



# ARCHDIOCESE OF AGANA

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## GUIDELINES FOR PROTECTING PARISH MONETARY COLLECTIONS

The key to achieving a secure financial operation rests in the separation of responsibilities and duties to create a system of checks and balances in which no one person alone has total control over or access to the church's funds.

This applies to all parishes. The only element that will vary is the degree to which those duties and responsibilities can be separated. Each parish must determine to what degree the various duties and responsibilities can be separated, based upon their size and the number of personnel, and the resources to do that. What is required in all cases is that every effort be made to achieve the greatest separation possible.

### **Establishing a secure collection process will accomplish three important goals:**

1. Parishioners' gifts are properly deposited in the bank,
2. Volunteers and employees involved in the collection process are kept free of suspicion in the event of an unexplained loss, i.e. a good internal security system will protect the ethical volunteer/employee and ensure their good will and peace of mind.
3. In a spirit of "fairness", parish leaders will remove, as much as possible, any significant temptation to pilfer these monies.

### **BASIC INGREDIENTS FOR A SECURE SYSTEM**

Before the level of security over any Sunday collection system can be considered adequate, the following general criteria must be met.

The collection for each Mass or service must be secured, immediately after it is received. The method used must be such that each person in the chain of custody (from church vestibule to counting room and all points between) will know, through simple visual inspection, whether anyone had or could have had access to the funds.

Detailed written operating procedures must be developed for the collection, transport, interim storage, opening, counting and banking operations. The counting procedures must provide for the presence of at least three counters before any sacks are opened, and establish continuous observation and control over the funds (especially the currency) by at least two (2) persons, from the moment the storage containers are opened until all funds have been counted independently by two (2) persons, verified, recorded on a witnessed bank deposit slip, and locked/sealed in a bank deposit bag.

After the collection is counted and the deposit is prepared, the entire collection/deposit is taken immediately to the bank by at least two people who are not parish staff.

Each week's count must be documented via standardized forms. These forms, when completed, clearly reflect whether or not the required counting and verification procedures were followed. The forms should be reviewed and filed each week by someone not otherwise involved in the counting and banking process.

*The following recommendations meet the above criteria.*

### **Tamper Resistant Collection Bags**

Tamper resistant sealable plastic bags that are available from banks and office supply stores are a cost effective means of establishing the necessary level of security. Bags measuring 24"x24" are adequate for all but the largest congregations. Anything smaller than that can make it unnecessarily difficult for the ushers to make the basket-to-sack transfer.

The bags should be purchased in sufficient quantity to provide two bags for each Mass or service. For example, a church having four weekend Masses/services and an occasional two-collection Sunday should have at least ten bags to handle two-collection Sundays and provide two spares for expanded Mass/service schedules on Holy Days such as Easter and Christmas. One such vendor is General Bank Supply ([www.generalbanksupply.com/store/category/listall/241/plastic-desposit-bags](http://www.generalbanksupply.com/store/category/listall/241/plastic-desposit-bags)).

### **COUNTING FORMS AND NUMBERED SEAL CHECKLIST**

Sample forms, including a bag checklist are available for download and printing at P.S. SERVICES Website: [www.ChurchSecurity.info](http://www.ChurchSecurity.info). Use of these or similar forms to document the numbered-seal assignment as well as the counting and verification processes serves to protect the counting team from any allegations and also act as a deterrent to anyone who might want to take advantage of loose counting procedures.

### **THE COLLECTION PROCESS**

#### **Taking Control**

Document the procedures for the ushers to follow, especially how to properly seal the bags. Post and communicate these procedures with the ushers. Let the ushers know how much you appreciate their cooperation in successfully implementing these procedures.

Promptly after the collection has been taken up, and in the presence of one or more witnesses, the head usher will consolidate the collection into a pre-numbered sealable plastic bag and immediately tightly close and seal the bag. The seal will then be tested to ensure that it is not defective. On the front of the bag, fill-in the Mass, collection (first or second), and the date. Use ink. The usher(s) names should also be written on the bag.

#### **Second Collections**

When there is a second collection, follow the same procedures, including the use of a second sealable plastic bag. Under no circumstances should the closing and sealing of the bag containing the first collection be delayed pending completion of the second collection.

It may happen that someone missed the basket and wishes to add an envelope to the collection. Any loose envelope is placed in a smaller sealed bag and transported to a secure area for safekeeping prior to delivery to the count team.

#### **Disposition of Collection**

The sealed bag will then be taken to the rectory or other designated location for storage pending retrieval for the counting and banking process. It is best to store the bags in a safe or vault that has adequate burglary and fire resistance ratings. Combination to the safe is known only to select few. Where keys are used, the original and duplicate keys must be closely controlled.

## **THE OPENING PROCESS**

### **The Counting Site**

The room in which the counting takes place should not be directly accessible from outdoors, i.e., without passing through at least one other room. Also, it should not be a routine or required pass-through for persons not involved in the counting process. Provide a counting table that is large enough to accommodate the counting team as well as the normal collection volume. Proper security requires that all counting and bank deposit materials be assembled and close at hand before any seals are broken and the count begins.

### **Staffing**

Under ideal conditions, a sufficient number of counters should be recruited to maintain at least four teams of four or more counters each. None of the counters on a particular team may be related to any other counter on that team. Additionally, basic internal control principles require that no parish employees are to be involved in the collection counting process. Therefore the bookkeeper may not be one of the counters. The opening process may not begin until at least three (3) counters are present to witness the opening and begin counting. All counters must be totally free of other duties, e.g., answering the telephone or door, preparing meals or performing any other rectory duties.

The rationale for requiring at least three counters concerns the fact that one might be called away or need a comfort break during the counting process; so two counters would remain. No individual should ever be left alone with the collection, not even for a minute. Leaving one person alone with the collection is unfair to the individual and is a major breach of security.

### **Retrieving and Examining the Collection Bags**

When it is time to begin the count, all accumulated bags are retrieved from the storage location. This duty should be performed by the pastor or someone else not otherwise involved in the process. A seal documentation form is used to ensure that all collection sacks have been accounted for each Sunday.

Before being opened, each must be examined to verify that it was properly sealed and that the seal is still intact. At the same time, the numbers on the bags are recorded on the form provided.

### **Opening the Collection Bags**

After all seals have been checked, the sacks are opened and emptied onto the table where the cash portion of the collection will be counted. From that point forward, the cash may not be moved to any other location until the counting process has been completed. Before being put aside, each bag must be checked to ensure that it is completely empty. The numbered sealed bags are retained and submitted with the other documentation relating to the count following its completion. The secretary or other designee will later compare the serial numbers of the opened sealed bags against the serial numbers recorded separately by the person who assigned them for use.

### **Loose Checks**

Any loose checks, i.e., checks received without an identifiable offertory envelope, are included in the check count noted above, but photocopied or recorded on a separate form, including name and address. That information is useful identifying new parishioners, as well as in analyzing the breakdown between cash in envelopes and loose cash.

### **Documentation**

Samples of all recommended forms, including the numbered-seal checklist, may be downloaded free from [www.ChurchSecurity.info](http://www.ChurchSecurity.info). Each adding machine tape is identified, initialed, dated and attached to the pertinent form. When the counting is complete and the bank deposit has been prepared and sealed, all subsidiary count

sheets, adding machine tapes and checklist must be placed in a designated location for later review and filing. As previously noted, the opened sealed bags are also retained for later comparison against the record of bag numbers assigned by the custodian of the numbered bags.

### **Rotation of Counting Duties**

As a matter of prudent practice and to maintain depth of experience and versatility, the various duties described earlier should be rotated on a regular basis. This can best be accomplished by disseminating a quarterly schedule of counting assignments. This will also facilitate securing replacements for unscheduled absences. Although the Pastor should designate an overall coordinator, narrow specialization or domination of the process by one individual is generally unwise. A group of broadly trained volunteers will help ensure that key elements of the system do not fall into disuse and thereby cause the system to become ineffective.

## **WEEKLY REVIEW AND ANALYSIS**

### **Rationale**

Human nature being what it is, we all have a tendency to become complacent and begin taking shortcuts. In that regard, it would not be unusual for some aspects of this system (sacks and seals) to endure while others (witnessing, double counting and verification) fall into disuse. This could be fatal to the entire system, leaving only the appearance of security. Effective verification and review procedures, coupled with periodic observations, provide the means for detecting system lapses and initiating timely corrective action.

### **Review of Counting and Bank Deposit Forms**

The secretary or other designee not otherwise involved in the collection, storage or counting processes will conduct a weekly review of the preceding week's documentation. That person will examine all count sheets, checklists, bank deposit slips and adding machine tapes to ensure that correct procedures were followed. The reviewer must also compare the record of sealed bags assigned (to be furnished by the custodian of these bags) with the record of sealed bags received and opened by the counting team. The bag numbers must agree with the record made at the time they were assigned for use on the Sunday to which the review relates.

Any discrepancies must be explained to the Pastor or parish administrator. In addition, any problems recorded by the counters during the opening process must also be analyzed and appropriate follow-up action taken, where warranted.

### **Cash Analysis**

A periodic analysis should be made of the collection itself. There are various methods for determining whether losses might be occurring. The following formula is one such method:

Total Offering (total of bank deposit) minus [Total Envelopes + Loose Checks] equals total Loose Cash. This computation can be performed on a weekly basis. If the results are ever negative or unusually low (based upon past history), a cash loss situation might well exist.

Another very useful analysis (especially important during the first year of operation under these collection security procedures) involves comparing and contrasting the current Sunday's currency and check totals with the currency and check totals for the comparable Sunday of the prior year.

Naturally, collections for major Holy Days, e.g., Christmas and Easter, must be compared with each other regardless of where they fell in the calendar for the prior year. A moderate increase in check donations after implementation

(five to ten percent, for example) accompanied by a significantly greater increase in cash donations would be a strong indication that cash losses were occurring under the old (unsecured) collection procedures.

### **Reporting Requirements**

Any significant trends or unusual circumstances disclosed by these reviews must be reported in writing to the pastor or other appropriate church official. A copy of any such report is also filed with the specific deposit documentation to which it relates.

### **File Maintenance**

When the weekly review has been completed, all documentation relating to the count and verifications are filed chronologically in a locked file and maintained for a period of not less than two years. Such files will be maintained for a longer period if required by law or administrative guidelines. All opened, previously sealed bags will be destroyed, unless they relate to an irregularity that has yet to be resolved.