



CATHOLIC DIOCESE OF CLEVELAND

Financial Policy & Procedure Statement D-1

BANK ACCOUNT REQUIREMENTS



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Ideally, a parish or school should have only one checking account and one savings account. However, this is seldom possible because of the myriad of parish and school organizations. In fact, many parishes and schools have several checking and savings accounts. Both the parish and school should strive to have as few accounts as possible.

To assist in the accurate reporting of elementary school receipts and disbursements, some parishes have established separate bank accounts for the school. Through this method, the parishes can better track the financial results of school operations.

The following guidance applies to all bank accounts (including savings, money-market, and brokerage/investment accounts) of the parish and school. These accounts include endowment and building funds and those of parish-affiliated organizations such as the St. Vincent dePaul Society, Altar Society, Athletic Association, and P.T.U.

- All bank accounts must bear the parish's IRS Tax Identification Number. No individual, including the Pastor, can use this ID number for his/her personal accounts. Also, no individual should co-mingle his/her funds in parish, school or affiliated organization accounts. Further, the use of Automatic Teller Machine (ATM) cards is discouraged.
- THE PASTOR SHOULD BE ONE OF THE SIGNATORIES ON ALL PARISH AND PARISH-AFFILIATED BANK ACCOUNTS. ONLY THE PASTOR SHOULD OPEN OR CLOSE BANK ACCOUNTS.
- When possible, interest-bearing checking accounts should be used by the parish, school and other parish organizations.
- Correspondence from banks, including debit and credit memos, should be opened by someone other than those responsible for making deposits and preparing checks. This person may be the Pastor, Principal, Director of Religious Education, or head of a parish-affiliated organization.
- Monthly, all bank accounts should be independently reconciled by someone not responsible for making deposits or preparing checks. The bank reconciliations should be reviewed by the Pastor. Checkbooks, savings books, and certificate of deposits preferably should be kept in a fireproof locked safe. If a safe is unavailable, keep them in a fireproof locked cabinet.
- Bank records (including Bingo) are parish property and, as a general rule, should be maintained in the parish or school offices. An exception to this policy would be the St. Vincent dePaul Society records because the confidentiality of clients must be guaranteed.
- It is recommended that the pastor obtain from parish-affiliated organizations, at least annually, a report that summarizes the organization's receipts and disbursements for the period.
- Under Ohio law, organizations licensed to operate a Bingo game must maintain separate checking and savings accounts. However, these bank account balances and related receipts and disbursements should be included in the parish's annual financial report to the Diocese.

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- The parish is required to maintain a separate bank account for mass offerings (stipends). The balance of this account is included in the parish's annual financial report to the Diocese (see "Financial Statements - Other" under the green tabs of this handbook).
- The parish should maintain a record of all accounts, including account number, bank name and branch, signatories and description of the account. The beginning and ending balances for all accounts must also be included in the parish's annual financial report to the Diocese (see "Financial Statements - Other" under the green tabs of this handbook).
- It is suggested that all checks over \$5,000 have at least two signatures.
- Checks should not be pre-signed. If the principal signatory on an account will be unavailable, temporary arrangements can be made for an alternate signer.
- Check protector machines are recommended.
- Rubber signature stamps should not be used. In a rare circumstance when an extremely large volume of checks may be involved, the parish may use a signature stamp. If such a stamp is used, considerable safeguards must be exercised to avoid misuse and the signature stamp should be destroyed after no longer needed.
- Overnight depositories are encouraged, especially when large amounts of cash are received from Sunday collections, bazaars or bingo games. To avoid robberies or burglaries, large amounts of cash should not be kept in the rectory overnight, even if in a locked safe. Further when significant cash is to be deposited in an overnight depository, at least two people (preferably one being a security guard) should take the deposit to the bank.

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