

FINANCIAL & INTERNAL CONTROL REVIEW QUESTIONNAIRE

Bismarck Diocese

This questionnaire is developed as a tool for parishes and trustee corporations to self-check its financial practices and management of temporal goods with established best business practices. It is recommended that this questionnaire be completed and reviewed annually by the pastor and members of the finance council members. Completion of the questionnaire is required in conjunction with a parish & trustee financial review per with Synod Statute 257§1.1 and needs to be returned to the Internal Auditor at Bismarck Diocese by mail to: Bismarck Diocese, Attn: Cressy Aberle, PO Box 1137, Bismarck, ND 58502-1137 or by email to caberle@bismarckdiocese.com.

Parish PJP Legal Name:

Trustee Corp. Legal Name:

Completed by:

Date Completed:

SECTION I. GOVERNANCE

1. Does the parish have a functioning finance council that meets regularly to advise the pastor on financial matters for both the parish PJP and the trustee corporation?

Yes No N/A Comments:

2. Does the parish have a functioning pastoral council that meets regularly?

Yes No N/A Comments:

3. Are Finance and Pastoral Council meetings documented in meeting minutes and are minutes retained indefinitely?

Yes No N/A Comments:

4. Does the finance council meet annually with the finance councils of the other parishes in its parish cluster to determine cost share agreements and document those agreements in writing?

Yes No N/A Comments:

5. Does the parish submit the required annual Financial Reports and Chancery Reports to the Bismarck Diocese as required by Synod Statutes 254 and 255?

Yes No N/A Comments:

**Note: The term "parish" used throughout this questionnaire is understood to be the parish Public Juridic Person (PJP), distinct from its trustee corporation. The PJP is responsible for the day-to-day operation of the parish and its trustee corporation is responsible for owning stable patrimony in support of the parish for the religious purposes for which it was established.*

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SECTION II. PARISH/PJP CASH HANDLING AND DISBURSEMENT

Collection Handling and Other Income:

6. Who is responsible for collecting offertory?

Comments:

7. How is the offertory secured after the collection?

Comments:

8. Who is responsible for transporting the offertory to the area where it is counted?

Comments:

9. When is the offertory counted?

Comments:

10. How many counting teams does the parish have?

Comments:

11. How many counters make up a counting “team?”

Comments:

12. Are teams and counters periodically rotated?

Yes No N/A Comments:

13. Are there counting teams with related individuals counting together?

Yes No N/A Comments:

14. If #13 is answered, “yes”, is there at least one other counter counting with the related individuals that is not also related to these individuals?

Yes No N/A Comments:

15. Are all offertory checks marked “For Deposit Only”?

Yes No N/A Comments:

16. Are tally sheets used to count offertory and signed by the counters?

Yes No N/A Comments:

17. Are tally sheets retained on file by the parish?

Yes No N/A Comments:

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18. When is the offertory deposited?

Yes No N/A Comments:

19. Who makes the deposit?

Yes No N/A Comments:

20. Is the offertory secured in a tamper-proof bag before transporting it to the bank?

Yes No N/A Comments:

21. Is the offertory secured until deposited?

Yes No N/A Comments:

22. Is the tally sheet deposit ticket reconciled to the tally sheet? If so, by whom?

Yes No N/A Comments:

23. Does the parish receive Electronic Funds Transfer (EFT) contributions where the parishioner has given the parish permission to withdraw contributions directly from their bank accounts?
(If no, skip to next question)

Yes No N/A Comments:

a. Does the parish require parishioners that wish to give with EFT contributions to complete a form that includes their name, address, bank account information, amount of the contributions, and the frequency they wish to give?

Yes No N/A Comments:

b. If a parishioner wishes to change the information on their form, does the parish require them to submit a new/updated form?

Yes No N/A Comments:

c. How often does the parish initiate EFT withdrawals?

Yes No N/A Comments:

24. Does the parish allow parishioners to give using online giving? If so, what third party service is used?

Yes No N/A Comments:

25. Does the parish keep a log of all funds received from office walk-ins or through the mail?

Yes No N/A Comments:

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26. Do two people open all parish mail together?

Yes No N/A Comments:

27. Is all parish mail sent to the parish's official mailing address?

Yes No N/A Comments:

28. Did the parish receive any bequests or memorials in the last fiscal year? *(If no, skip to next question)*

Yes No N/A Comments:

a. Briefly describe any memorials or bequests received in the last fiscal year:

Comments:

b. How were the memorials/bequests accounted for in the accounting software?

Comments:

29. Did the parish receive any non-cash gifts in the last fiscal year? If so, briefly describe.

Yes No N/A Comments:

30. Does the parish receive income from SCRIP sales? If so, are collections managed in accordance with Catholic Mutual and diocesan guidelines?

Yes No N/A Comments:

31. Does the parish receive income from the sale of religious items? *(If no, skip to next question)*

Yes No N/A Comments:

a. If so, are collections managed in accordance with diocesan guidelines?

Yes No N/A Comments:

b. Does the parish have a sale tax permit from the State of North Dakota?

Yes No N/A Comments:

32. Did the parish receive income from either fundraising activities or capital campaigns in the last year? *(If no, skip to next question)*

Yes No N/A Comments:

a. Did the parish request fundraising permissions per Synod Statutes 284-287 for each fundraising event and Synod Appendix 29 for each capital campaign?

Yes No N/A Comments:

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b. Did the parish submit reports for fundraising activities per Synod Appendix 35?

Yes No N/A Comments:

c. Are fundraising records kept in the parish offices?

Yes No N/A Comments:

33. Are all unrestricted donations recorded with income accounts and restricted donations recorded with dedicated accounts per diocese guidelines?

Yes No N/A Comments:

34. Are diocesan/national collections taken?

Yes No N/A Comments:

35. Are dedicated accounts used to record diocesan/national donations and are funds disbursed regularly to the diocese?

Yes No N/A Comments:

B. Annual Giving Statements and Procedures:

36. Who is responsible to record offertory and other parishioner contributions in the parishioner contribution records?

Comments:

37. What method is used to record parishioner contributions (manual card, software and type)?

Comments:

38. Is a reconciliation performed between what is input into the parishioner contribution records and what is input in the accounting software? Who performs this reconciliation?

Yes No N/A Comments:

39. Are contributions of \$250 or more properly acknowledged with a letter (for one time givers) or an annual giving report (for multiple gifts)?

Yes No N/A Comments:

40. Do these letters/reports state, "The parish did not provide any goods or services in whole or in partial consideration for the contribution or provided only intangible religious benefit?"

Yes No N/A Comments:

41. How are non-cash gifts acknowledged by the parish?

Comments:

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C. Bank and Investment Accounts:

42. Are all parish and trustee banking and investment accounts recorded in the appropriate accounting software? If not, briefly explain why?

Yes No Comments:

43. Is the pastor/parochial administrator a signer on all accounts using the parish tax ID number (including altar societies, etc.)?

Yes No Comments:

44. Are there signers other than the pastor/parochial administrator on parish bank accounts? If so, were additional signors approved per Synod Appendix 31?

Yes No Comments:

45. Are all bank and investment statements mailed to the parish address (including altar society and other accounts)?

Yes No Comments:

46. Are bank reconciliations performed in the accounting software on all bank and investment accounts operating under the parish PJP and trustee corporation federal tax ID numbers?

Yes No Comments:

47. Does the pastor/parochial administrator review all bank statements?

Yes No Comments:

48. Is the individual who performs bank reconciliations authorized to sign checks?

Yes No Comments:

49. Does the parish pay bills or transfer funds online? *(If no, skip to next question)*

Yes No Comments:

a. Who has authority to pay such bills and perform such transfers?

Comments:

b. Was this process discussed with the finance council and documented in the minutes?

Yes No Comments:

50. Does the parish or trustee corporation have other financial instruments such as, stocks, bonds, precious metals or other items kept with a custodian or at the parish?

Yes No Comments:

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51. Does the parish have any loans? *(If no, skip to next question)*

Yes No Comments:

a. If the parish has any loans not with the Parish Expansion Fund, was permission to take out this loan granted by the Diocesan Bishop?

Yes No N/A Comments:

b. Has the parish loaned out funds to other organizations (or individuals)?

Yes No N/A Comments:

c. Did the parish submit a resolution and receive permission per Synod Appendix 29 for such loans?

Yes No N/A Comments:

d. Are all loan agreements in writing and on file at the parish?

Yes No N/A Comments:

D. Cash Disbursements.

52. Are invoices reviewed for receipt of goods, services, and accuracy before payment?

Yes No N/A Comments:

53. Are all blank checks pre-numbered and used in sequence?

Yes No N/A Comments:

54. How are blank checks safeguarded while not in use?

Yes No N/A Comments:

55. Who prepares checks for payment?

Comments:

56. Is this person an authorized signer?

Yes No N/A Comments:

57. Is the pastor the primary signer on all parish and trustee checks?

Yes No N/A Comments:

58. Is a signature stamp used to sign checks in the pastor's absence?

Yes No N/A Comments:

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59. Does the pastor review prepared checks along with original invoices before signing?

Yes No Comments:

60. Are paid invoices retained in the parish financial records?

Yes No Comments:

61. Are spoiled, voided checks retained with the signature block removed?

Yes No N/A Comments:

62. If the pastor is going to be absent, does he sign blank checks to be used in his absence?

Yes No N/A Comments:

63. If the pastor is absent, and another approved signer signs checks, does the pastor review all checks signed in his absence and initial the invoice indicating his review?

Yes No N/A Comments:

64. Are parish credit cards used? *(If no, skip to next question)*

Yes No N/A Comments:

a. Who is authorized to use parish credit cards?

Yes No N/A Comments:

b. Are original receipts submitted for all credit card transactions with notation as to the business purpose of the transaction?

Yes No N/A Comments:

c. Are the original receipts retained with the credit card bill after payment?

Yes No N/A Comments:

d. Are parish credit cards only used for parish expenses?

Yes No N/A Comments:

65. Are store accounts used? *(If no, skip to next question)*

Yes No N/A Comments:

a. Who is authorized to use store accounts?

Comments:

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b. Are original receipts submitted for all store account transactions with notation as to the business purpose of the transaction?

Yes No N/A Comments:

c. Are the original receipts retained with the store bill after payment?

Yes No N/A Comments:

d. Are store accounts only used for parish expenses?

Yes No N/A Comments:

e. How often are store accounts paid off?

Yes No N/A Comments:

66. When individuals request reimbursements, are the original receipts and business purposes required to be submitted with the request?

Yes No N/A Comments:

67. Are all reimbursement requests approved by the pastor/parochial administrator? If not, by whom?

Yes No N/A Comments:

68. Does the parish require all service vendors and individuals (non-employees) the parish pays to complete Form W-9?

Yes No N/A Comments:

69. Does the parish issue 1099 NEC/MISC to all qualifying vendors and individuals at calendar year end?

Yes No N/A Comments:

70. Does the parish use a petty cash box to pay parish expenses? *(If no, skip to next question)*

Yes No N/A Comments:

a. What is the primary purpose for having petty cash?

Comments:

b. What is the normal operating balance?

Yes No N/A Comments:

c. Are receipts for purchases from the petty cash box retained by the parish?

Yes No N/A Comments:

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d. Are the receipts reconciled to the physical count of the petty cash box at least monthly?

Yes No N/A Comments:

e. How often is the petty cash box replenished?

Yes No N/A Comments:

71. Does the parish make parish purchases using SCRIP or gift cards? *(If no, skip to next question)*

Yes No N/A Comments:

a. How much (dollar value) SCRIP or gift card inventory is kept for parish purchases at any given time?

Comments:

b. Does the parish keep a log of SCRIP or gift card inventory?

Yes No N/A Comments:

c. Is this log reconciled to a physical count of the inventory at least monthly?

Yes No N/A Comments:

d. Are all receipts with business purpose notated for purchases on SCRIP or gift cards retained by the parish?

Yes No N/A Comments:

72. Does the parish pay outreach expenses on behalf of needy individuals? *(If no, skip to next question)*

Yes No N/A Comments:

a. Does the parish have a written policy for its outreach program?

Yes No N/A Comments:

b. Does the parish retain all request documentation in the parish files?

Yes No N/A Comments:

c. Does the parish pay needy individuals directly?

Yes No N/A Comments:

73. In the last fiscal year, did the parish make any extraordinary expenditures over \$10,000 requiring a resolution per Synod Appendix 29?

Yes No N/A Comments:

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74. Did the parish host a raffle or other gaming event in the last fiscal year? *(If no, skip to next question)*

Yes No N/A Comments:

a. Did the parish file all required documents with the state and local government agencies to verify it is in compliance with all state and local regulations regarding raffles or other gaming events?

Yes No N/A Comments:

b. Did the parish file all tax forms (such as a W-2G) to all those that qualified during a raffle or other gaming event, as required by federal law?

Yes No N/A Comments:

75. Did the parish or other groups operating under the parish federal tax ID number pay monetary gifts (monetary gifts include cash, gift cards, SCRIP, and other cash equivalents) to any parish volunteers (including deacons not employed by the parish) in the last fiscal year?

Yes No N/A Comments:

76. Does the parish bookkeeper perform bookkeeping work from home? *(If no, skip to next question)*

Yes No N/A Comments:

a. How long are records kept at the bookkeeper's home before being returned to the parish?

Yes No N/A Comments:

b. What kind of parish records does the bookkeeper take home to work on?

Yes No N/A Comments:

77. Are all parish records kept in the parish?

Yes No N/A Comments:

78. Does the parish retain all records in accordance with diocesan and USCCB recommended guidelines?

Yes No N/A Comments:

79. Does the parish prepare financial statements for finance council meetings?

Yes No N/A Comments:

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80. Does the parish close its months in the accounting software in a timely manner (months should only be open within three months prior of the current date)?

Yes No N/A Comments:

81. Does the parish prepare an annual budget?

Yes No N/A Comments:

82. Does the parish input this budget into the accounting software?

Yes No N/A Comments:

83. Does the parish periodically review budget variances in the budget?

Yes No N/A Comments:

SECTION III. PAYROLL

84. Are all employees on payroll and are taxes withheld?

Yes No N/A Comments:

85. Is there a procedure for capturing hours for hourly employees (e.g., time sheets, timecards).

Yes No N/A Comments:

86. Are all IRS Forms W-2, W-3, and State 307s reviewed and on file the parish?

Yes No N/A Comments:

87. Are quarterly IRS form 941s and State Tax Returns reviewed and mailed timely?

Yes No N/A Comments:

88. Does the parish maintain employee files for each current employee (including priests) per diocese guidelines?

Yes No N/A Comments:

89. Does the parish perform annual performance evaluations for all employees?

Yes No N/A Comments:

90. Are Safe Environment background checks done on all new employees and volunteers?

Yes No N/A Comments:

91. Is the annual Workforce Safety and Insurance Report on file at the parish?

Yes No N/A Comments:

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92. Are eligible employees offered the Healthcare and 401(k) plans?

Yes No N/A Comments:

93. Are Mass stipends accounted for through payroll?

Yes No N/A Comments:

94. Did the parish or other groups operating under the parish federal tax ID provide monetary bonuses/gifts to parish employees, including priests? (e.g., monetary includes cash, gift cards, SCRIP, and other cash equivalents)

Yes No N/A Comments:

95. Are all bonuses/gifts accounted for through payroll?

Yes No N/A Comments:

96. Does parish maintain written copies of service agreements for all paid workers who are determined to be Independent Contractors?

Yes No N/A Comments:

97. Does parish maintain and annually update Conflict of Interest disclosures for each employee?

Yes No N/A Comments:

SECTION IV: PROPERTY AND INSURANCE

98. Are there any non-parish third parties that use the parish facilities multiple times per year for meetings or events (e.g., Knights of Columbus, Catholic Daughters, etc.)? *(If no, skip to next question)*

Yes No N/A Comments:

a. Is there a current "Facility Usage Indemnity Agreement" with proof of insurance for these organizations on file?

Yes No N/A Comments:

b. When third parties wish to use the parish facilities and cannot provide proof of insurance as outlined in the "Facility Usage Indemnity Agreement," does the parish submit an application for third party special events insurance?

Yes No N/A Comments:

99. Did the parish enter into any contracts exceeding \$10,000 in the last fiscal year? *(If no, skip to next question)*

Yes No N/A Comments:

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a. Were these contracts reviewed by Catholic Mutual Group per Synod Appendix 37?

Yes No N/A Comments:

100. Do all contractors provide proof of insurance per Synod Appendix 37?

Yes No N/A Comments:

101. If capital improvements were made to the parish in the last fiscal year, was Catholic Mutual updated on these changes for insurance purposes?

Yes No N/A Comments:

102. Does the parish complete CMG's annually required self-inspections? Who is responsible for completing the self-inspections at your parish?

Yes No N/A Comments:

103. When was the last on-site inspection?

Yes No N/A Comments:

104. Did the parish review and respond to the items noted in their inspection report?

Yes No N/A Comments:

105. Does the trustee corporation own a cemetery (or multiple cemeteries)? If so, does the parish have sextons assigned?

Yes No N/A Comments:

106. Where are trustee property records kept? (*Click all that apply*)

Parish Chancery Unknown Comments:

107. Did the trustee corporation acquire or alienate any property in the last fiscal year? (*If no, skip to next question*)

Yes No N/A Comments:

a. If the parish acquired or alienated any property, was a resolution submitted for the Diocesan Bishop's approval?

Yes No N/A Comments:

b. Were updates to the Trustee/Parish lease agreement required?

Yes No N/A Comments:

108. Does the parish lock the doors to the church during the off hours?

Yes No N/A Comments:

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109. Does the parish keep a key log showing all individuals that have keys to the church property?

Yes No N/A Comments:

110. Who has the combination to the parish safe?

Comments:

111. When was the last time the combination to the parish safe was changed?

Comments:

112. Is the parish safe fire-proof?

Yes No N/A Comments:

113. How are computer files backed up?

Comments:

114. Who has access to ParishSoft ConnectNow Accounting for the parish and trustee instances?

Comments:

115. Does the parish own and operate a daycare?

Yes No N/A Comments:

116. List all organizations or individuals that currently rent parish property.

Comments:

117. Are all rent/lease agreements in writing?

Yes No N/A Comments:

SECTION V. POLICIES

118. Does the parish have an employee policy and procedures manual? If so, how often is the policy reviewed and updated?

Yes No N/A Comments:

119. Does the parish have a process manual outlining how specific processes are to be performed in their parish? If so, how often is the policy reviewed and updated?

Yes No Comments:

120. Does the parish have a written policy concerning emergency preparedness? If so, how often is the policy reviewed and updated?

Yes No Comments:

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121. Does the parish provide training to employees and key volunteers concerning emergency preparedness? If so, how often is the policy reviewed and updated?

Yes No Comments:

122. Does the parish have a written policy regarding the treatment of equipment and fixed assets? If so, how often is the policy reviewed and updated?

Yes No Comments:

123. If your parish operates a school, does your parish have a written policy regarding the handling of tuition assistance? If so, how often is the policy reviewed and updated?

Yes No N/A Comments:

SECTION V. TRUSTEE CORPORATION MANAGEMENT

124. Does the Finance Council review financial statements from the Trustee Corporation to advise the president of the corporation.

Yes No N/A Comments:

125. Does the Trustee Corporation pay the bills for which it receives invoices?

Yes No N/A Comments:

126. Is the president of the trustee corporation the only signor on corporate accounts?

Yes No Comments:

127. How many contributions (# of transactions) did the trustee corporation make to the trust beneficiary (the parish) in the past fiscal year?

Comments:

128. How many times did the pastor stabilize funds in the past fiscal year (i.e, the number of deposits received from the parish)?

Comments:

129. Does the trustee corporation receive oil lease or royalty income? *(If no, skip to next question)*

Yes No N/A Comments:

a. Are all oil checks deposited in the trustee's demand fund with the Parish Expansion Fund?

Yes No N/A Comments:

b. Are all oil lease and royalty agreements on file with the diocese?

Yes No N/A Comments:

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130. Did the trustee corporation receive any bequests or memorials in the last fiscal year? *(If no, skip to next question)*

Yes No N/A Comments:

a. Briefly describe any memorials or bequests received in the last fiscal year:

Comments:

b. How were the memorials/bequests accounted for in the accounting software?

Comments:

131. Did the trustee corporation receive any non-cash gifts in the last fiscal year? If so, briefly describe.

Yes No N/A Comments:

132. Is all stable patrimony (trust property) listed on the canonical inventory?

Yes No N/A Comments:

133. Did the trustee corporation enter into any contracts with service providers the past year (irrespective of whether or not a resolution was required)? If so, describe:

Yes No N/A Comments:

134. Additional Comments or Clarifications:

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Questionnaire Acknowledgement

Individual Responsible for Completing this Questionnaire.

By signing below, you are attesting that all information presented in this questionnaire is accurate to the best of your knowledge.

Name:

Position:

Signature: _____

Date: _____

Questionnaire Reviewed by:

Name:

Position: Parish Pastor/Parochial Administrator/Rector

Signature: _____

Date: _____

Name:

Position: Finance Council Chair

Signature: _____

Date: _____