



Parish and School Financial Operations

The Roman Catholic Archdiocese of Washington

Parish Electronic Banking Fraud Alert, October 2023

Several parishes have recently experienced high dollar financial losses as a result of inadequate internal controls around electronic banking. This alert highlights key controls that parishes must utilize to safeguard the parish bank accounts.

Key Controls

- All on-line banking users authorized by the pastor must use multi-factor authentication (MFA).
 - MFA involves a user identifying themselves to the bank website using a code received by email or text in addition to using their username and password.
- The parish must establish dual-approval for electronic disbursements.
 - A bookkeeper must not be able to initiate and complete electronic disbursements without the involvement of the pastor. Electronic disbursements include ACH payments, payroll direct deposit, account transfers, etc. The pastor must provide in-system approval of electronic transactions initiated by the bookkeeper.
- The bookkeeper must independently verify requests to change the bank account to which ACH payments are made to employees or vendors.
 - For example, for a request received by email, the bookkeeper must telephone the requestor using a phone number from the parish records to confirm the identity of the requestor.

Parish Accounting Manual

Please [follow this link to read the full version of the Cash and Cash Receipts Policy](#) on the Parish and School Financial Operations page of ADW.org. Please contact Adrienne Willich, Executive Director of Parish and School Financial Operations at WillichA@adw.org with any questions or concerns about how to implement the required controls at your parish.

Catholic Mutual Insurance Coverage

The parish bank may be able to assist the parish to recover financial losses from banking fraud. However, most banks consider the parish solely responsible for ACH transactions initiated by the parish without dual-approval. Financial losses that cannot be recovered should be reported to Catholic Mutual (FWard@catholicmutual.org) for potential coverage under the parish's insurance policy.