



Parish Management Bulletin

Diocese of Salina - Finance Office

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INTERNAL CONTROL – OFFERTORY PROCEDURES

The offertory is a vital source of parish income. It is also a tangible expression of parishioners' care and support of the parish. It is critical that internal controls be in place to protect the church's income for several reasons. Good internal controls will help keep honest people honest and reduce the temptation to steal. It also honors parishioners' sacrificial giving by ensuring their donations go to support the church and its mission, and internal controls help protect employees and volunteers from suspicion.

*“All administrators... must...accurately collect the revenues.(&). safeguard them once collected...”
Canon 1284 §4.*

WE ARE THE CHURCH, SHOULDN'T WE TRUST PEOPLE?

Trust is not an internal control. The availability of cash can be a powerful temptation. And individuals who steal often rationalize why taking money is justified. Unfortunately, while most individuals are honest, there are many recurring examples of church workers and volunteers taking money from their parish due to a lack of internal controls.

BEST PRACTICES FOR COLLECTING/COUNTING THE OFFERTORY

1. Engage the parish finance council to help review, create and document offertory procedures and distribute to staff, ushers, and volunteers.
2. Use pre-numbered, tamper evident bags for the collection(s). Control and assign the number of bags. Record the bag numbers used, in ink, on a log sheet. An individual without access to the offertory should compare the log sheet of bags used to the assigned bag numbers.
3. The offertory should always be in the possession of at least two unrelated people. The ushers should place the offertory in a tamper evident bag before it is carried to the altar or sacristy. *The offertory should never be in the possession of one person or taken home... “e.g., to keep it safe”.*
4. The offertory should be placed in a locked safe until it is transferred to the offertory count team. A drop safe is best as it doesn't require opening to place the offertory bags. Access to the safe should be severely restricted.

5. A count team of at least three unrelated people should count the offertory. The count team should record the number on the bag(s) before opening, count and record the deposit, create the deposit slip(s) and place the deposit in a locked bank bag. The count team should sign the count sheet and deposit slip. At least two unrelated members of the count team should transport the offertory, immediately after the count, to the bank. Bags and baggy clothes with large, accessible pockets are to be prohibited from the count room. *(Yes, there have been instances of a counter slipping bills from the count table inside a bag or their large, oversized sweater/jacket with inside pockets.) At no time should staff or others re-count the offertory after it has been prepared by the count team for deposit. (This is a recurring pattern in offertory thefts.)*
6. Parish business managers (the PBM) should not participate in the offertory count. The PBM's role takes on importance after the deposit has been made. The PBM reconciles the collection report, duplicate deposit slip, the bag numbers used and the bank's deposit slip or bank statement and investigates any discrepancies, The PBM or another individual records the offertory in the accounting system and credits parishioner donation records.
7. The offertory is to be deposited intact. No monies should be withheld from the offertory including for petty cash, daily expenses, or reimbursements. Petty cash or reimbursements should be paid via a check.
8. The back of each check should be restrictively endorsed with the parish name and "For Deposit Only".
9. Every parishioner should receive an annual donation letter. The acknowledgement letter should instruct parishioners to contact the pastor directly if there are discrepancies between their records and the parish donation record. Remember, each contribution of \$250 or more must be listed, acknowledged and listed individually.
10. Final thoughts, most thefts from churches could have been prevented through the implementation of often simple internal controls and supervision. Thefts from churches can disrupt parish life because of the scandal which often angers parishioners. Once theft is discovered, be sure to prosecute. The fear of being caught (internal control and supervision) and public prosecution is a powerful deterrent to would be thieves.