

OUR LADY OF LOURDES CATHOLIC CHURCH
PARISH FINANCIAL POLICIES AND PROCEDURES
FOR PARISH EMPLOYEES, MINISTRY LEADERS, AND VOLUNTEERS

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General

Our Lady of Lourdes Parish gratefully acknowledges the gracious contribution of your time and talent in support of your parish. As with any organization, we have certain rules and regulations that allow us to adequately safeguard parishioner's assets and insure proper internal controls over cash receipts and disbursements. In the following pages of this Finance section of your Parish Handbook, we provide an overview of financial policies and procedures.

The parish operates on a financial fiscal year beginning on January 1st and ending on December 31st. Budgets are prepared by the Office Manager, approved for recommendation to the Pastor by the Parish Finance Council and approved by the Pastor for each fiscal year prior to March 31st. The forms included at the end of this section are parish tools created to support the requirements of federal and state authorities, and of the Diocese of Birmingham in Alabama.

Financial Policies

Any financial commitment on behalf of the parish should be pre-approved in writing by the Office Manager, Pastor, or a member of the Finance Council. This includes purchase orders, invoices, contracts, and any other fiduciary commitment.

Additionally, all fundraising events or projects should be submitted in writing for approval by the Pastor and Finance Council.

Any potential exception to this policy should be obtained from the Financial Council in advance.

Solicitation of Donations/Fundraising

Any individual or group using the name of Our Lady of Lourdes Catholic Church to raise funds for any cause should obtain approval from the Finance Council before any fundraising commences.

Before soliciting local merchants and businesses for donations, each individual or group should contact the bookkeeper to obtain a letter of identification that states that you represent Our Lady of Lourdes Catholic Church and outlines the purpose of the request.

Documentation of any goods or funds received must be turned in to the attention of the bookkeeper or as outlined below under *Revenues*. Official acknowledgement of any donations received will be handled by the parish bookkeeper. (Your personal note of thanks to a donor is always appropriate; however, you should not include a dollar value for any non-cash contribution.)

Revenues

All cash and/or check receipts received must be submitted to the bookkeeper for deposit within 3 business days of their receipt.

Expenditures

All credit cards for official Church use must be kept in a locked cabinet in the Bookkeeper's office and signed in and out as needed. Receipts for purchases made must be turned in to the Bookkeeper and stapled to the back of a pre-approved purchase order when the credit card is returned.

No purchase order or approval is required for gas card purchases made for the maintenance truck, lawn mowers, or the Pastor's vehicle. However, receipts for these purchases must be marked with the purpose of the purchase and promptly turned in to the Bookkeeper.

Any charitable gas card purchases must be pre-approved according to the parish's Charity Policies.

As stated above, all necessary expenditures must be pre-approved by the appropriate person or the Finance Council.

The Office Manager can approve purchases \$100.00 to \$500.99. Purchases totaling \$501.00 to \$999.99 require the approval of the Pastor. Any purchase larger than \$999.99 must be approved by the Finance Council.

Where applicable, these documents are required for approval:

1. For payment directly to third party vendors: Purchase Order/Check Request Form (Appendix) with appropriate parish staff authorization signature and original invoice.
2. For reimbursement for out-of-pocket, pre-approved expenses: Petty Cash Reimbursement or Check Request (Appendix D), with receipts (original whenever possible) providing proof of payment attached. Petty Cash requests must be \$50 or less.
3. Travel Advances for business trips must be pre-approved by the Pastor, and all receipts and expense reports submitted within five days of trip completion. Daily expense funds will be allotted in accordance with regional norms (currently \$60.00 per day for meals and incidentals). For partial days, \$20 will be provided for breakfast or \$40 for breakfast and lunch.
4. Mileage is reimbursed according to the Federal Internal Revenue Services guidelines as per diocesan practice.

Emergency purchases (such as essential equipment failures and/or repairs) without pre-approval or purchase order are exceptions and may be submitted after the expense is incurred.

Employees and volunteers are expected to identify necessary expenditures as they arise and use the Purchase Order Form (Appendix) to obtain approval from the appropriate person.

Complete the Purchase Order/Request Form (Appendix) with a vendor/business name, mailing address, city, state, zip code, and business telephone number. Identify the item, cost (or estimate), use or purpose of the item, and the ministry or committee to which the purchase applies. At the bottom of the form, you must sign and date the “requested by...” and have the appropriate person sign and date the “approved by....”

Completed Purchase Order Forms should be submitted to the Office Manager or if unavailable, to the Bookkeeper so that items can be ordered. Once the order is placed, the Office Manager will submit the form to the Bookkeeper for record keeping.

It is preferred procedure that Our Lady of Lourdes Catholic Church provides direct payment to vendors for approved expenditures, rather than reimbursing purchases made by employees or volunteers.

All merchandise ordered should be shipped directly to the church office at 980 Huffman Rd., Birmingham, AL 35215.

When vendors include their invoices with shipments or deliveries, the requestor must turn in the invoice to the Bookkeeper as soon as possible.

Policy for All Ministry Expenditures

The following policy was approved by the Finance Council and communicated in a memo March 6, 2018 to the Parish Administrator, Rev. Alex Steinmiller, C.P.. It applies to all employees and ministry leaders and remains in effect until further notice:

“In an effort to reduce expenses and to be sensitive to the challenging economic environment of our parishioners and our community at large, Our Lady of Lourdes Catholic Church has adopted an attitude of “conscious frugality” in our everyday operations. The Council asks the ministry leaders of this parish to also adopt this attitude. We can all participate and contribute, as we

renew our commitment to serve as good stewards of the sacrificial gifts of our parishioners. Whether in the use of office supplies or in the commitment of parish funds in the ministries you lead, we encourage you to stretch the sacrificial giving of our parishioners during these difficult economic times.

In that regard, we are asking that meetings of your ministries not be accompanied by refreshments or nonessential expenses for which you are requesting reimbursement. Exceptions to this policy should be very rare and must be presented to the Finance Council for advance approval. Expenditures presented without the necessary prior approval will not be paid.

We are confident that together we can be sensitive to our parishioners and simultaneously be good stewards of the funds entrusted to us. Should you have any questions about this policy change, please contact the Finance Council through the Church Office. Thank you in advance for your cooperation in this very important endeavor and God bless the work of Our Lady of Lourdes ministry.”

Appendix A: Forms

1. Purchase Order
2. Check Request
3. Expense Report
4. Petty Cash Expense Report

PURCHASE ORDER

Our Lady of Lourdes
980 Huffman Road
Birmingham, Alabama 35215
205-836-2274 Fax 205-836-5436

P.O. Number:

Date:

Vendor:

Acct. #	Acct. Name	Quantity	Description	Unit Cost	Total Cost

Requested by: _____

Approved by: _____

CHECK REQUEST

Payee: _____

Date: _____

Address: _____

Inv. # _____

Inv. Date: _____

	<u>Description of Product or Services</u>	<u>Acct#/ Dept. #</u>	<u>Amount</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
			Total _____

Invoice Due Date: _____ Deliver/Mail to: _____

Requested by: _____ Date: _____

Approvals:

Accounting: _____

Date: _____

Pastor/Administrator: _____

Date: _____

EXPENSE REPORT

Policy: Reimbursements for expenditures are to be approved by pastor, principal, or immediate supervisor.

Employee: _____
 Department: _____
 Date: _____

Date	Description	Transp.	Lodging	Meals	Other	Total	Account
Totals							

Amount Advanced: _____
 Amount Charged: _____
 Amount Returned: _____
 Other: _____

Attach Receipts
 Obtain Approval
 Turn Completed Report into Accounts Payable

Employee Signature: _____

Approved By: _____

PETTY CASH EXPENSE REPORT

Policy: Reimbursements for expenditures are to be approved by pastor, principal, or immediate supervisor.

Employee: _____
 Department: _____
 Date: _____

Date	Description	Transp.	Lodging	Meals	Other	Total	Account
Totals							

Amount Advanced: _____
 Amount Charged: _____
 Amount Returned: _____
 Other: _____

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Obtain Approval
 Turn Completed Report into Accounts Payable

Employee Signature: _____

Approved By: _____

Appendix B: Collection Counting Procedures

Definitions:

If the check is in a donation envelope, then it is considered “Donation Envelope Check” (follow the procedure for Donation Envelope Checks)

If the check is in an envelope (not a donation envelope) AND it includes the donor’s name and address written on the envelope, then it may be considered a “Donation Envelope Check” and processed as a donation envelope.

If there is cash in a donation envelope, then it is considered “Donation Envelope Cash” (follow the procedure for “Donation Envelope Cash”)

If the check is not in a donation envelope, then it is considered to be a “Loose Check” (follow the procedure for “Loose Checks”)

If there is cash not in a donation envelope, then it is considered to be “Loose Cash” (follow the procedure for “Loose Cash”)

I. Retrieve items from the “Brown Box”

- 1) Remove items from envelopes in the brown box in Robin’s office and process according to the applicable procedure.

II. Loose Check Procedure

- 1) Gather all loose checks making sure to notice any special instructions in the memo line of the check. (*e.g. Votives, Memorial, Flowers, etc.*)
- 2) Copy loose checks **no more than 3 to a page** making sure the donor’s name, check amount, and check number are visible on the copy.
- 3) Run two total tapes on the loose checks (NOT THE CHECK COPIES)
- 4) Run one total tape on check copies – verify that the check copy total and loose check total are the same. Staple together loose check copies with the total tape in the upper left corner.
- 5) Write “loose checks” on each of the total tapes.
- 6) Write the total of the loose checks in the appropriate blank under “Loose Checks” on the Balance Sheet.

III. Loose Cash Procedure

- 1) Straighten and sort Loose Cash by denomination.
- 2) Count each denomination and write the total in the appropriate blank on the Balance Sheet.
- 3) Run two total tapes on the Loose Cash and write the total amount in the appropriate blank under "Loose Cash" on the Balance Sheet.

IV. Donation Envelope Cash

- 1) Remove cash from the donation envelope **one at a time** and count bills.
- 2) Write the amount enclosed in the envelope on the Upper Right Corner of the donation envelope **making sure it is legible.**
- 3) Write "Cash" on the front of the envelope to the Left of the "Amount Enclosed" box

****Note – always try to document amount enclosed and cash notation in the same place on each envelope.***

- 4) Place cash in appropriate stack according to denomination.
- 5) Count each denomination and write the total in the appropriate blank on the Balance Sheet.
- 6) Total the Donation Envelope Cash on the Balance Sheet and write it down in the appropriate blank under "Donation Envelope Cash."
- 7) Run two total tapes on the Donation (cash) Envelopes and write envelope cash total in the appropriate blank on the Balance Sheet.

The Totals of the Cash and Cash Donation Envelopes on the Balance Sheet should be the same.

V. Donation Envelope Checks

- 1) Remove check from Donation Envelope.

2) *Check the memo line of the check for any special instructions (e.g. Votives, Memorial, Flowers, etc.)*

******If the memo line includes special instructions, remove the check and donation envelope and process according to the donor's intent.***

- a. Verify written amount and numerical amount of the check match.
 - b. Verify the check is made out to Our Lady of Lourdes Catholic Church, Our Lady of Lourdes, or OLL.
 - c. Verify the check has a valid date (not dated for a future date or older than 6 months)
 - d. Verify check is properly signed.
- 3) Write the amount of the check enclosed in the upper right corner of the Donation Envelope (*paying attention to the number and written amounts on the check*) If the amount on the check is difficult to read, then write the amount clearly in the upper right corner just below the check number and circle it.
- 4) Write the check number on the Donation Envelope to the Left of the "Amount Enclosed: box on the Donation Envelope

*****Note ** Document amount enclosed and check number in the same place on each envelope. *****

- 5) Run two tapes on the checks. Secure with a clip or rubber band.
- 6) Write the total of the Donation Envelope Checks in the appropriate blank under "Donation Envelope Checks" on the Balance Sheet
- 7) Run two tapes on the Donation Envelopes. Secure with a clip or rubber band.
- 8) Write the amount of the Donation Envelopes in the appropriate blank under "Donation Envelopes" on the Balance Sheet.

The totals of the Donation Envelope Checks and Donation Envelopes on the Balance Sheet should be the same.

VI. Special Funds Procedure

- 1) Special funds are items such as Votives, Memorials, Flowers, Charity, etc.
- 2) Any checks or cash marked for special funds should be processed as “Loose Checks” or Loose Cash and *kept separate* from the regular collection items.
- 3) Enter any Special Funds in the appropriate space on the Balance Sheet.

VII. Second Special Collections

- 1) Second special collections are counted in the same manner as the regular collection **BUT ARE KEPT SEPARATE FROM THE REGULAR COLLECTION USING A SEPARATE BALANCE SHEET.**

VIII. DATE AND SIGN BALANCE SHEET

- 1) Stack and bind together:
 - a. Copies of loose checks
 - b. Balance sheet
 - c. All envelopes

VI. Preparing Collection for Deposit

*****STAMP THE BACK OF EACH CHECK WITH “FOR DEPOSIT TO OUR LADY OF LOURDES” STAMP. *****

Complete **ONE** copy of a **deposit slip**.

Date

Total cash amount included in deposit (include all cash: loose cash, envelope cash, special funds cash, etc.)

List each check bundle separately on the left side of the deposit slip with the total on the right side of the deposit slip in the space provided:

Loose Checks

Envelope Checks

Special Funds:

Votives

Memorials

Flowers

Charity

Total all items listed on the right side of the deposit slip and write the total amount of the deposit in the spaces provided at the bottom of the deposit slip. (There are two spaces.)

Verify the total deposit on the deposit slip and the total deposit on the balance sheet are the same amount.

Fill out a bank deposit envelope:

Write Our Lady of Lourdes, the account number and the phone number (205-836-2274) in the blanks provided.

List cash, check, and total amounts on the front of the envelope in the space provided.

All counters must initial at the bottom of the deposit slip before making a copy of the deposit slip.

Make a copy of the deposit slip.

Separate the two tapes on each bundle of checks and cash and staple one copy of each list to the back of the deposit slip copy.

Place the original deposit slip with each bundle of checks and cash (with one tape attached to each bundle) in the deposit envelope and seal.

Cash may be bundled and strapped by denomination if desired **only** as follows:

Ones may be bundled and strapped in \$50 or \$100 straps.

Fives may be bundled and strapped in \$250 or \$500 straps.

Tens, Twenties, Fifties, and Hundreds may be bundled and strapped in \$500 or \$1,000 straps.

****NEVER mix denominations in any strapped bundle. ****