

Parish Internal Control Self Check List

The purpose of this checklist is to provide a guide to parishes that want to review their internal control procedures over the handling of cash and payroll. This is not an all-inclusive list and does not insure that the parish has all the necessary safe guards to protect its resources. It does provide a means to improve the parish's control over its cash receipts and disbursements.

Inventory of the Parish Business Practices

General Policies

- Do you have a parish finance committee? If so, how often do they review financial information?
- Are your excess funds periodically invested with the Diocese?
- Is a budget prepared annually? If so, is the budget compared with the actual financial performance on a quarterly basis?
- Are purchases over \$1,000.00 approved by the pastor?

Cash Receipts

- Do you have an established collection count committee with formal procedures?
 - 1 Are checks restrictively endorsed "for deposit only" by the collection counters when received?
 - 2 How many people count collections and how soon after Mass?
 - 3 When is the collection deposited into the bank?
 - 4 What documentation occurs during a count, i.e. deposit slips, tracking parishioner contributions? Briefly describe the documentation process.
- What are the cash collection procedures for special events?
- Who handles the cashier function and who handles the general ledger and subsidiary ledger functions?
- Is the cashing of checks out of cash receipts prohibited?
- Are parishioners sent annual statements of their contributions? If so, is this done by a person other than s counter or the person who records the parishioners' contributions?

- Are parishioners sent annual statements totaled (tied out) to all annual deposits?
- Briefly explain how bequests and other contributions are handled?
- List all bank accounts and their purpose?
- Do you prepare an annual cash forecast?

Cash Disbursements

- Check preparation
 - 1 Are prenumbered checks used, and all the checks accounted for?
 - 2 Are checks recorded in a check register as prepared?
 - 3 Are voided or spoiled checks properly canceled (marked "VOID") and retained?
 - 4 Are checks made payable to specified payees and never to cash or bearer?
 - 5 Are the invoices filed and maintained in support of the payments?
 - 6 Are invoices properly stamped or cancelled at the time of payment to prevent duplicate payments?
 - 7 Are blank checks controlled, locked away when not used?
 - 8 Do checks over a specific dollar amount require dual signatures?
- Who is an authorized check signer for each account? The signer should not be the check preparer.
- Who reviews the checks and who signs them?
- Who mails the checks?
- Are bank accounts reconciled monthly? If so, by who?
- Does the pastor review the completed bank reconciliations?
- What is your accounts payable balance as of the most recent month end? Or what is the amount of your unpaid bills at month end?
- Are checks cancelled if they are outstanding for a specified time period?

- Are checks ever held, do you pre or post date checks?

Payroll

- Are payroll tax returns and W-2's filed on a current and regular basis?
- Are personnel files maintained?
- Are the personnel files in a locked filing cabinet?
- Who prepares the payroll and who signs the checks?
- Are payroll checks drawn on a separate account?
- Do checks contain a detail of gross pay and deductions?
- Who distributes the payroll checks?
- Are any employees ever paid in cash for services rendered?