



Business & Administration

[Owner: Office of Finance and Accounting]

1. Weekly Assessments

- 1.1. The weekly assessments for each parish are divided into two parts:
 - 1.1.1. The Cathedraticum
 - 1.1.2. Insurance Premiums
- 1.2. Weekly Assessments are due for 50 of the 52 weeks of the fiscal year. The exceptions are Easter Week and Christmas Week.

2. The Christmas & Easter Collections

- 2.1. Any and all collections taken up at Christmas Masses are dedicated to the Catholic Charities of the Diocese of Houma-Thibodaux up to the amount of the assigned quota. Similarly, any and all collections taken up at the Easter Masses are dedicated to the Diocesan Discipleship Formation Programs (for priests/seminarians, deacons, and/or laity, at the discretion of the Diocesan Bishop) up to the amount of the assigned quota. The quotas are calculated by the Diocesan Office of Finance with the approval of the Bishop based on a percentage of the average Sunday collection of each parish.

3. Considerations Regarding Parish Celebrations

- 3.1. Parishes are authorized to fund from parish funds the festivities in connection with the reasonable celebration of a priest's 25th, 40th, 50th or 60th anniversaries of ordination, including a liturgical celebration, a public parish reception, and a meal for invited guests.
- 3.2. Parishes are authorized to fund from parish funds the festivities honoring a priest when departing from the parish.
- 3.3. Parishes are authorized to fund from parish funds the festivities in connection with the ordination of a parishioner to the diaconate or priesthood or the entrance of a parishioner into a public and perpetual state of celibacy for the kingdom (e.g. solemn profession of vows in a religious institute or consecration to a life of virginity for a woman living in the world), including a liturgical celebration and a public parish reception.

- 3.4. Payment shall not be required for the use of the designated church and its parish hall at which is hosted an ordination, a religious profession, or a consecration. These events are most commonly hosted at the Cathedral of St. Francis de Sales or the Co-Cathedral of St. Joseph.

4. *Procedures for Parish Accounts Payable*

- 4.1. With the exception of the proper use of the *petty cash* account, parish expenses shall not be made in cash.
- 4.2. It is highly recommended that the parish designate a regular and consistent day and time weekly for writing checks.
- 4.3. As invoices are received by mail or otherwise, it is recommended that they be placed immediately into an Accounts Payable folder in the parish file, in which folder should also be kept the weekly assessment schedule and any other regular weekly or monthly scheduled payments (such as maintenance agreements, etc.)
- 4.4. On the designated day and time after the pastor has approved all invoices, whether there are sufficient funds in the parish checking account to make these payments or not (see #5 below), the following checks MUST be written:
- 4.4.1. The Weekly Assessment Check to the Diocese (except Easter & Christmas).
- 4.4.2. Payments for any Diocesan or National special collections which were taken up the previous weekend (such as Holy Father, Mission Sunday, etc.).
- 4.4.3. The salaries and business reimbursement for religious should be paid on the agreed day of the month.
- 4.4.4. All invoices within the Accounts Payable Folder which are due within the next two weeks.
- 4.4.5. If there is any balance remaining in the checking account after all the above bills have been paid, a final check should be written to the diocese to place all but one month's worth of expenditures on deposit with the diocese or as a payment on the parish debt. No more than a month's worth of expenses should be kept.

5. *Petty Cash Procedures*

- 5.1. A petty cash account can be established to pay for incidental or minor expenses when writing a check would be inconvenient.
- 5.2. Petty Cash expenditures should not be used to avoid accounting for expenses nor should it be used to pay individuals for services.
- 5.3. The Office of Finance and Accounting recommends that a maximum of \$250.00 be placed in a petty cash fund. The establishment of the petty cash fund should be approved by the pastor, the principal, or the director. The custodian of the petty cash fund should be identified and is usually the bookkeeper or secretary. The custodian is responsible for

safeguarding the funds and maintaining receipts to support all transactions and maintaining the proper cash balance on hand. All cash and receipts of the fund should be secured and safeguarded in a metal lockbox and placed in a locked desk, locked cabinet or locked safe.

- 5.4. Petty cash expenses should be under \$40. (A check should be written for reimbursements over \$40).
- 5.5. To establish the petty cash fund, the first check should be made payable to the custodian of the petty cash fund and coded to general ledger #1010 - Petty Cash Fund . The custodian cashes the check in the denominations and coins required.
- 5.6. The custodian gives an employee or volunteer cash to purchase items and then puts a slip of paper (voucher) with the person's name, the date and the dollar amount into the metal lockbox. When the items have been purchased, the employee or the volunteer brings back the receipt and any change and signs the receipt.
- 5.7. The petty cash fund, the vouchers and the receipts should always total the original amount of the petty cash fund.
- 5.8. When the petty cash fund becomes low, the custodian needs to request a check to replenish the fund. The custodian sorts the receipts, codes them with the correct general ledger expense number and adds the receipts up for a total. Then the custodian counts the money. The total of the receipts plus the money in the petty cash should equal the original amount placed into the petty cash.
- 5.9. A check for the total of the receipts is made payable to the custodian who cashes the check and places the cash back into the petty cash lockbox. The reimbursement check is coded to the various general ledger accounts according to the items purchased (for example, 4265- Office Supplies Expense).

6. *Distribution or Mailing of Checks*

- 6.1. All checks should be mailed or distributed in a timely manner, unless there are insufficient funds in the parish checking account to cover them. In that event, see below.
 - 6.1.1. If the parish checking account does not have sufficient funds to cover the checks written, a Central Finance Request to Transfer Funds Form should be immediately completed, requesting a withdrawal of parish funds or a loan to the parish in the amount needed, and faxed/mailed to the Office of Finance that day. Any checks not already covered by checking account balance should not be mailed or distributed until the funds are transferred from the Office of Finance and are deposited into the parish checking account.

7. *Credit Card Policy*

- 7.1. The number of cards issued, the card activity, and the credit limits should be kept to a minimum and the credit card policies enumerated herein must be followed.
 - 7.1.1. Cardholder privileges will be terminated for not following the credit card policy.
- 7.2. Use of credit cards should in no way affect established purchasing policies, but rather provide an alternative method of payment.

- 7.3. The card may be used for parish expenses only.
- 7.4. Use of the card for cash advances, traveler's checks and electronic cash transfers are prohibited.
- 7.5. All purchases will be within current budgetary limits or have the express approval of the pastor.
- 7.6. The person issued the card is responsible for its protection and custody, and shall immediately notify the credit card company and organization if it is lost or stolen.
- 7.7. Employees shall provide itemized receipts to support charges in a timely fashion, no later than 5 days before the bill is to be paid. Receipts must show the date, purpose, and name(s) for which the expense was incurred.
- 7.8. Any person using a credit card for purchases that cannot be substantiated as a necessary purchase for official business will be subject to disciplinary action, including but not limited to charges that are not deemed valid organization expenses being deemed personal expenses which will be repaid through payroll deduction.
- 7.9. The credit card statements should be reviewed by the Pastor/Principal/ Director or other designated appropriate person.
- 7.10. Any person issued the card must immediately surrender the card to the organization when employment has ended or upon his/her supervisor's request.
- 7.11. Violations of this policy will result in loss of use of the credit card and possible disciplinary action and/or dismissal.

8. *Financial Accounting, Budgeting, and Reporting*

- 8.1. The pastor is responsible for ensuring that records of the contributions of individual parishioners are carefully kept, using the computer program provided by the Office of Computer Operations.¹ Pastors are responsible for the following:
 - 8.1.1. Issue a copy of the statements of contributions to contributors at the end of each year.
 - 8.1.2. Issue a copy of the individual donation to any contributor who made a single contribution amounting to \$250 or more (IRS regulation).
 - 8.1.3. Pastors are encouraged to ensure the issuance of such a record to all contributors with a note of gratitude at the end of each calendar year (or at the end of each quarter when feasible).
- 8.2. The pastor is responsible for ensuring that the financial accounting is efficiently executed via the appropriate computer program in accordance with the guidelines promulgated via the Office of Finance. If the parish has a school, it is also the responsibility of the pastor to ensure efficient and licit accounting practices at the school.

¹ currently the "Offering" module within *ParishSOFT*

- 8.3. Monthly financial reports from parishes and schools are due to the Office of Finance by the 15th of the following month. Therefore it is incumbent upon the pastor, in consultation with his Finance Council, to schedule timely accounting procedures to be executed by the parish bookkeeper or equivalent team member.
- 8.4. The pastor should diligently examine the monthly financial report and, in consultation with his Finance Council, interpret its meaning for the parish.
- 8.5. It is the responsibility of the pastor to ensure that an operational budget is prepared before the onset of each fiscal year and that this budget is properly monitored.
 - 8.5.1. NB The budget is monitored by means of the monthly budget report.
 - 8.5.2. NB In preparing the annual budget, only those expenses should be budgeted which are within the means of the parish..

9. Casualty/Property Insurance Guidelines

- 6.1. All diocesan, parish, and school property, buildings, and vehicles will be insured through current insurer chosen by the Diocesan Finance Council under the direction of the Office of Property Insurance and the Office of Finance and Accounting.
- 6.2. The cost of insurance coverage (including administration cost) will be billed out to each location accordingly.
- 6.3. All locations will adhere to the guidelines of the Office of Property Insurance in regards to additions/deletions of property or vehicles; facility usage/rentals; risk management; reporting of claims; etc. recommended by the current insurer

10. Employee Insurance and Remuneration

- 10.1. Each employee who works a minimum of 30 hours per week must be offered hospitalization coverage and be enrolled in the lay retirement plan of the diocese.
- 10.2. Additionally, it is extremely important that compensation to part-time employees be made through payroll so that proper tax procedures can be followed.
- 10.3. Payments to vendors are paid through accounts payable with checks from the checking account. Payments to employees are made through the payroll system.