



Archdiocese of Agana
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Protocol No.: 2017-049

INTERNAL CONTROL REVIEW

PARISH / SCHOOL _____
 LOCATION _____
 COMPLETED BY: _____
 DATE COMPLETED _____
 FISCAL YEAR: _____

This questionnaire is to be completed by each parish and school annually. Each question must be answered, and "no" answers must be explained in the comment section next to the question. If you are in doubt as the meaning of a question, please contact the (Arch)diocesan Finance Office for assistance. This completed questionnaire must be submitted to the (Arch)diocesan Finance Office within 120 days of the end of the fiscal year, with the required acknowledgement signatures affixed.

Please initial on the appropriate box and feel free and complete Remarks box.

PARTICULARS		YES	NO	NOT APPLICABLE	REMARKS
GENERAL					
1	Does the parish have a Finance Council, established and operating in accordance with Canon Law, and the policies issued by the Archdiocese?				
2	Do you have a copy of the current Archdiocesan Financial Policies and Procedures?				
3	Have the Pastor, Business Manager and at least one Finance Council member read the Archdiocesan Financial Policies and Procedures?				
4	Is the Parish in compliance with every policy as included in the current Archdiocesan Financial Policies and Procedures?				
5	Is access to the ledger and supporting subsidiary ledgers restricted to authorized personnel?				
6	Are subsidiary ledgers maintained and reconciled to the general ledger on a monthly basis?				
FINANCIAL REPORTING					
1	Has the budget been submitted at the beginning of the fiscal year in accordance with Archdiocesan policy?				
2	Have interim financial reports been submitted in accordance with Archdiocesan policy during the fiscal year?				
3	Have year-end financial reports been submitted in accordance with Archdiocesan policy?				
4	Has the parish/school given the parishioners a complete financial report for the year?				
5	Does the Finance Council review budget vs. actual variances on a regular basis, and make budget adjustments as necessary?				
6	Does the Finance Council review and approve interim and yearend financial statements on a timely basis?				
7	Have all auxiliary groups been informed of Archdiocesan and parish financial policies, and are they in compliance with them?				

PARTICULARS		YES	NO	NOT APPLICABLE	REMARKS
ACCOUNTING SYSTEMS					
1	Do you have written procedures for the following accounting systems?				
2	Cash Receipts; Cash Disbursements; Personnel; Management; Payroll; Purchasing; Mass Stipends and Stole Fees?				
BANK ACCOUNTS					
1	Are bank accounts established, maintained and reported in accordance with Archdiocesan financial policies?				
2	Is the pastor an authorized signer on all bank accounts, including all auxiliary activity bank accounts?				
3	Are all auxiliary activity bank statements received directly at the Parish and reviewed by parish personnel?				
4	Are all authorized signers on bank accounts in accordance with Archdiocesan policy?				
5	Are unopened, monthly bank statements delivered directly to the pastor, or his designee, someone who is independent of the recording of receipts and disbursements into the general ledger, and is the statement opened and its contents reviewed by this person?				
6	Are monthly bank reconciliations performed for all bank accounts by someone who is independent of recording cash transactions, and are all reconciling differences resolved on a timely basis?				
7	Are bank reconciliations reviewed by someone other than the preparer on a periodic basis?				
8	On a test basis, are endorsements on cleared disbursement checks compared to the payee on the front of the check?				
9	Are disbursement checks indicated as outstanding for more than 60 days investigated and resolved?				
10	Does the Finance Council approve the opening and closing of all bank accounts?				
11	Does someone other than the Bookkeeper review the monthly activity in the savings accounts with the Archdiocese, and compare such activity to the activity posted in the general ledger?				
12	Are funds received for Mass stipends recorded separately from other funds, and a record kept of all Masses said in accordance with Canonical and Archdiocesan requirements?				
13	Are funds in excess of a 60 day operating requirement transferred to the Archdiocesan Savings & Loan Program for investment?				
CASH RECEIPTS					
1	Are responsibilities for collection and deposit preparation functions segregated from those for recording cash receipts and general ledger entries?				
2	Is the parish/school in compliance with Archdiocesan policies with respect to cash receipts?				
3	Has the parish established offertory count procedures in accordance with Archdiocesan guidelines, and are these procedures being followed?				

PARTICULARS		YES	NO	NOT APPLICABLE	REMARKS
4	Is an envelope process for offertory in place, and are periodic statements sent to parishioners giving them a record of their contributions to the parish?				
5	If a parishioner disputes their offertory statement, is the dispute resolved by someone other than personnel who handle and record cash receipts?				
6	Are all cash receipts deposited and recorded in the general ledger in the proper account on a timely basis (preferably, daily)?				
7	Is all cash received deposited intact, and no funds removed from the deposit?				
8	Is a subsidiary record of all account receivable kept, outstanding amounts followed-up on, and is the record reconciled to the general ledger on a monthly basis?				
9	Is a restrictive endorsement placed upon each incoming check when it is received?				
10	Are records of cash received, including offertory, compared to bank validated deposit slips on a daily basis?				
11	Are "NSF" checks followed-up immediately, resolved and adjusted as necessary?				
12	Are restricted donations recorded as restricted, and used only for the restricted purpose imposed by the donor? Is a record kept of the use of the restricted funds?				
13	Are endowed funds received recorded as endowment, and is only the investment income expended for ministry use?				
14	Are all bequests and trusts where the parish/school is a beneficiary handled in accordance with Canonical and Archdiocesan requirements for the acceptance and receipt of such gifts?				

CASH DISBURSEMENTS

1	Is the parish/school in compliance with Archdiocesan policies with respect to cash disbursements?				
2	Do procedures exist to insure that disbursements are made only for budgeted matters, or have specific Finance Council approval, and to insure that all disbursements are approved?				
3	Is cash disbursed only upon receipt of properly approved original vendor invoices, or properly approved check requests?				
4	Do check signers review support documents before signing checks?				
5	Do procedures exist to insure that all disbursements are properly classified in the general ledger?				
6	Are unissued, blank checks under tight control and accounted for?				
7	Is the drawing of checks to cash or bearer prohibited?				
8	Is the use of facsimile signature stamps prohibited?				

PARTICULARS		YES	NO	NOT APPLICABLE	REMARKS
9	Are credit cards issued and used only in accordance with Archdiocesan policy?				
10	Is the use of debit cards prohibited?				
11	Are all expenses paid when due, and are all vendor discounts taken?				
12	If a discretionary account exists, is the activity reported on the parish financial reports? Is confidentiality maintained for the funds disbursed?				
13	Are "voided" checks destroyed by someone independent of the cash disbursement recording function, and is the voided check recorded as voided immediately?				
14	Have funds collected for National and Special collections been remitted to the Archdiocese within 30 days of the collection?				

PERSONNEL AND PAYROLL:

1	Is the parish/school in compliance with Archdiocesan policy with respect to personnel management and payroll issues, including USCCB and Archdiocesan policy with respect to Safe Environment Protection?				
2	Are complete personnel files maintained for all employees?				
3	Are all employees properly classified as "exempt" or "nonexempt"?				
4	Are all payments to individuals, other than to Religious, and other than for properly accounted for employee expense reimbursements, reported on IRS Form W-2?				
5	Are the required tax withholdings made from individuals paychecks and remitted to the taxing authority in accordance with their rules and regulations?				

PARTICULARS		YES	NO	NOT APPLICABLE	REMARKS
6	Are all payments made to and for Religious who are subject to policy and IRS regulations?				
7	Is Form 1099 issued to independent contractors, in accordance with IRS regulations?				
8	Are all payroll tax returns filed, and payroll taxes remitted, in accordance with IRS, State and Local regulations, on a timely basis?				
9	Are all Archdiocesan clergy recognized and reported as employees for Federal Income Tax purposes, but as Self Employed individuals for Social Security Tax purposes?				
10	Arc clergy Mass stipends and stole fees reported to the IRS as income in accordance with Archdiocesan policy?				
11	Are the eligibility requirement for all Archdiocesan employee benefit plans carefully observed with respect to each employee so that no one will be improperly included or excluded?				
12	Are withholdings from checks to employees for contributory participations in Archdiocesan employee benefit plans remitted to the plans on a timely basis?				

ACKNOWLEDGMENT

We, the undersigned, acknowledge the following concerning this questionnaire:

1. We are familiar with these internal controls as recommended by the Archdiocese.
2. Where we have answered "no" to a control question, we have explained above why it was not practical or appropriate to follow the internal control, and that we have implemented an alternative control procedure which conforms as closely as possible to the spirit of the control procedure as established by the Archdiocese.
3. We have met to review and discuss all of the above internal controls, and represent that they are functioning as required except as indicated otherwise.
4. We are not aware of any parish or school checking, savings or other accounts that have been omitted from the accounting records and our financial reports.

SIGNATURES OVER PRINTED NAME

Pastor/Principal/Administrator

Parish/School Finance Council President

Accountant / Bookkeeper

FOR CHANCERY OFFICE USE ONLY	
DATE RECEIVED:	_____
RECEIVED BY:	_____

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