

FINANCIAL PROCEDURES AND GUIDELINES FOR THE PARISHES IN THE METROPOLIS OF ATLANTA

The Uniform Parish Regulations (UPR) of the Greek Orthodox Archdiocese of America provide, in part, that the Priest together with the Parish Council are responsible for the activities of the Parish which include collecting the revenue, issuing receipts, paying by check salaries and other expenses and **submitting to the Archdiocese and the Metropolis the Parish the financial statements and insurance policies for the prior year by May 15 of each year.** Further, the UPR provide that the Parish may purchase, sell or mortgage real property with the approval of two thirds of the members present at a properly called General Assembly meeting.

The responsibility for protecting the Parish assets rests with the Priest and the Parish Council. Because parishes receive their revenue from their parishioners, some of whom may otherwise have used the donated funds for their basic needs, priests and parish councils have a special fiduciary obligation to make sure that all assets are protected and resources are used properly.

The following procedures are issued to supplement the UPR provisions and to ensure that all parish property is protected and all resources used efficiently.

A. PURCHASE, CONSTRUCT, SELL or MORTGAGE PROPERTY. Purchase, construction, selling or mortgaging of property requires the approval of the Parish members and concurrence of the Metropolitan.

1. Ten day written notice must be given to the Parish members advising of date, time, and purpose of the General Assembly meeting.
2. Two-thirds of members present who are in good standing must approve.
3. Consent of the Metropolitan must be secured. The request for consent must be in writing and should include all particular details prescribed in Chapter One, Article 16, Section 3 of the UPR.

INTERNAL CONTROLS. Each Parish should establish a system of internal controls whose purpose would be to safeguard the assets, check the accuracy of the financial records and ensure compliance with established procedures. Use Exhibit A to test your church's current system of internal controls.

1. **Organizational Chart.** An organizational chart must specify what position is responsible for what function and it must be followed.
 - a. Incompatible duties must be divided. Thus, the same person should not be responsible for receiving, counting, recording and depositing funds.

2. **Safeguarding of Records.** Valuable assets should be protected at all times. Inventory of all assets should be taken and updated periodically.
 - a. All bank accounts, brokerage accounts, certificates of deposit, stocks, bonds, etc., should be under the control of the Parish Council through its duly elected Treasurer and Finance Committee.
 - b. If placed in a safe deposit box, the box should be opened in the presence of two persons and two signatures should be required to open the box. Combinations to safe deposit boxes should be given only to persons responsible for the safety of records in the safe deposit box.
 - c. Financial records should be kept under lock and key. Records should be kept for seven years.
 - d. Parish records, including checkbooks, bank statements, other financial records, should not be removed from the Parish offices.
3. **Receipt of Funds.** Procedures should provide that the same person does not receive, record and deposit funds received. This is particularly critical when cash is involved.
 - a. Funds received should be entered in the financial records timely and accurately.
 - b. All funds of \$250 or more must be acknowledged timely to comply with IRS regulations.
 - c. Checks received should be stamped "For Deposit Only" with the account number and deposited timely. They should not be endorsed over to third parties.
 - d. Receipt of cash. At least two people should count the offerings, record the amount in a Cash Receipts Register, showing the amount, date and their initials.
 - e. The Cash Receipts Register should be retained and the amounts shown therein should be traced to the bank deposit tickets.
 - f. Cash received should be deposited promptly, preferably by the persons who counted it. Cash should not be used to pay expenses.

4. **Disbursement of Funds.** All expenses should be approved by the Parish members through the budgetary process. Non budgeted major expenses should be approved by the Parish members in special General Assembly meetings called for that purpose.
 - a. **Annual Budget.** A detailed budget must be presented for approval by the Parish members at a General Assembly meeting at the beginning of each calendar year.
 - b. **Purchase Orders.** Pre numbered purchase orders should be used to order material or supplies. At least two bids should be obtained for large expenditures and two or more authorized persons should approve the purchases. Purchase orders would not be in order for such items as utilities, salaries and minor items.
 - c. **Approval for Payment.** All invoices should be checked for accuracy and approved by an authorized person before payment. The purchase order, if any, should be attached and the invoice marked with the date of payment and check number.
 - d. **Payments.** All payments should be made by check.
 - i. The checks should be signed by two persons one whom must be the Treasurer or Assistant Treasurer.
 - ii. All signatures must be original. No facsimile signatures.
 - iii. Blank checks should not be signed.
 - iv. Checks should not be written to cash except for Petty Cash.
 - v. When a check is written, the stub section should be completed to show the date, payee, amount and brief description.
 - vi. Checks, once written, should be mailed to the payee timely.
 - e. **Petty Cash.** A Petty Cash fund may be established to pay for minor expenses. It is established by cashing a check written to Petty Cash. Payments by the fund should be supported by invoices showing the purpose of the expenditure. The fund should be under the control of a designated person and audited periodically by the Treasurer.
 - f. **Bank Accounts.** All accounts should be reflected in the financial records. The accounts should be reconciled at the end of each month. The person doing the reconciliation should not be the same person writing the checks.

5. **Financial Records.** Accurate and timely recording of all transactions is essential for the users of these records. Accurate records should be maintained for all accounts (building funds, festivals, restricted funds, etc.) There are many automated systems that may be used.
 - a. The records must be kept on a calendar year basis.
 - b. The records should show year to date balances and budgeted year to date amounts.
 - c. **The financial statements should be reviewed at each Parish Council meeting. Particular attention should be given to variances from budgeted amounts.**
 - d. Detailed financial reports (profit and loss, balance sheets) must be presented to the Parish members at the first General Assembly.
 - e. Copies of the financial reports must be sent to the Bishop after the close of the year.

6. **Board of Auditors.** The Board of Auditors should be elected by the General Assembly. It shall consist of at least three members with knowledge of accounting or business background. It is recommended that retired or practicing CPA's or former treasurers elected to serve on the Board.
 - a. The Board of Auditors should audit on a regular basis, the financial records and prepare a report for presentation to the General Assembly.
 - b. Copies of the audited report must be sent to the Metropolis and the Archdiocese.
 - c. Parish members who served on the Parish Council for the year being audited or are candidates for election to the Parish Council may not serve on the Board.

7. **Finance Committee.** Oversees and is responsible for all financial activities.
 - a. Establishes internal controls and ensures that they are followed.
 - b. Receives and reviews financial reports from the Treasurer.
 - c. Makes recommendations to the Parish Council concerning all financial matters.

- d. Provides information to the Audit Committee and ensures that any Audit Committee recommendations are followed.
8. **Financial Secretary.** Performs all accounting functions (if a financial secretary is not available, these functions may be performed by the Assistant Treasurer or other secretary).
- a. Records all income and expenditures.
 - b. Prepares checks for authorized signatures.
 - c. Prepares financial reports.
9. **Treasurer/Assistant Treasurer.** The Treasurer is responsible for safeguarding church assets, analyzing church programs that have financial ramifications and providing financial reports to the Finance Committee.
- a. Makes all bank deposits.
 - b. Signs all checks.
 - c. Issues financial reports.
 - d. Responsible for issuing Federal and State income forms (W-2, 1099, etc.) for all salaried personnel on a timely basis.
 - e. If a Financial Secretary is not available, performs the duties of the Financial Secretary.