

POLICY No. 5

BANK ACCOUNTS AND PROCURATIONS

1. Term definitions

A procuration: is written authorization granted by the **Roman Catholic Episcopal Corporation For The Diocese of Sault Ste. Marie, in Ontario, Canada.** to open a bank account in the name of the Corporation, an account in trust for a parish or a designated work, service or ministry. The letter of procuration is signed under the authority and seal of the Diocese.

A bank account: is understood to be any account held in a bank or some other financial institution in the name of the corporation for a parish or specific work, service or ministry in the diocese.

2. Intent of the directive

The legal title of the Corporation is not to be used without the explicit permission of the Bishop.

Likewise, it is important to make certain that funds held in the name of the Corporation are duly registered in accounts that are easily identified and identifiable. Therefore, they must be listed on the annual financial statement.

3. Policy

- a. All administrators of ecclesiastical goods held in the name of the RCECSSM must obtain from the office of the Diocesan Financial Administrator the written procuration necessary to make bank transactions.
- b. A procuration is required to open bank accounts and to complete financial transactions with the bank in the name of the RCECSSM on behalf of the parish to which the parish priest has been assigned.
- c. The procuration is also granted, after consultation with the Diocesan Financial Administrator and the parish priest, to other co-signers on parish bank accounts. One of the co-signers may be the chairperson of the parish finance committee.
- d. Unless otherwise specified, procuration applies only to the opening and operation of bank accounts and cannot be used at any time to arrange bank loans on behalf of the parish (or charitable work) in the name of the RCECSSM.
- e. Each bank account is to be identified as follows:

N.N. of The Roman Catholic Episcopal Corporation for the Diocese of Sault Ste. Marie, in Ontario, Canada.

“N.N.” could be the name of the parish, cemetery, or charitable work which forms part of the mission of proclaiming the Good News in the diocese.

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Parish funds are not to be held in an account at a bank or another financial institution in the name of an individual, including the parish priest.

- f. Separate bank accounts are to be kept.

To minimize the risk and liability to the parish and diocese, as one co-mingled fund is not permitted.

The following are to be in separate account.

- The general administration of the parish (or work),
- Stipends for Masses not yet celebrated,
- Funds held in trust for a specific purpose, if the purpose for which the funds were received was given approval by the Bishop or his delegate.

- g. Limits on funds held on deposit in the parish.

Generally speaking, funds retained in the local account for the general administration of the parish are not to exceed what is required for 4 months of normal operating expenses. All surplus funds are to be deposited in the Parish Assistance Fund for the Diocese of Sault Ste. Marie.

- h. Procedure for issuing cheques to the Diocesan Financial Administration Office:

Make cheques payable to RCECSSM of Diocese of Sault Ste. Marie for:

- D.A.E. monthly payments
- Binations
- Lay Employee Health Benefits
- Surplus mass offerings; masses which have not been offered, are to be distributed by the Diocese
- Any other payments to the Diocese of Sault Ste. Marie
- All Special Collections:

- Aboriginal Sector
- Share Lent
- Needs of the Church in the Holy Land
- Ministry Formation
- Pope's Pastoral Works
- Needs of the Church in Canada
- World Mission Sunday
- Bishop's Annual Appeal

Note: All Special Collections are to be sent to the Diocesan Financial Administration

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Office the month following the collection. The charities named above rely on the Diocese to disburse these collections as soon as possible, in the calendar year collected.

All mail for the Diocesan Financial Administration Office is to be addressed to:

Diocese of Sault Ste. Marie
Diocesan Centre
30 Ste-Anne Road
Sudbury, ON P3C 5E1
ATTENTION: Diocesan Financial Administrator

- i. All cheques sent should bear the parish General Ledger ID Code

i.e.: the Pro-Cathedral Parish North Bay's code is: NB01

Payments should name the parish and the particulars of the payment. Cheques drawn upon parish funds must bear "live" signatures of those who possess letters of procuration. A cheque bearing an electronic or stamped signature will be returned for live signatures.

Following Catholic Mutual Best Practices, **two (2)** signatures are required on all cheques. One signature must be that of the parish priest or administrator and the second signature should be that of a member of the parish financial committee or someone who has been granted signing authority from the Diocese.

4. Best Practices

The Diocese has adopted "Catholic Mutual Cares" documents regarding "Review of Parish Accounts and Financial Control Guidelines" These recommendation are to be implemented in each parish as much as possible. Please refer to Appendix II.

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