

Roman Catholic Diocese of Boise Parish/School Internal Control Questionnaire

Date: _____

Parish: _____

It is essential that parishes and schools establish sound internal controls in order to catch accounting errors, safeguard assets and prevent fraud. This is especially necessary in a Parish setting where it is more difficult to segregate accounting functions due to limited staff.

The purpose of this questionnaire is not to find fault or place blame; it is intended to identify areas where internal controls can be improved or strengthened as part of our stewardship process.

As an initial step in our internal audit process, we ask that your Parish/School complete, sign and return this questionnaire.

If space is insufficient to respond to a question, please provide the answer on a separate sheet of paper and cross reference it to that particular question number using the appendix sheet provided on the last page of this package.

Pastor or
Administrator

Name

Signature

Secretary/
Bookkeeper

Name

Signature

Finance Council
Chairperson

Name

Signature

Administration - general

A1 Who receives and opens the mail? _____

A2 Who controls the keys to Parish properties? _____

Is a record kept of all keys in use? _____ **Y** **N**

Are all extra keys kept in a locked cabinet? _____ **Y** **N**

A3 Is access to computer programs limited to authorized individuals with passwords? _____ **Y** **N**

If so, are details of passwords kept in a secure location by the Pastor or Administrator? _____ **Y** **N**

A4 Are proper procedures in place to back up all data files at least weekly with backup maintained off-premises? _____ **Y** **N**

A5 Are keys/combinations to the safe or locked cabinets limited to the Pastor or his delegated agent? _____ **Y** **N**

Who has access to the keys/combinations? _____

A6 Who is responsible for maintaining the Parish data base? _____
 Which database system is being used? _____

A7 When was the last Parish census conducted? _____

A8 What is your current number of active parishioners? _____

A9 Is the Parish following Diocese of Boise guidelines with regard to retention of records, as follows?

Permanent retention-

| | | |
|---|---|---|
| Committee by-laws/terms of reference | Y | N |
| Pastoral Council & Finance Committee minutes | Y | N |
| Personnel information | Y | N |
| Year-end Financial Statements | Y | N |
| Invoices and Paid Bills on Major Construction | Y | N |
| Insurance policies | Y | N |
| Annual General Ledger | Y | N |

Seven year retention-

| | | |
|---|---|---|
| Annual payroll records (Seven Years After Termination) | Y | N |
| Records of Employment (ROE's) (Seven Years After Termination) | Y | N |
| W2's and W2 Summaries - Not needed kept at Diocese | Y | N |
| Bank reconciliations | Y | N |
| Bank statements/cancelled checks | Y | N |
| Invoices & Check Stubs | Y | N |
| Deposit book/slips - moved to two year retention | Y | N |
| Approved Budgets | Y | N |
| Leases - (Seven Years After Lease Ends) | Y | N |

Three year retention-

| | | |
|---|---|---|
| Duplicate copies of official tax receipts | Y | N |
| Offertory Count Summary Sheets | Y | N |

Two year retention

| | | |
|---------------------|---|---|
| Deposit Books/Slips | Y | N |
|---------------------|---|---|

Nine months after calendar year end retention

| | | |
|---|---|---|
| Parish envelope records & contributor envelopes | Y | N |
|---|---|---|

A10 Is your Parish responsible for a mission or missions? Y N
 If so, which one(s)?

A11 If you have mission responsibilities, who is responsible for overseeing their financial records?

NOTE: If the missions are operated autonomously, then they should fill out this questionnaire as well.

- | | | |
|--|---|---|
| Are these financial results incorporated into the financial statements of the Parish? | Y | N |
| A12 Are all field trips involving minors authorized, in advance, by the Pastor/Administrator? Are procedures being followed per Diocesan guidelines for drivers and chaparones | Y | N |
| A13 If minors are being taken off-site, are parents asked to sign permission slips? | Y | N |
| A14 Have all Parish employees and volunteers been provided a copy of the Diocesan Safe Environment materials and taken the training class? | Y | N |
| A15 Do you have a signed statement on file indicating that they have read and understood the Safe Environment materials? | Y | N |
| A16 Do you have a copy of the current Parish Administration Manual? | Y | N |
| A17 Is the Parish Administration Manual readily accessible by the Pastor/Administrator, secretary, bookkeeper and Parish Finance Committee members? | Y | N |

Administration - accounting

- AC1** Is your accounting system computerized? Y N
 If so, what software program are you using? _____
- AC2** If you use QuickBooks accounting software:
 - Is the audit trail feature turned on so that changes to the data can be tracked and identified? Y N
 - Is the verify data feature turned on so that the integrity of the data is checked periodically? Y N
- AC3** Does the Parish have a back-up system in place? Y N
 If so, describe briefly the process: _____

- AC4** Is the Parish using the standard Chart of Accounts listing approved by the Diocese located in the Parish Administration Manual? Y N
- AC5** Who maintains the general ledger? _____
- AC6** Who prepares the financial statements? _____
- AC7** Are financial statements prepared on a monthly basis? Y N
 If not, how often are financial statements/reports prepared? _____
- AC8** Does the Parish have a formal budget process? Y N
 If so, who is responsible for the budget process? _____

- If so, are actual revenue and expenditures periodically compared against budgeted amounts? Y N

Administration - Facilities management

- AF1** Does the Parish have a maintenance or property committee? Y N
- AF2** Who appoints this committee? _____
- AF3** What are the terms of office? _____
- AF4** Who do they report to? _____
- AF5** Does this committee prepare an annual report on regular maintenance that is required? Y N
 If so, who does this report go to? _____
- AF6** Does this committee submit an annual budget for approval? Y N
 If so, who authorizes this expenditure? _____
- AF7** Are there procedures in place for snow/ice removal from the church entrance or pathways? Y N
 Explain: _____

- AF8** Is a log kept of dates and times of salting, sanding and plowing of Parish properties? Y N
- AF9** Are all Parish properties listed on our insurance schedule? Y N

| | | | |
|---|--|---|---|
| AF10 Have replacement cost values been reviewed for adequacy? | | Y | N |
| AF11 Have high-value items such as stained glass, statuary, organ, etc. been properly recorded and valued at replacement cost? | | Y | N |
| If the replacement cost of the item exceeds \$50,000, is it separately listed on our insurance schedule? | | Y | N |
| AF12 Have Parish building contents been video-taped or a detailed listing made? | | Y | N |
| If so, when was this last done? _____ | | | |
| Has a copy been stored off-premises? | | Y | N |
| AF13 Is an annual inventory taken of Furniture, Fixtures, and Equipment relating to: | | | |
| The church? | | Y | N |
| The rectory? | | Y | N |
| The hall? | | Y | N |
| The office? | | Y | N |
| If so, who is responsible for this? _____ | | | |
| Is a Fixed Asset register maintained? | | Y | N |
| AF14 Does the Parish maintain a record of assets that belong to the Pastor or Administrator? | | Y | N |
| AF15 Have all major construction/renovation projects been carried out in accordance with Diocesan guidelines? | | Y | N |
| If not, please explain: _____ | | | |
| _____ | | | |
| _____ | | | |
| AF16 Are you aware of the procedure to follow in the event of a property loss or in the event a claim for damages is received from a third party? | | Y | N |
| AF17 Is there a signed lease or rental agreement covering rental of Parish land and/or building space for including both one day rentals and long term leases? | | Y | N |
| AF18 Does the Parish have a written rental agreement covering rental of Parish facilities to individuals that are not parishioners or groups that are not directly affiliated with the Parish? | | Y | N |
| AF19 Does the Parish require Special Events Insurance for all groups using Parish facilities for a non-parish sponsored events? | | Y | N |
| AF20 Is Alcohol allowed at Parish sponsored and non-parish sponsored events? | | Y | N |
| If alcohol is allowed, are procedures in place to not allow excessive consumption? | | Y | N |

Administration - Governance

Parish Finance Council:

- AG1** How many members are on the Parish Finance Council? _____
- AG2** What are the terms of office? _____
- AG3** Are rules in place to ensure that members do not serve for any more than two consecutive terms? Y N
- AG4** How often do they meet? _____
- AG5** When are elections held? _____
- AG6** Are minutes of Parish Finance Council meetings prepared and maintained at the Parish? Y N
- AG7** Please provide the name, address and telephone # of the Chairperson:
- _____
- _____
- AG8** Does someone on the finance council sit on the parish council and vice versa? Y N
- AG17** Does the Parish provide an annual financial report to parishioners? Y N
- AG18** Please provide a copy of the most recent annual financial report provided to parishioners.

Banking, cash management and investments

B1 Which bank or banks are used for Parish banking? Y N

Are these accounts separately recorded in the Chart of Accounts, one G/L account for each physical bank account? Y N

B2 Is the Bishop an authorized signor on each and every account? Y N

B3 Who receives and opens the bank statements? _____

B4 Who reconciles the bank statements? _____
 Are bank reconciliations prepared on a monthly basis? Y N
 If not, how frequently: _____

Does anyone independently review the bank reconciliations on a regular basis Y N

B5 Are outstanding checks older than six months identified as "stale-dated" and followed up as to why they have not been cashed? Y N

Do you know the procedure to adjust for these in the accounting records? Y N

B6 Does the Parish have any monies invested in stocks, bonds, mutual funds, other than in the Diocesan Savings and Loan Fund? Y N
 If so, please provide details: _____

Are these amounts separately recorded in the Chart of Accounts? Y N

B7 Do any Parish Committees have their own bank account(s)? Y N
 If so, please provide details:

IF B7 above is yes, how do you assure that these funds are being handled properly and accounted for?

Cash Control

NOTE: Two or more people should be present at all times during any cash handling

- C1** How and by whom are the offerings taken from the church to the sacristy, business office or other place of safe keeping?

- C2** Where and how are the offerings kept/secured until counting takes place?
 Is the place secured by lock and key? Is a safe used?

- C3** Is any one individual ever alone with the offerings at any time? Y N
- C4** How, when and where are the offerings counted, and by whom? (please attach a separate sheet describing your count procedures in detail)
- C5** Are counters rotated on a periodic basis? Y N
- C6** Are all checks restrictively endorsed "For Deposit Only" to the Parish checking account? Y N
- C7** Are coins deposited immediately, rather than waiting until there is enough to roll? Y N
 If not where are they kept? _____
- C8** Are cash and checks received by the secretary or other parish staff directly?
 If so, are written numerically controlled receipts presented to the donor at the time of the receipt and a copy of that receipt forwarded to the accounting office along with the funds?
 Three part forms should be used so that the receptionist has a control copy of the form in addition to the donor and bookkeeper.
- C9** Is a count summary sheet prepared which sets out, in detail, the offerings for the particular day or service, separated between envelopes and loose cash, and then cross checked and signed by two members of the count team? Y N
- C10** Are checks (including paychecks) ever cashed from collection proceeds? Y N
 If so, please explain: _____

- C11** Are any disbursements ever made directly from collection proceeds? Y N
 If so, please explain: _____

- C12** Who prepares the deposit and ensures that the total per the deposit slip reconciles to the count summary sheet? _____
- C13** Is the deposit made on the same day that the cash is counted? Y N
 If not, is the money kept in a fireproof safe or locked desk or file cabinet? Y N
 Explain where funds are stored _____

| | | | |
|--|--|---|---|
| Are tamper-proof deposit bags used? | | Y | N |
| C14 To limit risk, does someone accompany the individual taking the deposit to the bank? | | Y | N |
| C15 Are the details of individual offertory gifts for tax receipting purposes prepared by someone other than the counters? If so, by whom? _____ | | Y | N |
| C16 Is the total of receiptable offertory gifts reconciled with the envelope amount shown on the count summary sheet? If so, by whom? _____ | | Y | N |
| C17 What system or computer program is used to record individual offertory gifts for tax receipt purposes? _____ Are these details entered weekly? _____ If not, how often? _____ | | Y | N |
| C18 Who receives and deposits other receipts? _____ Is a written record kept of these other receipts? _____ Are these receipts (cash and/or checks) deposited within a day or two of receipt? _____ If not, are they kept in a locked file cabinet or safe until deposited? _____ | | Y | N |
| C19 Are poor box, vigil candle or similar cash donations collected and counted by at least two unrelated individuals? | | Y | N |
| C20 Is a written record kept of all cash/checks received for Mass Stipends? Are these receipts deposited into the Parish operating account? If not, where are these receipts kept? Who is responsible for the records of Mass Stipends? _____ Is there a periodic reconciliation of the # of unsatisfied mass obligations to funds on hand? Are Mass Stipends paid to priests by check and not from cash on hand? If priests are taking the additional \$300 salary are Mass Stipends retained by the Parish? | | Y | N |
| C21 Explain how fees for facility rentals are accounted for: _____ _____ _____ _____ | | | |
| C22 Are special collections forwarded to the diocese on a regular basis? If so, how often? _____ | | Y | N |
| C23 Are any special collection receipts retained by the Parish? If so, please explain: _____ _____ _____ | | Y | N |
| C24 Is a petty cash fund maintained? If so, how much is the petty cash amount? \$ _____ Who is the custodian? _____ How often is the petty cash fund reconciled, and is it done independently of the person controlling the fund? _____ | | Y | N |
| C25 Are all petty cash disbursements documented and reviewed when replenishing the fund? | | Y | N |
| C26 Is the fund replenished only by check rather than from cash on hand? | | Y | N |

- C27** Does the custodian reconcile the fund on a monthly basis? Y N
 If not, how often is it reconciled? _____
- C28** Is a petty cash book kept to record the transactions? Y N
- C29** Is the fund kept in a locked file cabinet or safe? Y N
 If not, where is it kept? _____
- C30** Are loans to employees either in cash or by check strictly prohibited? Y N

Donations and the Annual Giving Statement to Parishioners

- D1** Who is responsible for issuing donation receipts? _____
- D2** How are donation receipts generated? _____

- D3** Is a duplicate copy of donation receipts issued kept at the Parish and held on file for at least two years? Y N
- D4** If a bequest or major donation is received during the year, are these acknowledged immediately and a donation receipt issued? Y N
- D5** Are you aware donation receipts cannot be issued for volunteer services or donated labor? Y N
- D6** Does the Pastor sign all donation receipts? Y N
 If not, who signs the donation receipts? _____
- D7** How does the Parish handle gifts "in kind"? _____

- D8** Does the Parish have a pre-authorized deduction system in place for offertory giving? Y N
 (i.e. direct debit to checking accounts or credit card)
 If so, how many parishioners use this means of giving? _____
- D9** Who prepares the annual giving statements for parishioners? _____

Personnel and payroll

- | | | | |
|------------|--|----------|----------|
| E1 | Does the Parish maintain a personnel file for each employee? | Y | N |
| | Does this file contain: | | |
| | Employment application, letter of employment or other documentation indicating salary and start date | Y | N |
| | Form I-9 | Y | N |
| | Job description (if applicable) | Y | N |
| | Annual evaluations, if performed | Y | N |
| | Written notices of changes in salary & benefits | Y | N |
| | Written notices of changes in job description | Y | N |
| | Vacation entitlement and time taken | Y | N |
| | Record of sick leave entitlement and time taken | Y | N |
| | Criminal record check (if applicable) | Y | N |
| | Record of Safe Environment Training dates | Y | N |
| | Form W-4 | Y | N |
| | | | |
| E2 | Are all employees working 20 hours or more per week registered with the diocese for purposes of Pension Plan? | Y | N |
| | If not, please explain: _____ | | |
| | _____ | | |
| | _____ | | |
| | | | |
| E3 | Does the Parish have written policies in place for such benefits as vacation, sick time, etc.? or has the parish adopted the Diocesan approved Parish Personnel Manual | Y | N |
| | | | |
| E5 | Who is responsible for hiring and setting salaries, etc? _____ | | |
| | _____ | | |
| | _____ | | |
| | | | |
| E6 | Are there adequate records to: | | |
| | Show computation of gross pay | Y | N |
| | Account for all deductions from gross pay | Y | N |
| | Support payroll source deductions and annual W2 totals | Y | N |
| | | | |
| E7 | Are any checks issued to individuals for services provided but with no employee deductions withheld? | Y | N |
| | If so, please explain: _____ | | |
| | _____ | | |
| | _____ | | |
| | | | |
| E8 | If individuals are treated as independent contract workers (viz. self-employed) do you have an independent Contractor Agreement in place for such services? | Y | N |
| | Have you received a Certificate of Liability Insurance naming the Parish and Diocese Additionally Insured for \$1,000,000 for all independent contractors? | Y | N |
| | | | |
| E9 | Is a 1099 issued for contract employees and clergy replacements earning over \$600 per calendar year? | Y | N |
| | If no, please explain: _____ | | |
| | _____ | | |
| | _____ | | |
| | | | |
| E11 | Are staff bonuses included in the payroll, with appropriate deductions taxes? | Y | N |

Purchasing and cash disbursements

F1 Are expenditures authorized before they are incurred? **Y N**
Briefly describe your process: _____

F2 Is there an invoice or documentary evidence to support every disbursement made? **Y N**
If not, please explain: _____

F3 Before being paid, are invoices reviewed/approved for: **Y N**
Receipt of goods and services? **Y N**
Mathematical accuracy? **Y N**
Proper pricing? **Y N**

F4 Where are blank checks stored and who has access to them? _____

F5 Who prepares the checks? _____

F6 Are checks prepared manually or via computer? _____

F7 Who signs the checks? _____

Please provide a list of all authorized signers on the account. You should limit the number of signers to the minimum necessary.

F8 Does the Pastor/Administrator sign all checks? **Y N**
If not, in what circumstances would he not be required to sign: _____

F9 Are checks ever signed using a signature stamp? **Y N**
If so, who controls the signature stamp, and is it kept under lock and key when not in use
USE OF SIGNATURE STAMPS IS TO BE DISCOURAGED

| | | | |
|------------|--|------------------|------------------|
| F10 | Are checks ever signed in 'blank' by one or more of the signatories? If so, please explain: _____ _____ _____ | Y | N |
| F11 | Are checks ever made payable to "cash"? If so, please explain: _____ _____ _____ | Y | N |
| F12 | Are any of the following persons authorized to sign checks: An employee (other than the Pastor/Administrator)? Secretary? Bookkeeper? Pastoral Associate or Assistant? | Y Y Y Y | N N N N |
| F13 | Are invoices/supporting documentation provided to the signatories at the time the checks are signed? Are the invoices etc. signed or initialed as approved for payment by one of the signatories? | Y Y | N N |
| F14 | Is prior approval of the Bishop/Diocese obtained before expenditures > than \$10,000 are incurred? | Y | N |
| F15 | Are invoices paid in a timely manner to ensure the Parish does not incur interest and/or late payment charges? | Y | N |
| F16 | After an invoice is paid, is the check #, account code and payment date indicated on the invoice? And is the invoice marked paid? | Y | N |
| F17 | How are the invoices filed for future reference? (eg. alphabetically, by date, by check #) Please explain: _____ _____ _____ | | |

For Parishes with cemeteries

G1 Are separate cemetery records maintained at the Parish? Y N
If so, who is responsible for maintaining these records? _____

G2 Does the cemetery maintain a separate bank account or accounts? Y N
If so, please provide bank, branch and account # if you are not on cash management:

G3 Is the Pastor/Administrator a required signatory on all cemetery accounts? Y N

G4 Are all donated funds and proceeds from sale of lots deposited intact in cemetery accounts? Y N

G5 Are you aware donor income tax receipts cannot be issued for proceeds from sale of lots? Y N

G6 Does the cemetery have any monies invested in stocks, bonds, mutual funds, etc.? Y N
If so, please provide details: _____

G7 Is periodic maintenance undertaken to ensure the cemetery property is safe for foot traffic? Y N

G8 Are all cemeteries within Parish boundaries (both active and inactive) listed on our insurance schedule? Y N

Diocese of Boise

Appendix _____

Parish Internal Control Questionnaire

Date: _____

Parish: _____

**Additional comments/explanations to support answers to questionnaire
(please indicated reference number of question):**