

ARCHDIOCESE OF INDIANAPOLIS
SCHOOL INTERNAL CONTROL QUESTIONNAIRE

Parish: _____

Pastor/Administrator/PLC: _____

Person(s) who maintain accounting records: _____

On-site visit date: _____

Purpose:

The purpose of this questionnaire is to provide a basis for the consultant to gain an understanding of the control environment in the parish. The parish control environment is defined, in part, by the established policies and procedures relating to the parish's financial activities. Policies and procedures will vary by parish because of differences in staffing, demographics, program activities and volunteer lay resources.

This questionnaire is designed to give the consultant a high level understanding of the parish control environment. The questionnaire is to be completed in advance of the consultant's arrival at the parish. Once the consultant has reviewed the completed questionnaire, follow-up questions may be developed which will require further discussion on the first day of fieldwork.

Instructions:

Please answer each of the questions, identify the persons completing the questionnaire, and submit the completed questionnaire, signed by the pastor, to:

CPA Firm
Parish Internal Control Assessment
Address
City, State Zip Code

These materials should be mailed to arrive no later than _____ (two weeks prior to the scheduled on-site visit). Please retain one copy of the completed questionnaire for parish records.

Please also scan or fax a copy to the Archdiocese Office of Accounting Services at: accountingservices@archindy.org or 317-236-7327.

Suggestions

If you have any questions, problems, or suggestions relating to the Archdiocesan accounting procedures or controls that you would like to see addressed, please include these with your completed questionnaire.

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1. General

		Yes	No
1.1	Does the parish have an active Parish Council (i.e., which meets at least quarterly)?	_____	_____
1.2	Does the parish have an active Finance Council (independent of the Parish Council)?	_____	_____
1.3	Was an annual meeting held by the parish council? <ul style="list-style-type: none"> • Was the meeting held between July 1 and September 15? • Was the annual meeting minutes form completed? 	_____ _____ _____	_____ _____ _____
1.4	Does the parish have on record a copy of the following: <ul style="list-style-type: none"> - Executed Administrative Services Agreement between the Archdiocese and the parish? - Conflict of interest form signed by each officer and director of the parish corporation? - Most recent NP-20 filed with the state? - Articles of incorporation? - Executed bylaws? 	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____

2. Accounting System

2.1 List all persons, both employees and volunteers, who access accounting records:

_____	_____
_____	_____
_____	_____
_____	_____

2.2 Does the parish use a computer or a manual bookkeeping system?

2.3 If computerized, list all of the software programs the parish is using: (example: PDS Ledgers/Payables, PDS Payroll, PDS Census, Excel, Quickbooks, etc.)

		Yes	No
2.4	If computerized, is the computer used for:		
	- Printing checks	_____	_____
	- General Ledger	_____	_____
	- Parish Financial Reports	_____	_____
	- Parishioner Contribution records	_____	_____
	- Parishioner Contribution reports	_____	_____

2.5 Who maintains the accounting records? _____

3. Cash Receipts – General (CR-G)

Checking/Savings Accounts and Investments

3.1 This page is regarding Parish/Agency bank accounts and investments. Please complete the following information for all accounts, including clubs, organizations, bingo, festival, fund raising, mass stipend, etc. List authorized signatures on the checking accounts (including accounts of affiliated organizations). List all investments, including investments of affiliated organizations.

Organization Bank Account # Signatures

3.2	<u>Investment</u>	<u>No. of shares or Face Value</u>	<u>Cost Basis</u>	<u>Current Market Value</u>

		Yes	No
3.3	Are all accounts and investments listed above included on the Parish Annual Financial Report?	_____	_____
3.4	Are prenumbered receipts issued for funds received other than collections?	_____	_____
3.5	Are deposits made daily? <ul style="list-style-type: none"> • If no, how often _____ • If deposits are not made daily, are deposits stored in a locked safe until deposit is made? 	_____	_____
3.6	Are all cash receipts deposited?	_____	_____
3.7	Are cash receipts ever used to pay expenses without being deposited?	_____	_____

3.8 Who compares the deposit summary form to the validated deposit slip?

3.9 If a difference exists between the deposit summary form and the validated deposit slip, how is this difference resolved?

3.10 Who receives funds in the parish office?

4. Cash Receipts – Collections and Other (CR-C)

4.1 Describe procedures used for counting Sunday collections (for all weekend masses):

4.2 When and where are collections counted?

4.3 How many counters are used? _____

		Yes	No
4.4	Are all count teams composed of at least two non-related individuals?	_____	_____
4.5	Are counters rotated?	_____	_____
4.6	Is a deposit summary form (count sheet) used? If yes, please enclose a copy with this questionnaire when completed.	_____	_____
4.7	Are tamper proof money bags used to secure collections?	_____	_____
4.8	Is the deposit summary form signed by counters?	_____	_____
4.9	Are checks restrictively endorsed (“for deposit only”) by the counters?	_____	_____
4.10	Regarding weekly collections: Are collections maintained in a secure location area? <ul style="list-style-type: none"> • Location during Mass _____ • Location after Mass _____ 	_____	_____

4.11 Who prepares the deposit slip?

4.12 Who makes the bank deposit?

4.13 Where are funds kept until they are deposited?

4.14 When is the deposit made for Saturday/Sunday collections?

4.15 Who records deposits and posts to the general ledger?

4.16 Who posts collections to individual parishioners' contribution records?

		Yes	No
4.17	Is a reconciliation prepared between the amounts posted to individual parishioners' contribution records and the envelope amount plus loose collections indicated on the deposit slip or count sheet? • If yes, who performs this reconciliation? _____	_____	_____

4.18 When are collections posted to individual parishioners' contribution records?

4.19 How are chancery collections documented and monitored?

		Yes	No
4.20	Are chancery collections remitted by the specific due dates?		

4.21 How often are contribution statements sent to parishioners?

4.22 Are contribution statements sent to all parishioners or only to ones that have contributed?

5. Mass Stipends

		Yes	No
5.1	Are Mass offerings (stipends) kept in a separate checking account?		
5.2	Are Mass offerings recorded in a Mass stipend journal?		
5.3	Does the journal record items such as: date intention received, name to be remembered, stipend amount, date the Mass was offered, and priest offering the Mass?		
5.4	Is the number of unsaid Masses per the journal reconciled at least annually with the stipend checking account?		
5.5	Are all stipends paid to priest via Central Payroll?		
5.6	Are priests only paid for one intention said per day with the exception on Christmas, when priests may trinate?		
5.7	Are bination stipends paid directly out of the stipend checking account to the designated charity?		
5.8	Are large offerings applied to masses in \$10 increments (unless the offeror specifically requests the number of masses to be applied)?		

5.9	Are any mass intentions that have not been said within one year of its offering forwarded to the Propagation of the Faith unless the offeror specifically requested that the intention be said by the priest?		

5.10 How are under-fundings or over-fundings of the Mass stipend account handled?

5.12 How much are priests paid for the Masses said pro populo? Is this reported every month through central payroll?

6. Fundraisers

6.1 List fundraising events conducted by the parish and related organizations. Include the person in charge of the fundraising events.

Fundraiser

Individual in Charge

6.2 If the parish conducts charity gaming events:

- How often?

- Who submits reports to the Indiana Gaming Commission?

- How are receipts and disbursements monitored and documented?

		Yes	No
6.3	Has a copy of all laws and regulations been made available to all members of the parish council and bingo/gaming committee or volunteers?	_____	_____
6.4	Is bingo being held “on-site”?	_____	_____
6.5	Is training provided to all bingo/gaming workers?	_____	_____
6.6	Are quarterly reports submitted to the Indiana Gaming Commission?	_____	_____
6.7	Is a separate bank account maintained for charity gaming?	_____	_____
6.8	Is the gaming bank account included on the parish balance sheet?	_____	_____
6.9	Is bingo/gaming administered, conducted and promoted by volunteer personnel who receive no remuneration of any kind (even tuition)?	_____	_____
6.10	Has the parish received any fines or violation reports from the Indiana Gaming Commission?	_____	_____
6.11	If fines or violations have occurred, have steps been taken to ensure that such violations do not reoccur?	_____	_____
6.12	Are only allowable expenses disbursed from the charity gaming bank account? (See http://www.in.gov/igc/files/Allowable_Expenses.pdf for a list of allowable expenses.)	_____	_____
6.13	Are any payments for salaries, stipends, taxes, or alcoholic beverages made from the charity gaming bank account?	_____	_____
6.14	Is a detailed summary of receipts and disbursements created for each event? - If so, is the summary reviewed by the parish finance committee?	_____	_____

6.15	Do you receive income for any of these sources?		
	- Rental of parish hall	_____	_____
	- Rental of multi-purpose room	_____	_____
	- Rental of other parish school/facilities	_____	_____
	- Use of parking lot on weekends or nights	_____	_____
	- Advertising in the parish bulletin	_____	_____
	- Advertising in school publications	_____	_____
	- Pre-school, Day Care, or After-School Care	_____	_____
	- Trash bag sales	_____	_____

7. Related Organizations

7.1 Please describe the budgeting process for all related organizations.

		Yes	No
7.2	Are these budgets reflected in the parish operating budget?	_____	_____
7.3	Are all accounts listed on general ledger and in the annual financial report?	_____	_____
7.4	Are net income and losses reflected for the year in the ledger and annual report?	_____	_____
7.5	Are monthly statements and reconciliations prepared for each account listed? (Please note: annual income and expense reports for all related organizations are required by Canon Law to be submitted to the parish.)	_____	_____
7.6	Are any parish, rectory, convent, or religious education center expenditures paid by an affiliated organization directly? If so, please explain below.	_____	_____

7.7 Describe when and how often related organizations sell goods, food, or drink. (See Page 8, Fundraisers).

8. Cash Disbursements

8.1 Who initially receives and opens the mail?

8.2 Where are checks maintained when not in use?

8.3 Who has the authority to purchase and place orders?

8.4 How are invoices reviewed and approved for confirmation that the expense was budgeted? Include how the approval is documented (i.e. invoice initialed and dated) and by whom.

8.5 How are invoices reviewed and approved for account distribution? Include how the approval is documented and by whom.

8.6 How are invoices reviewed and approved for receipt of goods and services? Include how the approval is documented and by whom.

8.7 Describe the process for reimbursing mileage or other expenses.

		Yes	No
8.8	Are invoices reviewed and approved for mathematical accuracy? If yes, by whom?		
8.9	Is a signature stamp utilized for signing checks?		
8.10	Is electronic banking utilized? <ul style="list-style-type: none"> - If so, does the pastor review all electronic transaction? - Is the bank reconciliation performed by someone other than the person responsible for reviewing the electronic payments? 		
8.11	Are Form 1099 issued at calendar year end for all non-employees who receive more than \$600?		

8.12 How are invoices and bills distributed for approval and authorized for payment?

8.13 Who prepares checks?

8.14 How is supporting documentation reviewed prior to check signing?

8.15 What documentation/approval is required and maintained for reimbursements to individuals or for expenditures not accompanied by an invoice or bill (what supports check requests)?

8.16 Who is authorized to signs checks?

8.17 Who actually signs the majority of the checks?

8.18 Are all disbursements from all parish bank accounts made by pre-numbered checks?

8.19 What provision is made for the issuance of checks when the pastor/administrator/PLC or bookkeeper is away?

8.20 Where are disbursements recorded (checkbook, journal, ledger)?

8.21 Who mails checks?

9. Petty Cash

9.1 Please list petty cash funds maintained (include all cash on hand):

<u>Purpose of Fund</u>	<u>Amount of Fund</u>	<u>Cashier</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

9.2 How is the fund replenished? Review the entire process including, but not limited to, how petty cash payments are documented, reviewed, and posted to expenses. If a check is written to replenish the fund, specify who it is made payable to, or if the fund is replenished in some other manner (i.e. out of cash receipts), specify how it is done.

9.3 Who has access to the fund?

9.4 How often is the fund replenished?

9.5 Is the petty cash fund subject to “surprise counts” to ensure that cash on hand plus documented expenses is always equal to the fund total?

10. Credit Cards

10.1 Are debit and or credit cards used? If so, for what purpose?

10.2 Explain the approval and reconciliation processes for using debit/credit cards.

11. Reconciliations

11.1 Who opens bank statements?

11.3 Who performs the parish bank reconciliation?

11.4 How often are bank statements reconciled?

11.5 Who reviews the bank reconciliation once complete?

12. Budgets and Financial Reporting

12.1 How many members are currently on your finance committee?

12.2 How is your finance committee appointed?

12.3 How long is a member's term?

		Yes	No
12.4	If your parish has a school, does the finance committee have at least one member who is also a member of the Board of Education?		
12.5	Does the finance committee chairperson also serve on the Parish Council?		

12.6	Does the finance committee approve the annual budget?		
12.7	Does the finance committee review monthly financial statements? - If not monthly, how often do they review the financial statements? _____		
12.8	Does the finance committee review and approve non-budgeted expenses and/or programs?		
12.9	Does the finance committee provide parishioners with periodic reports on the financial condition of the parish? - If yes, how often? _____		
12.10	Are minutes of meetings for the Finance Committee and Parish Council recorded and maintained?		
12.11	Are current financial statements compared to annual budgets?		

12.12 How long after the end of the month are the following activities completed?

- Reconciliation of bank statements: _____
- General Ledger closed: _____
- Monthly reports generated: _____

13. Payroll

		Yes	No
13.1	Are written human resource policies distributed to all employees?		
13.2	Are all employees paid through payroll?		
13.3	Are any individuals being paid as contractors? If yes, who _____		
13.4	Are there ever any payroll advances?		
13.5	Is overtime paid at 1.5 times the regular rate for hours over 40 hours per week to non-exempt employees?		

13.6	Are all positions paid minimum wage or more?		
13.7	Are salary levels documented and approved by the Finance Committee?		
13.8	Are volunteers compensated for their services?		
13.9	Are medical benefits offered to all employees working 30 hours or more per week year-round, 36 hours per week on a ten month schedule, or 39 hours per week on a nine month schedule?		

13.10 Are the following items posted? (Check if yes)

- Indiana Occupational Safety and Health Administration (IOSHA)_____
- Worker’s Compensation Notice_____
- Employee Polygraph Protection Act_____
- Federal Minimum Wage Law_____
- Indiana Minimum Wage Law_____
- Equal Employment Opportunity_____
- Family and Medical Leave Act_____
- Uniformed Services Employment and Reemployment Rights Act (USERRA)_____
- Employee Assistance Program_____

13.11 Are the following items maintained in employee personnel/payroll files? (Check if yes)

- W-4_____ WH-4_____ Resumes_____
- I9 Employment Verification_____ Criminal History Check_____
- Archdiocesan application forms_____ Employment Contracts_____
- Records of time off_____ Notes regarding disciplinary actions_____
- Payroll authorization forms_____ Acknowledged human resources policy_____
- Acknowledged child abuse policy_____ Performance appraisal records_____
- Continuing education records_____ Up-to-date position descriptions_____
- Emergency notification forms_____ AUL Life Insurance Enrollment Form_____
- Retirement beneficiary form_____ Records of reference checks_____
- Medical Records (leave requests)_____ Safe & Sacred training records_____

13.12 Describe the payroll procedures.

13.13 How are payroll hours monitored and verified (time cards)?

13.14 How are bonuses approved? Do they go through regular payroll procedures?

13.15 How are salary levels approved by the Parish Council or Finance Committee and how is this approval documented? Are current salaries within suggested Archdiocesan guidelines?

13.16 Is there an approval process in place for payroll; does someone other than the payroll processor approve the payroll before it is submitted?

13.7 Please include a list of all individuals receiving compensation which does not go through Central Payroll:

<u>Employee Name</u>	<u>Position</u>	<u>Pay Frequency</u>	<u>Salary/Earnings</u>
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14. Information Systems

14.1 Is there a back-up procedure for data files and applications used? If so, please describe back-up procedures.

14.2 Are password required on all at the network, PC, and application levels? If not, please specify which do not require passwords.

15. Controls for the Resource-Constrained Parish

15.1 Please describe any resource constraints your parish has faced.

16. Parishes with Cemeteries

		Yes	No
16.1	State Law: Are cemetery records (perpetual care, lots, etc.) maintained in the rectory? - At the cemetery office?		
16.2	State Law: Do all purchase contracts state that the purchase is for burial rights and that the parish retains the first right of refusal to repurchase burial rights?		
16.3	Is a description and location of all burial spaces recorded in writing and in map form?		
16.4	General Practices: Are there any duplicate records stored at another location? - If yes, where? _____		
16.5	General Practices: Are cemetery records maintained in a safe or locked fireproof cabinet?		
16.6	General Practices: Are hours of operation (open/close) posted at all access points to the cemetery property?		

17. Parishes with Trust Funds

17.1 Does the parish have copies of wills or bequests to identify amounts reported as endowment (principal) funds and amounts available to be used for the intent of the gift?

18. Property / Loans

		Yes	No
18.1	Does the parish have a listing on a separate sheet or ledger of all parish property?	_____	_____
18.2	Is there a copy of all real estate transactions, lease agreements and easement grants on file in the parish office? - Have the originals of any of these documents been sent to the Archdiocesan finance office?	_____ _____	_____ _____
18.3	Does the Parish Council or Finance Council review the insurance coverage annually to guarantee all properties including vehicles are properly covered?	_____	_____
18.4	Does the parish have a loan through the Archdiocesan Deposit and Loan fund?	_____	_____
18.5	Does the parish have a loan through any other financial institution? If so, which institution_____	_____	_____
18.6	Are all loans recorded on the parish balance sheet?	_____	_____

19. Tuition and Other Deposits

19.1 How are tuition payments received (all possible methods), and who receives them? Please attach a tuition rate schedule.

		Yes	No
19.2	Is cash accepted as payment for tuition?	_____	_____
19.3	Are prenumbered receipts issued for all tuition proceeds? (pg. 8, CR-T - 3)	_____	_____

19.4 Who counts tuition proceeds? _____

19.5 Where are tuition revenues kept until counted, and then until deposited?

19.6 When, where, and by whom are tuition receipts deposited?

19.7 Who records tuition deposits in the checkbook and posts them to the general ledger?

19.8 Are tuition records manual or computerized?

19.9 Who credits tuition receipts to student tuition records?

19.10 How often are tuition statements sent to students?

		Yes	No
19.11	Does your school have a written policy concerning reduced tuition arrangements, and if yes, who handles these arrangements? (Please attach, if yes.)	_____	_____
19.12	Does your school have a written policy concerning delinquent accounts, and if yes, who handles these accounts? (Please attach, if yes.)	_____	_____

19.13	Is a reconciliation completed between the amount posted to tuition records and the general ledger? If yes, who performs this reconciliation?	_____	_____
19.14	Are families allowed to re-enroll for the following year if they have an outstanding balance?	_____	_____
19.15	Does the school have free or reduced tuition arrangements for teachers, administrators, parish employees, or others?	_____	_____

For 100% stewardship parishes:

19.16 Provide a numerical measure of the percentage of donors who are parents.

19.17 Provide a monetary measure of the percentage of donations from parent members versus non-parent members.

		Yes	No
19.18	Are contributions from parent members solicited in exactly the same manner as contributions from other members? - If no, please specify _____	_____	_____
19.19	Are any fee amounts charged to school families minimal and do not represent tuition? - If yes, please specify _____	_____	_____

20. Other Revenue

20.1 Does the school receive revenue from other sources (for example, uniform sales, registration, book rental, or buss fees.)? If so, list sources and how, when, and by whom the revenue is collected and accounted for, and the person depositing the funds.

21. Cafeteria Please attach a fee schedule for all items sold in the cafeteria.

21.1 Does the school have a lunch program? If so, is it reflected in the budgeting process?

21.2 If the lunch program is federally supported, who files forms seeking reimbursement? How often?

21.3 Has there been an on-site review of the National School Lunch Program? If so, were any financial deficiencies noted?

21.4 Is the program intended to make a profit? If so, is the profit given to the parish at the end of the school year?

21.5 How and by whom are lunch revenues collected? Please include whether money is collected daily, weekly, or monthly and all persons (i.e. cafeteria manager, teachers, etc.) who may collect it.

21.6 Who counts lunch revenues?

21.7 Are receipts issued for payments received?

21.8 Who deposits lunch revenues and how often?

21.9 Are all deposits made intact? Are any cafeteria expenses ever paid from cash receipts without being deposited?

21.10 Who records lunch revenues collected on student records and when?

21.11 Are school lunch account reconciliations performed ensuring deposits and debits are posted to the correct lunch account?

21.12 Are cafeteria operations accurately reflected in the school and parish financial reports?

Signatures

Pastor/Administrator/PLC

Date

Bookkeeper/Accountant

Date

Individual preparing questionnaire if not
Pastor/Administrator/PLC or Bookkeeper

Date

Location: _____

Mailing Address: _____

Telephone Number: _____

Email Address: _____