

## ***DIOCESE OF LONDON***

### ***BANKING POLICY***

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**This policy applies to all Diocese of London bank accounts, including parishes, cemeteries, diocesan offices and other diocesan locations, regardless of the financial institution.**

**Prior to opening or closing a bank account or adding or removing signing officers and bank token (key fob for internet banking) holders, permission from the Episcopal Director of Administrative Services is required.**

We consider this ministry of being a signing officer and/or bank token holder to be a “High Risk Ministry” as outlined in our “Called, Gifted & Sent” program. Each parish, cemetery, diocesan office and any other diocesan location is responsible for following the detailed screening protocols prior to selecting and submitting names to the Diocese. All proposed signing officers and/or bank token holders are required to obtain a police check, at the expense of the parish or office, prior to being considered for approval.

All bank accounts and related activity must be recorded in the accounting records.

Our banking is conducted with Bank of Montreal except in a few rare cases where a branch is not readily available. The banking agreement with BMO outlines the fees, interest earned and other charges for the parish and office bank accounts.

Parishes receive interest on monies deposited with the Parish Deposit & Loan Fund at a rate of 2%. Parishes should establish policies to monitor bank balances and forward excess funds to the Parish Deposit & Loan Fund. In other words the parish bank balance should just have enough money for the ongoing expenses. To make a deposit to the Parish Deposit & Loan Fund simply send a cheque to the Diocese of London with a note that the money is to be deposited in the Parish Deposit & Loan Fund for <name of parish>. Parishes are encouraged to deposit monies to the Parish Deposit & Loan Fund.

#### **The Diocese requires two signatures on each cheque for all bank accounts whether parish or diocesan.**

Our auditors (KPMG), audit committee, finance committee, diocesan management and a number of priests have asked for two signatures on all cheques. The Council of Priests recommended this policy to Bishop Fabbro; he agreed and the policy became effective October 26, 2009. In business, the standard is two signatures on all cheques. It is a good financial control and demonstrates our financial transparency. Thankfully our incidences of cheque signing problems (abuse) have been low to date. In other words this policy is not in place because of widespread cheque signing abuse. Instead it is in place as a “best practice” for financial controls.

#### **Who can be a Parish signing officer?**

- Pastor, Administrator
- Associate Pastor, Parochial Vicar
- Deacon
- Member of the Finance Committee
- Member of Cemetery Board
- Business Manager
- Neighbouring Pastor
- Retired Priest

#### **Who can be a Diocesan signing officer?**

- Bishops
- Moderator of the Curia
- Diocesan Directors, Managers and Senior staff

The financial secretary and bookkeeper cannot be a signing officer. “Best practices” for financial controls will not permit it.

In order to reduce the number of cheques, we recommend arranging pre-authorized payments for utilities, payroll, etc.

No signing officer should ever sign a blank cheque or sign a cheque without first seeing the invoice or other supporting documentation.

To add or remove signing officers, the *Signing Officer and/or Bank Token Holder Request Form* (attached) must be completed. All signing officers (including the Pastor, Administrator, Chaplain or Manager) are required to sign the attached *Agreement and Acknowledgement of Responsibilities for a Signing Officer*. The signed original should be retained at the (parish) office. A copy of the completed forms and a copy of the police check(s) must be submitted to the Director of Accounting at the Diocese.

**The Diocese requires two Bank Token Holders to process transactions using a bank token.**

Online banking is used mainly for pre-authorized giving and direct deposit payroll. In order to use electronic banking, a bank token is required. Since the bank token holders act on their own when conducting electronic banking business, it is in direct contravention of the dual cheque signing policy. The dual cheque signing policy was implemented in 2010 requiring that all cheques and banking documents must have two signatures. In addition, the bookkeeper is not permitted to be a signing officer in order to comply with sound business control principles and yet, the bank token holder is typically the parish bookkeeper.

**Who can be a Parish bank token holder?**

- Pastor, Administrator
- Associate Pastor, Parochial Vicar
- Deacon
- Member of the Finance Committee
- Business Manager
- Financial Secretary, Bookkeeper
- Neighbouring Pastor
- Retired Priest
- Neighbouring Financial Secretary, Bookkeeper

**Who can be a Diocesan bank token holder?**

- Diocesan Director, Managers, Senior staff
- Accounting staff

Two tokens are required to process online banking payments, payroll and pre-authorized donations. Both bank token holders are required to review the supporting documentation to verify the transactions before processing the transaction. One bank token holder, typically the bookkeeper, initiates the transaction and notifies a second bank token holder of the pending transaction. The second bank token holder approves and completes the transaction within 24 hours, otherwise it will expire.

The Episcopal Director of Administrative Services (EDAS) has appointed the Director of Accounting, Senior Accountant and Administrative Assistant to EDAS, to be the bank token administrators for all parishes and all other diocesan bank accounts.

We recommend that each parish or office have a minimum of three bank token holders. Where this is not feasible, bookkeepers will be required to partner with another parish bookkeeper to be a bank token holder. Should a parish or office find themselves in a situation where there is no other bank token holder available to process a transaction, they can contact one of the bank token administrators at the Diocesan Centre.

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Parishes and offices requesting appointment of a bank token holder must complete the *Signing Officers and/or Bank Token Holders Request Form* and the *Agreement and Acknowledgement of Responsibilities for Bank Token Holders*. A copy of the completed forms and a copy of the police check(s) must be submitted to the Director of Accounting at the Diocese.

We recommend that wherever possible the parish or office enroll for automatic bill payments. This does not require any online banking and verification process, thus preventing late payment fees, reducing data entry errors and saving some time.

Dave Savel  
Episcopal Director of Administrative Services  
and Financial Administrator  
Policy Effective October 26, 2009  
Revised June 2013  
Revised April 2016  
Revised August 2016  
Revised October 2, 2017

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***SIGNING OFFICERS AND/OR BANK TOKEN HOLDERS REQUEST FORM***

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***\*\*\*This form is to be used for all bank accounts and all financial institutions.\*\*\****

Parish/Cemetery/Other: \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ Parish #: \_\_\_\_\_

Date: \_\_\_\_\_

Pastor/Administrator/Chaplain (for parishes) or Director/Manager (for other offices):

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

	Name of Bank	Branch and Account Number
List of bank account numbers:	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

*We ask that you submit a minimum of three names below. This is a “high risk ministry” as defined by “Called, Gifted & Sent”. Please complete the screening protocol, including police check(s) before submitting names.*

***PLEASE SEND THE FORMS AND A COPY OF THE INDIVIDUALS POLICE CHECK IN ONE PACKAGE RATHER THAN “PIECE MEAL”. CHANGES WILL NOT BE PROCESSED UNTIL ALL DOCUMENTATION IS RECEIVED.***

Who can be a signing officer and/or bank token holder? *Please refer to Diocese of London Banking Policy*

Names	Cheque Signor (✓)	Bank Token Holder (✓)	Date of Police Check (copy attached)

**Signors/Token Holders to be removed:** \_\_\_\_\_

Retain the original at the office and send a copy (mail, fax, drop off or email) to the Director of Accounting at the Diocese. Once received, we will make arrangements for the changes to be made and send the appropriate banking forms to be completed.

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**AGREEMENT AND ACKNOWLEDGEMENT OF RESPONSIBILITIES FOR A  
SIGNING OFFICER**

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***This form is to be completed by ALL signing officers.***

Parish/Cemetery/Other: \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ Parish #: \_\_\_\_\_

As an authorized signing officer I acknowledge the following responsibilities and agree as follows:

1. I will not sign blank cheques;
2. I will not sign a cheque before seeing a proper invoice or other appropriate supporting documentation;
3. If I have concerns about the cheque I will seek clarification before signing;
4. I acknowledge the confidential nature of the cheques and other records I will see and I agree to only discuss such information with the Pastor, Manager or other signing officers;
5. I acknowledge that the Pastor, Administrator, Chaplain or Manager is responsible for the finances and agree not to sign any cheques that have not been authorized by him or her. In his or her absence I will only sign cheques for normal recurring expenses unless I receive prior instructions from the Pastor, Administrator, Chaplain or Manager to pay unusual non-recurring expenses. For example, if the Pastor, Administrator, Chaplain or Manager is away, payroll and utilities will continue to be paid but I will not sign a cheque for paving the parking lot unless he or she has approved such an expense prior to his departure;
6. I agree to cooperate with the Pastor, Administrator, Chaplain or Manager in signing the cheques while working within my responsibilities outlined above; and,
7. I have completed the Called, Gifted & Sent screening, including a police check.

Name: \_\_\_\_\_  
(Please print clearly)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Retain the original at the office and send a copy (by mail, fax, email or drop off) to the Director of Accounting at the Diocese.

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**AGREEMENT AND ACKNOWLEDGEMENT OF RESPONSIBILITIES FOR A  
BANK TOKEN HOLDER**

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***This form is to be completed by ALL bank token holders.***

Parish/Catholic Community: \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ Parish #: \_\_\_\_\_

As an authorized bank token holder, I acknowledge the following responsibilities and agree as follows:

1. I will not process payments before seeing a proper invoice or other appropriate supporting documentation that has been approved;
2. I will not share my bank token password with anyone;
3. If I have concerns about the payment, I will seek clarification before processing;
4. I acknowledge the confidential nature of the payments and other records I will see and I agree to only discuss such information with the Pastor, Manager or other bank token holders;
5. I acknowledge the Pastor, Administrator, Chaplain or Manager is responsible for the finances and agree not to process any payments that have not been authorized by him or her. In his or her absence, I will only process payments for normal recurring expenses unless I receive prior instructions from the Pastor, Administrator, Chaplain or Manager to pay unusual non-recurring expenses. For example, if the Pastor, Administrator, Chaplain or Manager is away, payroll and utilities will continue to be paid but I will not process payments for paving the parking lot unless he or she has approved such an expense prior to his departure;
6. I agree to cooperate with the Pastor, Administrator, Chaplain or Manager in processing transaction while working within my responsibilities outlined above; and,
7. I have completed the Called, Gifted & Sent screening, including a police check.

Name: \_\_\_\_\_  
(Please print clearly)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Retain the original at the office and send a copy (by mail, fax, email or drop off) to the Director of Accounting at the Diocese.

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