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Be merciful O God for we have sinned

PARISH GROUPS AND ORGANIZATIONS

A common question that arises at a parish relates to reporting and accountability of parish groups and organizations. Many parish and school groups have funds held in a checking or savings account separate from the parish or school operating fund. There are several important items that must be communicated to all groups and organizations with separate accounts:

All accounts MUST be recorded using the federal identification number of the parish or school. It is advisable to check with the bank and ensure that the federal identification number is that of the parish or school.

The pastor MUST be a signer on every parish or school account, including the accounts of all groups and organizations. It is required that the signature cards be reviewed to ensure the pastor is a signer on each account. When there is a change in pastor, the new pastor must be added to all accounts and the departing pastor removed from all accounts. All bank statements must have the mailing address of the parish and be opened only by the pastor.

All accounts must bear the name of the parish or school in the name on the account. The account must be in the name of the parish or school, and the name of the group or organization can be on a second line or in the additional information.

The groups and organizations must follow all of the same procedures as the parish or school follow for operations.

The Parish groups and organizations are subject to the oversight of the pastor, or his designee. It is recommended that the Parish Finance Council or School Finance Committee in the case of a stand alone school assist the pastor in determining which controls will be put into effect and followed.

All groups’ and organizations’ transactions are subject to the same reporting

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Many parishes are beginning the process of planning festivals for the summer months. In the planning process, it is important that you keep the following in mind:

* There are specific insurance requirements that need to be followed in regards to liability insurance. It is imperative that you contact the Diocesan insurance office at extension 3400 when planning a festival. More information is available at www.discplan.org.
* There are also specific rules that must be followed that are issued by the Ohio Department of Liquor Control in regards to the sale and consumption of alcoholic beverages. Make sure you contact the Ohio Department of Liquor Control if you are planning to have alcoholic beverages at the festival and obtain liquor liability insurance through the Insurance Office.
* All rules and regulations must be followed if you plan to conduct a raffle as part of your festival. The Finance and the Legal Offices issued raffle guidelines in February of this year. Please carefully read them and familiarize all festival volunteers with the appropriate raffle information.
* Trampolines, rebounding devices, and/or bouncing devices of any kind are not covered by our insurance plan and should not be in use at any time. Most inflatable attractions, devices, etc. fall into this category. If you have any questions regarding any inflatable device, please call the insurance office beforehand.
* Proper training of all volunteers in internal controls over cash is necessary. Proper internal controls must be in place at all times.

At any point in the planning process of a festival, feel free to contact:
- Diocesan Insurance Office
  Kathleen Pierce Ext. 3400
- Diocesan Legal Office
  Kevin Burke Ext. 4360 or Brian Heskamp Ext. 4370
- Diocesan Finance Office:
  Gerald Arnold, LuAnn Ashby or Devra Konjura Ext. 1039

**BUDGETING**

All parishes in the Diocese are required to prepare a budget as part of financial reporting and accountability. The budget must be prepared before the fiscal year begins. The budget prepared must be monitored at least quarterly with the actual operating results. Large variances either positive or negative, must be investigated.

While it is somewhat common to prepare a budget that is consistent with prior year budgets or actual spending, the preferred method would be to develop a zero based budget where every line item is justified. For example, assume that the parish has budgeted and spent $500 for youth ministry for many years. Instead of just allocating $500 again for the next fiscal year, the pastor and staff should really take a look at each youth ministry program and decide if new programs are desired and allocating the correct amount of money to implement the new program. The same amount as last year may not be the correct amount needed. Using this method will take a bit more time to prepare, but the budget that results is likely to be more realistic and reflective of the parish needs.