

FINANCE COMMITTEE
WORK GUIDELINES AND PROCEDURES (August 2018)

(A)	<u>The FINANCE COMMITTEE</u>
	<p>The Finance Committee (FC) consists of three members. One FC member shall be designated as the FC Chairperson. In order to allow each FC member to have hands-on experience of all aspects of the FC functions, it is recommended that the FC members shall take up the following tasks on a rotation basis. It is the duty of the FC Chairperson to allocate the tasks and the times of rotation. The diocesan policy mandates that “the bookkeeper is not a signer on any account.” The rotation of tasks must take that policy into account.</p> <p>I) <u>Bookkeeping & Financial Reporting</u></p> <ol style="list-style-type: none"> 1. Maintain the Chart of Accounts. 2. Posting transactions in the online accounting system in a timely manner. 3. Conduct periodic reconciliations of all accounts to ensure their accuracy. 4. Issue financial statements and distribute to Executive Committee (EC) members and parishioners. 5. Provide financial analysis of the financial statements as and when required. 6. Compare actuals with budgets and report significant issues to the Chaplain and Chairpersons. 7. Conduct monthly reconciliation of every bank account. 8. Prepare bank account reconciliation statement. 9. Follow up and resolve any outstanding items on bank reconciliations which are over 6 months. 10. Maintain an orderly accounting filing system. 11. Complete the annual financial reporting package as required by the Diocese of San Jose (DSJ). 12. Assemble information for external auditors designated by DSJ. <p>II) <u>Annual Budgeting and Disbursement</u></p> <ol style="list-style-type: none"> 1. Collate the proposed annual budget submitted by group leaders for discussion and approval at the EC meeting. 2. Prepare the approved annual budget for submission to DSJ. 3. Maintain the annual budget. 4. Pay any recurring expenses as they come due for payment. 5. Check and verify all invoices, sales receipt and check request forms for reimbursement of expenses. 6. Issue check for reimbursement of expenses in a timely manner. 7. Record cash/check receipts and disbursements. <p>III) <u>Handling of Collections</u></p> <ol style="list-style-type: none"> 1. Give notice of special collections to whomever publishes the weekly bulletin and prepares the announcements. 2. Count or verify SJCCC collections and special collections right after the Mass ended. 3. Deposit collections and other cash to bank by ATM (automated teller machine) or night drop services on the same day the collections and other cash received. 4. Maintain a donations report and a listing of donors and compare to the bank deposit receipt. 5. Prepare and distribute Thank You Letters to donors. <p>IV) <u>General Matters</u></p> <ol style="list-style-type: none"> 1. Review FC guidelines and procedures as and when required to ensure they are in compliance with DSJ Financial Guidelines. 2. Communicate and liaise with the diocese on all financial matters. 3. Attend to any inquiries made by diocese, parishioners and auditors. 4. Oversee all matters relating to the operation of the FC. 5. Perform any other finance duties as assigned by the Chaplain and Chairperson(s).

(B)	<u>SJCCC COLLECTIONS</u>	
1.	<u>Handling of SJCCC Collections</u>	
	(a)	A money count team of three members, including one FC member, to count / verify collections.
	(b)	<p>Two money counters are responsible to count the collections right after the Mass ended and the third money counter is responsible to verify the total collections. In case of need, someone who is unrelated to the three money counters may be asked to help to count the collections. The three money counters shall count and verify the total collections on a rotation basis in the following manner.</p> <ul style="list-style-type: none"> • For counting: two of them each week (1,2; 2,3; 3,1). • For verification: one of them each week (3; 1; 2).
	(c)	All checks received should be immediately endorsed "Pay to the Order of Wells Fargo Bank, N.A., For Deposit ONLY to SJCCC CANTONESE GROUP 0117670653".
	(d)	The total collections are recorded on a "SJCCC-Cantonese Group Log Slip" (Attachment #1) and duly signed by the money counters for that week.
	(e)	The total collections should be put in sealed pre-numbered tamper proof security bag. Two money counters for that week will immediately deposit the collections together into the SJCCC-Cantonese Group, Wells Fargo Bank Current Account by ATM or night drop services.
	(f)	The "SJCCC-Cantonese Group Log Slip", bank deposit receipt, the updated "Donations Report" and "Donors Record" shall be sent to the FC member who performs bookkeeping duties for filing and accounting purposes.
2.	<u>Year-end Donation Appeal for Tax Deduction Purposes</u>	
	(a)	Year-end donation appeal for tax deduction purposes shall be made in the full month of December during the announcement after Mass and in the weekly bulletin.
3.	<u>Thank You Letters</u>	
	(a)	<p>Thank You Letters for tax deduction purposes shall be issued and be sent out to the donors by email / by hand / by mail. The dates of sending out the letters shall be issued in the weekly bulletin and be announced during the announcement after Mass.</p> <p>The latest dates for sending out the Thank You Letters:</p> <ul style="list-style-type: none"> • By email: send out through the FC gmail account – by January 31. • By hand: to those without registered email – by the 1st Sunday of February. • By mail: for the remaining letters – by the 1st Sunday of February. <p>Any undelivered letters shall be shredded after April 15.</p>
4.	<u>Confidentiality of Donors Information</u>	
	(a)	Donor information is confidential. It is a diocesan stewardship guideline that everyone in leadership is entrusted to protect the privacy of individuals, who donate. Therefore, all paper documents must be locked or shredded.
	(b)	All computer records and paper documents with donors' information must be deleted / shredded / locked after April 15 .

(C)	<u>SPECIAL COLLECTIONS</u>	
1.	<u>Handling of Special Collections</u>	
	(a)	The Collection Schedule for special collections can be downloaded from the DSJ Website in around February to April .
	(b)	Special collections should be published in the weekly bulletin a week before the collection date and read in the announcements a week before the collection date and on the day of collection.
	(c)	A money count team of three members, including one FC member, to count / verify special collections.
	(d)	Two money counters are responsible to count and the third money counter is responsible to verify the special collections made right after the Mass ended. In case of need, someone who is unrelated to the three money counters may be asked to help to count the special collections. The three money counters will count and verify the total special collections on a rotation basis in the following manner. <ul style="list-style-type: none"> • For counting: two of them each week (1,2; 2,3; 3,1). • For verification: one of them each week (3; 1; 2).
	(e)	The total special collections are recorded on the “SJCCC-Cantonese Group (2nd Collection) Log Slip-1 (Attachment #2) & SJCCC-Cantonese Group (2nd Collection) Log Slip-2” (Attachment #3).
	(f)	The total special collections and the “SJCCC-Cantonese Group (2nd Collection) Log Slip-2” should be, (i) put in sealed tamper proof money bag provided by St. Clare Parish (Attachment #4); (ii) complete the “St. Clare Parish Money Bag Log” (Attachment #4) and (iii) drop the sealed tamper proof security bag into the depository at the sacristy of the church immediately.
	(g)	The duly signed “SJCCC-Cantonese Group (2nd Collection) Log Slip-1”, copy of the “St. Clare Parish Money Bag Log”, copy of the sealed tamper proof money bag and the updated “Donations Report” shall be sent to the FC member who performs bookkeeping duties for filing and accounting purposes.
(D)	<u>ANNUAL BUDGET</u>	
1.	<u>Preparation of Proposed Annual Budget</u>	
	(a)	Budget call shall be made in the last week of June .
	(b)	All group leaders are required to submit the proposed annual budget with justifications and breakdowns for their respective group by 2nd week of July .
	(c)	The Finance team shall collate all proposed annual budget for discussion at the EC Meeting in July .
2.	<u>Approval of Annual Budget</u>	
	(a)	The final proposed annual budget shall be reviewed/endorsed by the EC Chairperson(s) and approved by the Chaplain.
3.	<u>Publication of Approved Annual Budget</u>	
	(a)	A summary of the approved annual budget and the previous year’s income statement shall be published in the weekly bulletin no later than September .

(E)	<u>FINANCIAL REPORTING</u>	
1.	<u>Submission of Annual Financial Reports and Other Attendant Reports</u>	
	(a)	The FC Chairperson shall submit the duly signed package of the “Annual Financial Reports and Other Attendant Reports” to DSJ on or before the date of deadline (around mid-August) as specified by the diocese.
2.	<u>Publication of Financial Reports</u>	
	(a)	The FC member who performs bookkeeping duties shall complete posting transactions in the online accounting system in a timely manner.
	(b)	The monthly income statement summary with budget performance and previous year comparison, balance sheet, bank statements and bank account reconciliation statement shall be sent to the Chaplain and EC Chairperson(s) for approval.
	(c)	To publish and distribute the approved income statement summary with budget performance and previous year comparison to the parishioners at least quarterly .
(F)	<u>PAYMENTS</u>	
1.	<u>Check Payment Request</u>	
	(a)	The duly signed “Check Payment Request Form” (Attachment #5) must be attached with original receipts / invoices as supporting documents when making request for reimbursement / disbursements. When original receipts / invoices are not available, details and purpose of reimbursement / disbursements must be provided in a separate sheet.
	(b)	All group leaders are required to spend within their approved annual budgets.
	(c)	For unbudgeted expenses, prior approval with justifications has to be sought from the SJCCC Executive Committee or the Finance Committee in the following manner. <ul style="list-style-type: none"> • For \$200 or less, must be prior approved by the Finance Committee; • For greater than \$200, must be presented to the SJCCC Cantonese Group Executive Committee for prior approval.
	(d)	All expenditures that exceed \$10,000 require prior approval from the Chief Financial Officer of the DSJ.
	(e)	For claiming reimbursement for purchases from commercial vendors and cash disbursements made out by a person for activities and events organized for the community.
	(f)	Budgeted expenses must be checked & signed by the respective group leader. If the applicant is same as the respective group leader, they must be checked & signed by an EC Chairperson.
2.	<u>Submission Deadline for Final Account & Claiming of Reimbursement of Event Expenses</u>	
	(a)	In order to complete the monthly closing of accounts and issue financial reports in a timely manner, group leaders are required to submit the final account for the event with all relevant information, supporting documents, and duly completed and signed form(s) for claiming of reimbursement within 14 calendar days after the date of the event .
3.	<u>Facility Rental for St. Clare Parish</u>	
	(a)	A duly signed “Check Payment Request Form” shall be submitted and a check shall be made out to “St. Clare Parish” for facility rental for the use of the St. Clare Church and its meeting facilities. It shall be paid on a monthly basis in the 1st week of the month .
	(b)	The check shall be put in a sealed envelope, marked with details of the payment and be dropped into the depository at the sacristy of the church.

F)	<u>PAYMENTS (Cont'd)</u>	
4.	<u>Annual Contributions for St. Clare School</u>	
	(a)	A duly signed "Check Payment Request Form" shall be submitted and a check shall be made out to "St. Clare School" as annual contributions in December . This contribution is a gift and is dependent on balancing our budget.
	(b)	The check with details of the payment shall be sent directly to St. Clare School.
5.	<u>Priest Remuneration</u>	
	(a)	A duly signed "Check Payment Request Form" shall be submitted and a check shall be made out directly to a diocesan priest if the Chaplain is diocesan priest or to the religious order or designated subunit of that order to which the Chaplain belongs. It shall be paid by two instalments in May and November within the appointment period of the Chaplain.
6.	<u>Gifts</u>	
	(a)	The custom of making gifts given in cash in accord with community custom may be kept. In every case, the funds should be disbursed by check to a named person who is responsible for preparing for and giving the gifts. A duly signed "Check Payment Request Form," (Attachment 5) including a list of those to whom the gifts will be made, should be submitted to FC for request of such disbursements.
	(b)	For gifts given by check to a priest, including diocesan priest, or religious, a duly signed "Check Payment Request Form" shall be submitted to FC and a check shall be made out directly to the priest, including diocesan priest or, if the gift is to a religious, the check shall be made out directly to the religious order or designated subunit of that order to which the religious belongs.
	(c)	Approval authority and other terms and conditions as specified in Item F, 1(a-f) above shall be observed.
7.	<u>Allowance</u>	
	(a)	Payments to the Chaplain, which are reimbursements for expenses (allowance) for the community's benefit shall be made on a monthly basis by check within the appointment period. The Chaplain should submit vouchers for such payments.
	(b)	Approval authority and other terms and conditions as specified in Item F, 1(a-f) above shall be observed.
8.	<u>Stipends</u>	
	(a)	Stipends are paid for services provided by Chaplain, guest priests or guest speakers for <u>presiding Mass or other religious services, such as pilgrimages, retreats and workshops.</u>
	(b)	A duly signed "Check Payment Request Form" shall be submitted and a check shall be made out directly to the Chaplain, guest priest or guest speaker or to the religious order or designated subunit of that order to which the Chaplain, guest priest or guest speaker belongs.
	(c)	Approval authority and other terms and conditions as specified in Item F, 1(a-f) above shall be observed.

(G)	<u>BANK ACCOUNTS</u>	
1.	<u>Authorized Signers</u>	
	(a)	To arrange change of authorized signers with Wells Fargo Bank as soon as EC members are appointed.
	(b)	All checks must be signed by two authorized signers, one EC Chairperson and one FC member / EC member at all times . The diocesan policy mandates that “the bookkeeper is not a signer on any account.”
	(c)	The person who prepares the check should not be the one who signs the check. The person who signs the check should never be the person to whom the check is made out.
	(d)	The bookkeeper shall not be a signer on any bank account, but can have access to bank accounts for retrieval of information only .
2.	<u>Fund Transfer</u>	
	(a)	Any fund transfer between bank accounts must be discussed and approved at the SJCCC Executive Committee Meeting. The EC Chairperson, who is a bank account authorized signer, is the ONLY authorized person to arrange for such fund transfer.
3.	<u>Cash Withdrawal</u>	
	(a)	Cash withdrawal from any bank account is strictly prohibited.
(H)	<u>OTHER MATTERS</u>	
1.	<u>Online Accounting System User I.D. and Password</u>	
	(a)	The user I.D. and password of the online accounting system and the personal computer should be kept by FC. Transfer the user I.D. and password to the new FC in July .
2.	<u>FC Mass Mailing / Email Account</u>	
	(a)	FC email account should be used for delivery of messages to those active parishioners on records and solely for the subjects related to our group and for the benefits of our group.
	(b)	The user I.D. and password of the FC email account should be kept by FC. Transfer the user I.D. and password to the new FC in July .
	(c)	To check email messages and to attend to inquiry in a timely manner. All email messages received in and send out from the FC email account, except for those in regard to donor information, shall be circulated to the Chaplain and EC Chairperson(s). Any spam email found in the FC email account should be removed immediately to prevent it from spreading to the group.

*(Prepared on: 3/19/2016
 Revised on: 8/31/2018
 Approved by DSJ on: 9/20/2018)*

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