Parish and School Financial Operations

The Roman Catholic Archdiocese *of* Washington

Summary of the most common
parish audit findings of high significance
June 2026

***** Indicates a finding is new to the FY 2026 report.

Audit findings are classified in three categories

- **Compliance with Laws and Regulations -** findings which relate to requirements of various laws and regulations which, if not complied with, could expose the parish to fines and penalties.

- **Sustainability of Parish** - findings which relate to the safeguarding of parish assets, profitability of the parish and its ability to meets its obligations and fund its future operations.

- **Accounting and Administrative Operations -** findings which relate to the accuracy of the financial records or the efficiency of parish administrative processes.

- Findings are rated on a scale of **high, moderate or minimal** significance

FY 2026 parish audit findings of high significance

Compliance with Laws and Regulations	Sustainability of Parish	Accounting and Administrative Operations
• Form 1099-misc not issued to contractors who received more than $600. Form 1099 issued to employees • Missing I-9 form, missing W-4 form for parish employees • Annual continuation/ appointment letters for employees were not maintained or updated in accordance with Archdiocesan policy * • Offertory, Education Assessments, and National Collections were not remitted to the Archdiocese on a timely basis* • Pastor does not review Family Suite including offertory trends* • Gift cards given to employees not included in taxable compensation • Expense advance to priest not supported by documentation and not included in taxable compensation	• Pastor is the sole authorized signer on Bank Accounts* • Monthly financial statements not provided to pastor; not provided to principal • Weekly offertory collections were counted by the same individuals instead of rotating teams of at least two people • Bookkeeper has access to signed checks. Bookkeeper has access to parish safe with uncounted cash receipts • Employees reimbursed up to $16k for using personal funds for business expenses of the parish	• Finance Council members over term limits. Council did not meet four times during the year; did not receive monthly financial statements • No conflict of interest disclosures for Finance Council members • No confidentiality agreement for staff/volunteers doing contribution recordkeeping in familySuite • No documentation supporting donor intent for restricted funds • No ADW approval for contract > $75k • Parish organization account with balance > $75k not recorded in parish general ledger

The pastor and bookkeeper can work together to address parish audit findings of high significance

Pastor

- Recruit new Finance Council members and offertory counters; ensure the Council meets four times per year and members receive parish financial statements each month
- Ensure annual continuation/appointment letters are prepared, maintained, and updated for all parish employees in accordance with Archdiocesan policy.
- Ensure parish bank accounts have at least two authorized signers and periodically review bank signature authorizations to strengthen internal controls.
- Engage with ADW Facilities and Legal for contracts above $75k
- Review Family Suite reports, including offertory trends, on a regular basis to monitor parish giving and engagement.
- Ensure annual Conflict of Interest statements, confidentiality agreements and credit card agreements are signed
- Submit receipts for use of monthly business expense advance
- Appoint someone other than the bookkeeper to mail signed checks

Bookkeeper

- Review employee personnel files annually to ensure all required payroll and tax documentation (I-9, W-4, appointment/continuation letters, etc.) is complete and current
- Ensure Forms 1099 are issued timely to all eligible independent contractors and that employees are not incorrectly issued Forms 1099
- Include the value of employee gift cards and unsupported expense advances in taxable compensation, when required.
- Review and reconcile credit card statement prior to payment
- Maintain/ generate documentation to support donor restrictions on contributions to the parish

To learn more about improving internal control at the parish

- Review the resources on our page of ADW.org:

  https://adw.org/additional-resources/parish-office-only/parish-and-school-financial-operations-parish-only/

- Contact a Parish Finance team member:
  - Adrienne Willich, Executive Director, WillichA@adw.org
  - Florence Moore, Accounting Manager, MooreF@adw.org
  - Kenneth Fonta, Senior Accountant, FontaK@adw.org