disbursements, transfers and other financial transactions of parish accounts shall be fully recorded in the parish accounting records.

One exception is that parish organization accounts with a low dollar amount of activity are not required to be recorded in the parish general ledger. See the Parish Organization Accounts

Standard for requirements.

**Reconciliations** All periodic (monthly, quarterly, etc.) statements from bank, investment and credit card accounts shall be reconciled on a timely basis each period to original source documents (e.g., store receipts, deposit slips, etc.) to ensure that all activity is bona fide and also reconciled to the general ledger to ensure that all activity is properly recorded in the correct parish accounts. The Pastor should question the nature of reconciling items that are more than 30 days older than the month end date.

**Segregation of cash handling duties from recordkeeping** The Pastor shall ensure that no one on the parish staff, especially the parish bookkeeper, has the responsibility for both cash handling and recordkeeping. See the related Cash and Cash Receipts Standard for detailed requirements for the segregation of cash handling duties.

### Related Documents

- Cash and Cash Receipts Standard
- Parish Organization Accounts Standard
- School Tuition Accounting Standard
- Fundraiser Cash Handling by Volunteers Guideline
- Policy for Electronic Giving and Guideline for Mobile Payment Platforms

### Risks to be Managed

- Cash is highly subject to theft and misappropriation
- Banking options provide convenience but often at an increased cost to the parish and a decreased level of internal control
- Electronic banking exposes the parish to the possibility of errors or irregularities being made at a much faster pace than with traditional banking

### Policy Compliance

- **Compliance measurement:** the Chief Financial Officer or his delegate may review the procedures and financial records of a parish to determine compliance with the policy.
- **Exceptions:** none
- **Non-compliance:** a parish in non-compliance shall be responsible to modify its procedures to become compliant. The Pastor shall write a letter to the Moderator of the Curia describing the parish plans for becoming compliant.

### Approvals

April 2018	Chief Financial Officer
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### Revision history

October 2023	Update regarding dual-control, multi-factor authentication and ACH verification
April 2018	Replaces January 1999 Section III.1-4 of the Parish Accounting Manual

**Archdiocese of Washington**  
**Parish Accounting Manual**  
**Section III. Cash and Cash Receipts**  
**Cash and Cash Receipts Standard**

**Introduction and Purpose**

The purpose of this standard is to communicate the detailed requirements for administering parish bank accounts and the accounting for cash receipts other than offertory (which is addressed in a separate policy, standard and guideline).

**Scope**

This standard is applicable to all canonically established parishes and missions of the archdiocese.

**Related Documents**

- Bank Account Administration Policy
  - Refer to the Policy regarding the use of the terms ‘parish’ and ‘bank account’

**Standard Statement**

**Bank account signatures** the Pastor may find it convenient to add an additional signature to the parish checking account so checks can be signed when he is unavailable. The additional signer shall be a priest incardinated in the Archdiocese of Washington, whenever possible.

In a parish where there is only one priest, the signature of one of the individuals below, listed in order of preference, may be added to the parish checking account:

1. Archdiocese priest from a nearby parish
2. A religious order priest or a religious sister or brother whose stipend is paid to the religious order.
3. An ordained deacon who is assigned to the parish.
4. The Moderator of the Curia
5. A member of the Finance Council who does not have other accounting responsibilities.
6. A member of the Parish Council who does not have other accounting responsibilities.

No deacon or lay person shall sign checks written to their name. Under no circumstances shall the bookkeeper or other parish staff who has regular access to the accounting records of the parish or school, or anyone who handles cash, such as cash counters, be authorized to sign on a parish bank account.

When a signature of a layperson is added to the parish checking account, the Pastor shall inform the Secretary for Finance and Management (the Chief Financial Officer) in writing, reporting the name of the person and his or her relationship to the parish (for instance, Mr. Karl Jones, Vice-chairman of the Finance Council).

**Principal's checking account** The Pastor may authorize the school principal to open a bank account for use in paying low dollar value, incidental expenses. The principal's account shall be an imprest account: the only deposits to the account shall be transfers from parish checking to replenish it. The balance in the account shall not exceed \$1,000. The parish checking account, not the principal's account, shall be used to process all school activity such as tuition and activity fees and miscellaneous cash receipts, and all school bills and payroll.

**Other checking accounts** Parishes which accept grants from outside organizations may have special auditing or reporting requirements. The Pastor may open a separate account for grant money if the terms of the grant make it necessary. Please consult with Parish and School Financial Operations for guidance on grant accounting.

Pastors of parishes in the District of Columbia may open a bank account for bingo or a raffle to fulfill DC Lottery Board requirements.

**Segregation of duties** The objective of segregation of duties is to prevent the actions of one employee in a key process from having irreversible affects that are beyond an organization's tolerance for error or fraud. The concept of segregation of duties is a commonly accepted business practice which does not imply distrust of employees or lack of confidence in their capabilities. On the contrary, a proper segregation of duties allows each employee to contribute their skills and talents in a system of internal control that is more likely to detect errors or irregularities.

Segregations of duties shall be maintained between cash handling and recordkeeping.

- Cash handling responsibilities include receipt of cash, counting of cash receipts, scanning of checks for remote deposit, safeguarding of cash receipts in locked drawers and safes, transporting of cash receipts between safes, and deposit of cash receipts.
- Recordkeeping includes recording revenue in the cash receipts journal and in the general ledger, reconciling the general ledger to the bank statement, billing tuition and fees, recording bills and receipts in family tuition and childcare records, and maintaining parishioner contribution records.

**Other cash receipts** In addition to weekly offertory, parishes may receive other cash during the week such as fundraising income, donations or Mass card stipends. The Pastor shall designate a parish staff person, such as the parish secretary, to be the administrator of these cash receipts. The parish bookkeeper shall not have custody of these amounts.

The administrator shall record cash receipts on a cash count sheet and shall safeguard the funds in the parish safe until they are deposited. The funds can be deposited with the weekly offertory or, if significant in dollar amount, should be deposited during the week. The parish bookkeeper

shall use the count sheet and the bank deposit slip to record the receipts in the parish general ledger.

**Petty cash** With the approval of the Pastor, the parish may maintain a petty cash fund to pay for small, incidental expenses. If the school principal does not have a checking account, the Pastor may authorize the school to maintain a petty cash fund. The parish shall control the petty cash as follows:

1. The Pastor shall set a dollar limit on the petty cash fund expenditures (typically \$250 or less). Expenditures above this amount shall be paid by check.
2. The Pastor shall designate one staff person, typically the parish secretary, to administer petty cash. The parish bookkeeper shall not be responsible for nor have access to petty cash.
3. The petty cash fund shall be locked in a secure location.
4. The following procedures shall be followed:
  - A petty cash fund is established by cashing a check from the main account. In the general ledger, Account #00.101, Petty Cash is debited.
  - The parish shall use petty cash vouchers. The person requesting payment fills out the voucher and attaches all receipts. Paid vouchers are kept in the petty cash box to support reimbursement.
  - When the petty cash fund is low, the petty cash administrator adds up all the vouchers in the petty cash box and submits a check request to the Pastor for the total amount of the vouchers. The vouchers and receipts are attached to the check request and filed with paid invoices. Each submitted receipt should be stamped 'paid'.
  - A check is drawn on the parish checking account to replenish petty cash. The check is recorded with a debit to the appropriate expense accounts, indicated on the vouchers (not with a debit to Petty Cash).

### **Standard Compliance**

- **Compliance measurement:** the Chief Financial Officer or his delegate may review the procedures and financial records of a parish to determine compliance with the standard.
- **Exceptions:** none
- **Non-compliance:** a parish in non-compliance shall be responsible to modify its procedures to become compliant. The Pastor shall write a letter to the Moderator of the Curia describing the parish plans for becoming compliant.

## Approvals

April 2018	Chief Financial Officer
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## Revision history

April 2018	Replaces January 1999-2000 Section III.1a-2 and 6a and January 1997 Section III.12a–b of the Parish Accounting Manual
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**Archdiocese of Washington**  
**Parish Accounting Manual**  
**Section III. Cash and Cash Receipts**  
**Parish Organization Accounts Standard**

**Introduction and Purpose**

The purpose of this standard is to communicate the detailed requirements for administering and accounting for parish organization accounts.

**Scope**

This standard is applicable to all canonically established parishes and missions of the archdiocese.

**Related Documents**

- Bank Account Administration Policy
  - Refer to the Policy regarding the use of the terms ‘parish’ and ‘bank account’
- Cash and Cash Receipts Standard

**Standard Statement**

The Pastor may require parish organizations to conduct their business through the parish checking account. The Pastor may allow parish organizations to open bank accounts in the parish name. Organization bank accounts and financial records are the property of the parish. Parish organization accounts shall be administered as follows:

**Bank accounts**

1. Each organization shall have one bank account only, either a checking account or a savings account.
2. If the anticipated annual activity of the parish organization is more than \$75,000, the account and all of the financial activity must be recorded in the general ledger of the parish. The account shall also be reported on Schedule A of the Annual Report.
3. If the anticipated annual activity of the parish organization is less than \$75,000, the account may be reported outside of the general ledger. The financial activity shall be tracked in the separate records of the organization. The account shall also be reported on Schedule G of the Annual Report.
4. Organizations shall not control investment accounts, including certificates of deposit. The parish shall administer such funds on behalf of the organization. Parish organization investment accounts shall be recorded in the general ledger as an asset of the parish. The parish shall also follow Restricted Fund accounting for these amounts as described in Section VII. Restricted Funds.

5. All parish organization accounts shall use the parish Federal Employer Identification Number as the taxpayer identification number on the account, shall bear the name of the parish on the account and shall use the parish mailing address.
6. The Pastor shall be an authorized signer on all parish organization accounts. The Pastor must sign all checks for \$500 or more drawn on organization bank accounts.
7. Organizations may use two-signature checks as an added control over payments. However, the Pastor's signature shall not be subject to counter signature. In other words, even if signatures of two organization members are required on checks, the Pastor's signature shall be valid without a second signature.

### **Parish organization disbursements**

6. Organizations shall not pay payroll or employee bonuses and shall not file tax returns, including Form W-3, Form 1096, and Form W-2G. All payroll, including employee gifts and bonuses, shall be paid from a parish account and reported by the parish to the state and Federal taxing authorities.
7. Organizations shall not make major purchases, such as additions to fixed assets, major repairs and maintenance, and regular school or parish expenses. These types of purchases shall be made from a parish bank account so they are recorded in the parish accounting records and reflected in the Annual Report.
9. Organizations shall not reimburse individuals more than \$250 for out-of-pocket expenses. Reimbursements should be made only after the individual has presented original receipts for the entire amount requested.
10. Pastors may place more restrictions on organization bank accounts. For instance, the Pastor may establish a maximum balance for any or all organization accounts or may restrict the transactions which may be processed in an organization account.

### **Reporting**

11. The Pastor shall open and review organization bank statements and canceled checks, including endorsements, for propriety. The original statements shall be kept on file in the parish offices. Copies of the statements should be made for the organization's leadership. The Pastor may also require organizations to keep their other financial records at the parish offices.
12. Organizations shall reconcile bank accounts monthly. Each organization shall give the Pastor copies of monthly bank reconciliations and monthly reports of financial activities. If an organization reports to its membership on a less than monthly basis, for instance, if meetings are held every other month, it is acceptable for the organization to give the Pastor reports less than monthly, provided the Pastor agrees.

## Consequence of non-compliance

13. An organization which does not comply with this Standard and related Policy may be required by the pastor to close their separate bank account and fold their activity into the parish accounts and records.

Further, the pastor can declare the organization to no longer be a parish organization. In that case, the former organization shall not use the parish sales tax exemption when they make purchases and shall not benefit in any way from the parish's status as a not-for-profit organization under Internal Revenue Service regulations. In addition, when such an organization uses parish facilities, it must provide evidence it has adequate liability insurance coverage, since it is no longer a parish organization and therefore is not covered by the parish property and casualty insurance.

## National Organizations

14. National organizations with local chapters authorized by the Pastor to operate at the parish such as Society of St. Vincent de Paul, Knights of Columbus, Boy Scouts, Cub Scouts are not parish organizations. These organizations should not use the parish Federal Employer Identification Number, their bank statements are not required to be received at the parish, their financial results are not recorded in the parish general ledger and the Pastor is not required to be a check signer.

## Standard Compliance

- **Compliance measurement:** the Chief Financial Officer or his delegate may review the procedures and financial records of a parish to determine compliance with the standard.
- **Exceptions:** none
- **Non-compliance:** a parish in non-compliance shall be responsible to modify its procedures to become compliant. The Pastor shall write a letter to the Moderator of the Curia describing the parish plans for becoming compliant.

## Approvals

April 2018	Chief Financial Officer
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## Revision history

April 2018	Replaces January 2000 Section III.2-3b of the Parish Accounting Manual
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**Archdiocese of Washington**  
**Parish Accounting Manual**  
**Section III. Cash and Cash Receipts**  
**Tuition Accounting Standard**

**Introduction and Purpose**

Tuition accounting consists of billing, crediting and adjusting family tuition balances in the school tuition records and the parish general ledger. Tuition includes school tuition, fees, scholarships and assistance, nursery school tuition and fees and before and after care fees.

The purpose of this standard is to communicate the detailed requirements for administering and accounting for tuition.

**Scope**

This standard is applicable to all canonically established parishes and missions of the archdiocese.

**Related Documents**

- Bank Account Administration Policy
  - Refer to the Policy regarding the use of the terms ‘parish’ and ‘bank account’
- Cash and Cash Receipts Standard

**Standard Statement**

**Cash handling**

All school cash receipts shall be deposited into the parish operating bank account, not a school account.

The parish shall segregate the duties of cash handling and tuition accounting. Different staff members may maintain the detailed tuition records for various parts of the school (e.g., nursery school, before and after care, etc.), however no staff member with this recordkeeping responsibility shall have custody of cash receipts.

The parish shall issue pre-numbered receipts for each payment received at the parish or school, regardless of payment method (e.g., cash, check or credit card).

**Tuition discounts and assistance**

Tuition discounts and reductions from stated tuition rates shall be approved by the Pastor and the Principal.

The parish shall keep a detailed record of tuition forgiveness for each school year that includes date, family and student name, dollar amount and total dollar amount of tuition forgiveness.

Tuition assistance received from the Archdiocese shall be recorded in general ledger Account 432 ADW Tuition Assistance.

**Recordkeeping**

The parish shall maintain detailed tuition records that include family name, student name and grade, tuition charged, discounts/reductions approved, tuition assistance received, cash receipts and outstanding balance.

The parish shall maintain detailed cash receipts records that include date of the cash receipt, dollar amount received, family and student name and nature of cash receipt, e.g., tuition, fundraising, etc. The parish may make check copies of tuition payments to facilitate recordkeeping.

**Records reconciliation**

Each month, the parish shall reconcile the tuition management system cash remittance reports to the bank statement.

At least once each quarter, the parish shall reconcile the detailed tuition ledger to the tuition income per the general ledger.

The parish shall ensure that the detailed cash receipts total for the subsequent school year tuition agrees to the prepaid tuition general ledger balance at June 30.

**Prepaid tuition**

Tuition payments received before June 30 for the next school year are prepaid tuition and shall be recorded as follows:

At time of cash receipt prior to June 30:

Debit: Cash (account #00.110)	\$xx
Credit: Prepaid tuition (account #00.241)	\$xx

*To record cash receipt as prepaid tuition liability at June 30*

At the beginning of the new fiscal year:

Debit: Prepaid tuition (account #00.241)	\$xx
Credit: Tuition income (account #90.431)	\$xx

*To recognize tuition revenue earned at start of school year*

### **Delinquent tuition**

At the end of each school year, the Pastor and Principal shall review the detailed tuition ledger to identify delinquent accounts. An assessment shall be made of the collectability of each account.

For accounts that are considered collectible, the parish shall record the following journal entry:

Debit: Tuition receivable (#00.141)	\$xx
Credit: Tuition income (#90.431)	\$xx

*To record tuition income for delinquent accounts considered collectible*

When cash receipts are paid on the delinquent accounts, they are recorded as a reduction to tuition receivable as follows:

Debit: Cash (#00.100)	\$xx
Credit: Tuition receivable (#00.141)	\$xx

*To record cash receipt on delinquent tuition account*

If the Pastor and Principal subsequently determine a delinquent account to be uncollectible, the following journal entry shall be recorded to write-off the tuition receivable:

Debit: Uncollectible tuition expense (#94.780)	\$xx
Credit: Tuition receivable (#00.141)	\$xx

*To write-off to expense uncollectible tuition receivable*

### **Extended care programs**

School extended care programs, including summer school, summer camp, and before-and aftercare programs, present special internal control challenges. Since these programs operate outside of normal school hours, control over cash collections is more difficult. There may be a limited number of people available to collect and record cash receipts. There may be significant amounts collected in cash rather than by check. It may be impossible to deposit cash the same day it is received. Especially where drop-in care is allowed, parents may wish to pay daily when they pick up their children from the program. Many parents will want receipts so they can file for reimbursement from employers or claim child care tax credits on their individual tax returns.

In addition to the previously stated requirements for tuition accounting, parishes with extended care programs:

- Shall make a provision to safeguard cash receipts that cannot be deposited the same day. Examples of secure locations include the parish office safe, drop safe in the church or

safe/locked drawer in the school. Staff shall not take home cash receipts.

- Shall designate a staff person authorized to accept cash receipts. Parents must be informed of the designated staff payment arrangement to prevent parents from pressuring or inconveniencing other staff with requests to accept payments.
- Shall, upon request by the student family, provide an annual, calendar-year statement of extended care fees paid by the family.

### Standard Compliance

- **Compliance measurement:** the Chief Financial Officer or his delegate may review the procedures and financial records of a parish to determine compliance with the standard.
- **Exceptions:** none
- **Non-compliance:** a parish in non-compliance shall be responsible to modify its procedures to become compliant. The Pastor shall write a letter to the Moderator of the Curia describing the parish plans for becoming compliant.

### Approvals

April 2018	Chief Financial Officer
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### Revision history

April 2018	Replaces June 2005 Section III.7-12a of the Parish Accounting Manual
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**Archdiocese of Washington  
Parish Accounting Manual  
Section III. Cash and Cash Receipts  
Tuition Cash Receipts Guideline**

### **Introduction and Purpose**

The purpose of this guideline is to communicate a sample procedure for tuition cash receipts. School may create their own cash receipts procedures as long as they meet the requirements of the related Tuition Accounting Standard.

### **Scope**

This guideline is applicable to all canonically established parishes and missions of the archdiocese.

### **Related Documents**

- Bank Account Administration Policy
  - Refer to the Policy regarding the use of the terms ‘parish’ and ‘bank account’
- Cash and Cash Receipts Standard
- Tuition Accounting Standard

### **Guideline Statement**

#### **Sample procedure for tuition cash receipts**

1. The Principal designates a school staff person(s) as authorized to collect cash receipts and carry the deposit to the bank. The designated staff person shall not have any responsibility for billing or recording tuition. Families are informed of the name and location of the staff person to whom cash payments may be made. A commonly designated staff person is the school secretary or receptionist.
2. The Principal designates a dollar amount over which cash receipts will be deposited. For example, when cash receipts exceed \$500, a bank deposit will be made. Cash receipts below the threshold will be locked in a secure location such as a desk or safe. The school may make bank deposits daily.
3. When the designated staff person receives cash payments, they will:
  - a. Issue a pre-numbered receipt to the family
  - b. Log the receipt on a daily deposit list including date, name of family, dollar amount and purpose of payment
  - c. Restrictively endorse checks with the name of the parish and the bank account number. Checks may also be photocopied to aid in recordkeeping details.
  - d. Prepare a bank deposit slip listing out each check and the total amount of cash/coins received.



2. When cash receipts exceed the threshold, a bank deposit is made by the designated staff person. Cash receipts are carried to the bank along with the bank deposit slip. The staff person returns with the bank-validated deposit slip.
3. The designated cash receipts staff person gives a copy of the daily deposit list and the bank-validated deposit slip to the parish bookkeeper. (And also to the school bookkeeper if this role exists).
4. Cash received by the designated staff person for other school income and fees are collected and documented in the same way.
5. The parish/school bookkeeper:
  - a. Compares the daily deposit list and bank-validated deposit slip, to ensure the total collected and the total deposited match. Any differences must be investigated immediately. Recurring differences should be reported to the Principal.
  - b. Records income in the general ledger and the school tuition records using the daily deposit list.
  - c. Informs the Principal of any school tuition checks returned for insufficient funds (as noted during the monthly bank statement reconciliation).
6. See the Fundraiser Cash Handling Guideline for cash receipts handled by volunteers.

## Approvals

April 2018	Director of Parish and School Financial Operations
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## Revision history

April 2018	Replaces June 1995 Section III.7-9 of the Parish Accounting Manual
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**Archdiocese of Washington**  
**Parish Accounting Manual**  
**Section III. Cash and Cash Receipts**  
**Fundraiser Cash Handling by Volunteers Guideline**

### **Introduction and Purpose**

The purpose of this guideline is to communicate the administration and accounting for fundraising cash receipts by volunteers.

### **Scope**

This guideline is applicable to all canonically established parishes and missions of the archdiocese.

### **Related Documents**

- Bank Account Administration Policy
  - Refer to the Policy regarding the use of the terms ‘parish’ and ‘bank account’
- Cash and Cash Receipt Standard

### **Guideline Statement**

1. Volunteers should work at the direction of a designated parish staff person.
2. Volunteers should be informed in advance as to where they can securely store cash receipts at the end of their activity or during the activity if significant amounts of cash are received. Examples of such locations include the parish office safe, drop safe in the church or safe/locked drawer in the school.
3. Volunteers should not take home cash receipts.
4. Pre-numbered, tamper-evident bags should be used by the volunteers to store cash receipts in the designated secure location.
5. At least two people should be present with the cash receipts at all times.
6. At least two people should count the cash receipts. Cash receipts should be counted in a secure location inside the parish office or school. The counters should complete the bank deposit slip.
7. An independent record should be maintained of sales/receipts such as pre-numbered receipts, sales tally report, raffle ticket stubs, inventory record, list of donors, etc.

8. Fundraising receipts should be compared to the independent record by an individual not involved in the collection of receipts such as the accountable parish staff person. Differences should be investigated by the staff person.

### **Approvals**

April 2018	Director of Parish and School Financial Operations
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### **Revision history**

April 2018	Initial document
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