



AUTHORIZED SIGNATURES FOR PARISH AND SCHOOL BANK ACCOUNTS AND REQUIREMENTS FOR BANKING RELATIONSHIPS

POLICY

This policy outlines the requirements for parishes and schools for selection of banking institutions, management of authorization of signers, retention of banking documents, and accounting for all parish and school bank accounts.

SELECTION OF BANKING INSTITUTION

It is essential that good business practice be followed with regards to selecting, establishing and controlling bank accounts. The choice of a banking institution will be made at the discretion of the establishing authority, including the pastor or parochial administrator in parishes and supervising principal or superintendent or designee in high schools.

It is prudent to evaluate multiple institutions before choosing a financial provider. A banking institution should be of sound financial standing, offer competitive pricing, and provide timely and accurate processing and consultative services. Institutions that offer enhanced banking services can allow more efficient processing and eventual cost reduction. If multiple accounts are required, it is generally more effective to establish them at a single institution for greater control and possible pricing advantages.

Consultation with members of the Parish or School Finance Council can provide sound advice and recommendations. It is highly desirable for all Archdiocesan entities to maintain their bank accounts with banks already doing business with the Archdiocese. The Archdiocese of Miami Finance Office can provide a list of its preferred banking relationships.

Care should be exercised over the amount deposited in a single account at a financial institution due to limitations in the amount insured by the Federal Deposit Insurance Corporation.

CONFLICT OF INTEREST

The selection of banking institutions and financial services must occur within an environment of arms-length negotiation to avoid actual or apparent conflict of interest.

To assure that no conflict of interest occurs, the following guidelines should be followed:

- The pricing and services of multiple institutions should be considered;
- A committee of at least 3 persons from the Finance Council should perform the review of the proposals and make a recommendation to the pastor/parochial administrator/supervising principal or superintendent or designee; and
- Archdiocesan entities should resist negotiation of services with a member of the parish, parent of a school child, relative, etc., as these situations by their nature can create actual or apparent conflict of interest.



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IDENTIFICATION OF ACCOUNTS AT FINANCIAL INSTITUTIONS

All Archdiocesan entities will identify all accounts at financial institutions established in the name of the entity or under their federal tax identification number and include accounting for them in the parish or school financial statements.

All accounts are to be reported on the annual financial report to the Archdiocese. Parishes are recommended to establish a minimum number of bank accounts based on parish need.

Separate bank accounts using the parish Federal Tax ID are generally not encouraged for Parish organizations (Choir, Men's Club, Altar Servers, Youth Ministry, etc). Instead, they are separately accounted for through the parish accounting system. Assistance, if needed, in setting up the accounting software to accommodate parish organizations' needs, is available from the Archdiocesan Finance Office.

Occasionally there may be a unique need to establish a bank account using the parish Federal Tax ID for one or more of the parish organizations; in that circumstance, notice that when the Federal Tax ID is to be used by other than the parish, notification must be provided to the Chief Financial Officer of the Archdiocese of Miami. All provisions of this policy apply to all bank accounts using the parish or school Federal Tax ID. Further information related to parish organizations' separate accounts follows later in this policy.

For parishes, part of the triennial parish financial statement review conducted by the Archdiocese and/or its agents will include identifying and providing statements and access to the bank, if needed, for all accounts at any financial institution which have been established in the name of the parish or school or under their respective Federal tax ID.

MONITORING ALL BANK ACCOUNTS

All original bank statements must be mailed directly to the parish, or high school where they are to remain on file for a period of seven years. An electronic copy readily accessible to the entity and, when requested to the Archdiocese and/or its agents, is a suitable substitute for the printed bank statements.

FUNDS IN EXCESS OF BALANCE MAINTAINED AT LOCAL BANK(S)

Parish and school funds normally in excess of 90-120 days of needed operating cash are to be on deposit with the Archdiocese of Miami including funds intended for long term investment or endowment. A request from the parish pastor or school principal, or the bookkeeper with a written note for authorization from the pastor or principal (e-mail is acceptable), requesting withdrawal from its savings accounts is handled expeditiously.

CUSTODY OF THE CHECKBOOK/BLANK CHECKS and ON-LINE ACCESS

The bookkeeper retains custody of the checkbook and/or blank checks and is responsible for their security. On-line access to bank accounts including bill pay, capacity to transfer funds within accounts at the same bank, etc, by the bookkeeper is determined by the Pastor or



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President/Supervising Principal or Superintendent in consultation with the Parish Finance Council or School Board and documented in Council or Board Minutes.

The use of a facsimile signature stamps is strongly discouraged. In the event that the pastor determines a need for a facsimile signature stamp, the pastor establishes written policy outlining the procedures for adequate security of the stamp and authorization for its use.

Fraudulently signing the name of an authorized signer, even at the request of the authorized signer, is prohibited.

PARISHES AND PARISH SCHOOLS

Every parish or school bank account must have a minimum of two authorized signatures on all bank accounts. Generally, employees of the Archdiocese (parish or parish school) are not included as an authorized signer on parish or parish school accounts.

The pastor or parochial administrator is to be an authorized signer on every bank account that carries the parish name, whether used for church or school expenses or any other special purpose. The parochial vicar, if one is assigned, or the priest who serves as Dean of the deanery, or the pastor of an adjacent parish, should serve as a second authorized signer. If a priest is not reasonably available to serve as the second authorized signer, the pastor may select the chair of the Parish Finance Council to serve as an authorized signer during his/her tenure as Chair.

The pastor must receive monthly bank statements and/or have on-line access to all accounts in order to review bank statements. Access to bill pay or other on-line features are at the discretion and need of the pastor but should be discussed with the Parish Finance Council and documented in the Minutes of the Council meeting.

ARCHDIOCESAN HIGH SCHOOL

Every Archdiocesan high school must have a minimum of two authorized signatures on all bank accounts. The principal may be one of those authorized signatures. The second authorized signature must be the priest assigned as President or supervising principal. In the event that a priest is not assigned as President or supervising principal of the high school, the second authorized signature must be the Archdiocesan Superintendent or, at his/her designation, the Associate Superintendent.

The principal must receive monthly bank statements and/or have on-line access to all accounts in order to review bank statements. Access to bill pay or other on-line features are at the discretion and need of the principal but should be discussed with the School's Board of Limited Jurisdiction and be documented in the Minutes of the Board meeting. The second authorized signer may receive copies of monthly bank statements but generally should not have on-line access.

Archdiocesan standards for accounting for the funds designated for or raised by Clubs, Classes, or other Archdiocesan High School organizations are outlined in separate policy.



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PARISH ORGANIZATIONS

Parish organizations not separately incorporated as Florida corporations are generally not authorized to have separate bank accounts. Funds raised by or designated for various parish organizations or special causes should be noted as designated for the particular organization or purpose in the parish accounting but the funds are held in a parish or school account, regardless of the manner by which the organization is affiliated with the parish, with the following exceptions.

Eligible purchases may be made on behalf of Parish organizations using the parish or school sales tax exemption certificate **ONLY IF** the organization functions as described above with its funds held by the parish in an account that bears the parish Federal tax ID.

Exceptions to the above requirement are two: separately incorporated organizations affiliated with the parish and, at the discretion of the pastor, parish ministries in large, active parishes, able to provide sufficient stewardship over the funds raised by and for the designated purposes of the parish ministry. The Parish bookkeeper is responsible to maintain a list of all bank accounts established under the parish's Federal Tax ID, either by the parish or by parish organizations as described below.

St Vincent De Paul Society

Accounts belonging to the St Vincent de Paul Society's local conference include the authorized signers pertinent to this separately incorporated national organization. The parish based conferences are directed **not** to use the parish name or parish Federal tax ID number as identifiers on SVDP bank accounts in order to maintain appropriate separation between the conference and the parish accounts. The SVDP Conference is directed not to use the parish Florida sales tax exemption certificate.

The SVDP account is established under its own name (without the parish name) and its own Federal tax ID. Likewise, the SVDP Conference should seek its own Florida sales tax exemption.

As a sign of collaboration with the parish where the Conference fund raises and serves the community, the parish should receive an annual pastoral/ministerial and financial report from the SVDP conference.

Other Separately Incorporated Organizations

Other outside organizations separately incorporated that may be affiliated with the parish in some fashion should be treated in a similar fashion:

- The organization maintains its own bank account under its own Federal tax ID number;
- Authorized signers are those designated by the corporate documents of the organization;
- Checkbook is maintained by the organization; accounting and reporting responsibility belong to the organization;



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- Organization procures and uses its own Florida sales tax exemption;
- If the parish name is included in the organization's bank account title or organization raises funds at the parish (collections after Mass, etc) or at parish events, the pastor should be added as an authorized signer and receive a copy of the bank statements; and
- As a courtesy, the pastor should receive an annual pastoral/ministerial and financial report from the organization.

Parish Organizations in Large, Active Parishes

When there is need as determined by the pastor and with the support of the Parish Finance Council, large parishes with many active ministries, may establish separate bank accounts for those specific ministries having both the need for a separate account and the stewardship to manage the funds. The following principles are to be observed:

- Approval for a separate bank account in the name of the organization is documented in Finance Council meeting minutes at which the pastor is present;
- The ADOM Finance Office is notified by the pastor of the account(s) needed, noting that the Parish Federal tax ID is being used;
- The bank account is established in the manner described in this policy; the account is established using the parish Federal tax number; the name of the account includes the organization name and the parish name;
- A specific person is designated by the organization as responsible for the finances of the organization. This individual is responsible for custody of the checkbook or the designation of its custody to a specific person within the organization;
- Whenever possible the person authorized to sign checks is distinct from the person who provides the accounting for the organization and prepares the checks for signature;
- The account must have a minimum of two authorized signers; the pastor must be one of the authorized signatures;
- The parish's official address must be used on the account. Under no circumstances may personal or business addresses be used;
- Bank statements are received by the parish, reviewed by the pastor and at his direction, the parish bookkeeper, and forwarded to the organization's responsible person. A paper or electronic copy of the statement must be maintained by the parish in the same manner as it maintains bank statements related to parish accounts;
- The parish should establish an account balance threshold suitable to the needs and purpose of the specific ministry organization above which the excess funds are redirected (transfer or by check) to a predetermined parish charitable purpose as determined by the pastor;
- The parish organization is responsible to reconcile bank statements monthly, provide financial statements to the organization monthly, and provide an annual pastoral/ministerial and financial report at a time designated by the Pastor and/or Finance Council; a copy of the monthly financial statement is made available to the parish bookkeeper who, on a periodic basis, reviews the bank reconciliation done by the organization;



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- The Parish Finance Council may request a review of the organization's account procedures and financial statements and, if needed, offer assistance to the organization to support accounting procedures consistent with the expectation of the ADOM and the parish;
- The bank account held by the organization under the Federal Tax ID of the parish should be included on the list of accounts maintained by the parish bookkeeper; and
- Monthly or quarterly, depending on the activity of the organization, the bookkeeper adds a journal entry, entering the balance of the account as both an ASSET and a LIABILITY on the parish Statement of Financial Position in order to include all accounts under the Federal tax ID on the parish books.

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