

7 Authorities for Approval



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7.1 Authorities for Approval—Treasury Functions

Purpose

To set forth the authority to engage in banking, investment and related activities

Statutes and Policies

1. Each Parish may maintain a petty cash account with proper internal controls.
2. Each Parish of the Archdiocese of St. Louis may open and maintain at least one checking account, but no more than necessary, at a financial institution of its choice.
3. Bank accounts of parishes shall be held as follows: (Name of Church) Parish, Reverend (Name of Pastor). We forbid parish funds or any other Church funds to be deposited in any bank, safety deposit vault or other financial institution in the name or personal title of any cleric, layperson or corporation. (Statute 37)
4. Each Parish shall maintain all surplus funds in deposit accounts with The St. Louis Archdiocesan Fund. Surplus funds are generally defined as those in excess of the amount needed to pay one to three months' operating expenses. (See Statute 40B.)
5. No Parish or Parish Organization may invest funds outside of The St. Louis Archdiocesan Fund.
6. No Parish or Parish Organization may borrow funds outside of The St. Louis Archdiocesan Fund. Parishes may elect to use credit card accounts but only in such cases where the Pastor authorizes.
7. The Pastor and at least one other clergyman shall be authorized signers on every account, including accounts of parish organizations. (Section 5.5)
8. The Pastor or other authorized signer (see #3 above) shall originally sign every check and order of withdrawal.
9. The Pastor shall receive directly and unopened all statements of account.
10. The Pastor shall personally review the checks and orders of withdrawal for reasonableness and authenticity.
11. Each Parish shall utilize the Automated Clearing House (ACH) system administered by the Archdiocesan Finance Office to transfer funds between the Parish's local financial institution and The St. Louis Archdiocesan Fund.

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7.2 Authorities for Approval—Accounting

Purpose

To provide a standardized method of accounting for parish financial transactions and donor contributions.

Statutes and Policies

1. Each Parish shall use QuickBooks Enterprise for recording and reporting all accounts payable and general ledger transactions.
2. Each Parish shall use QuickBooks Enterprise or other software system, as approved by the Parish Support Office, for payroll and accounts receivable.
3. Each Parish shall use either Servant Keeper or Shelby software for recording and reporting all census and contribution records.
4. Each Parish shall maintain one account in its contribution records for recording all offerings of loose cash in order that the total amount of each week's offerings can be traced to the general ledger.
5. Each Parish shall prepare and maintain an annual operating budget of cash receipts and disbursements.
6. Each Parish shall employ the official Chart of Accounts and follow accounting policies and procedures that are issued by the Parish Support Office.

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7.3 Authorities for Approval— Operating and Capital Expenditures

Purpose

To provide for the orderly and timely payment of all reasonable and necessary parish expenditures.

Statutes and Policies

1. All Parish employees shall be paid on a timely basis and in accordance with any policies or guidelines that may be issued by the Archdiocese (e.g., Archdiocesan clergy, teachers, etc.)
2. All expenditures for Parish employee benefit programs shall be paid on a timely basis and in accordance with any policies or guidelines that may be issued by the Archdiocese.
3. All withholdings from Parish employees' payroll shall be remitted in full and on a timely basis for their respective purposes.
4. All legitimate third-party invoices shall be paid on a timely basis in accordance with payment terms.
5. All Archdiocesan invoices shall be paid on a timely basis.
6. All loan obligations shall be paid in accordance with the respective loan agreements.
7. Capital expenditures and leases for acquisition, improvement or repair that are in excess of 3% of the prior year's ordinary revenues or \$10,000, whichever is greater, shall be approved in writing by the Archbishop before obligating the Parish.
8. The Pastor of any Parish that is unable, or expects to be unable, to meet the Parish's financial obligations shall contact a Vicar-General as soon as he is aware of the situation.

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7.4 Authorities for Approval—Titling of Property

Purpose

To set forth the authorities for appropriate titling of certain properties.

Statutes and Policies

1. Bank accounts of parishes shall be held as follows: (Name of Church), Parish, Reverend (Name of Pastor), Pastor. We forbid parish funds or any other Church Funds to be deposited in any bank, safety deposit vault or other financial institution in the name or personal title of any cleric, layperson or corporation. (Statute 37)
2. All securities donated to or titled in the name of a Parish or Parish Organization shall be immediately sent to the Archdiocesan Finance Office for disposition.
3. All real property belonging to the Parish shall be titled in the name of the Catholic Church Real Estate Corporation for county in which the real property is located.
4. All personal property, belonging to the Parish that is required to be registered with any governmental authority shall be registered in the name of the Parish.
5. All personal property, belonging to an individual that is required to be registered with any governmental authority shall be registered in the name of that individual.

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7.5 Authorities for Approval—Leases and Contracts

Purpose

To set forth the authority to engage in written leases and contracts.

Statutes and Policies

1. The Archdiocesan Building regulations dated January 6, 1995 (obtainable at the Office of Building and Real Estate) contain the procedure to be followed in the construction of new ecclesiastical buildings, or substantial renovation or remodeling of existing buildings. (Statute 44)
2. No one entrusted with the administration of parochial or Archdiocesan property may incur an indebtedness against that property, without the permission of the Archbishop. (Statute 45)
3. All legal matters affecting parochial or Archdiocesan property or administration shall be referred immediately to a Vicar-General. (Statute 46)
4. All deeds, abstracts, certificates of title, leases, easements and all legal instruments relating to churches, schools, rectories, convents, cemeteries and all other diocesan property, or property used by any parish or other subdivision thereof, shall be filed and kept at the Catholic Center. (Statute 48)

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7.6 Parish Expenditures for Major Projects-Frequently Asked Questions

- 1. At what level is a parish required to obtain the Archbishop's approval for capital expenditures for acquisitions, improvements, or repairs and for leasing property?**
 If capital expenditures or leases will exceed the greater of either 3% of the parish's ordinary revenue or \$10,000, written approval from the Archbishop is required for the project concept and possible feasibility study for a major fund drive, if substantial revenues must be raised. If a feasibility study is necessary, the Archbishop usually asks the pastor to contact the Executive Director of Stewardship and the Annual Catholic Appeal to request assistance. (See Financial Management and Control Manual for Parishes (PCM), Section 7.3, Item 7).
- 2. Is a parish required to obtain permission from the Archbishop to conduct a capital campaign?**
 After the Archbishop approves a project concept and the feasibility study has been conducted, the final feasibility report should be submitted to the Archbishop. Assuming the feasibility study is positive, the pastor must request, in writing, permission to proceed with a capital campaign. Again, the Archbishop usually asks the pastor to keep in contact with the Executive Director of Stewardship and the Annual Catholic Appeal with regards to the capital campaign procedures (PCM, Section 10.2)
- 3. Are capital campaign funds subject to Archdiocesan assessments (Cathedraticum and Educational Assessments)?**
 The Cathedraticum assessment policy, as revised in February 1997, states that assessments are to be based on total revenue (excluding endowment principal revenue). Therefore, capital campaign revenues are subject to the Cathedraticum and Education Assessments. (PCM, Section 11.1.0)
- 4. How can a parish determine the amount of debt it can incur for a project?**
 At the time a parish is conducting a capital campaign feasibility study, the Finance Office, if requested by the pastor, can prepare a Preliminary Analysis of Debt Service, a non-binding indication of the amount the parish can borrow, based on historical financial performance.
- 5. What is the procedure to be followed when a parish needs to borrow money for a project?**
 The Archdiocese has a Building and Loan Protocol describing the steps to be taken before a loan application is submitted to the Archdiocese. A parish must obtain written approval from the Archbishop before a loan application is submitted. (PCM, Section 8.7)
- 6. When should a loan application be submitted?**
 A loan application should be submitted during the design phase of the project and after all funding sources have been preliminarily identified, but before bids are requested.
- 7. After loan approval, what is the next step?**
 Loan applications are made through the Property & Financing Committee of the Finance Council. The Archbishop will notify the pastor if the loan has been approved. The approval generally is subject to certain conditions, including working with the Office of Building and Real Estate to obtain bids and to select contractors (PCM, Section 8.7)