

Policy and Procedures

Disbursements

OVERVIEW

The purpose of this policy is to define the internal controls over disbursements and establish accountability and authority for parish staff and volunteers when committing parish funds and resources or entering into agreements of financial significance.

An essential element of internal control is the proper authorization of disbursement transactions to ensure funds are expended in conformity with management intentions and parish assets are properly safeguarded. Controls over disbursements ensure the legitimacy of expenses incurred.

This policy applies to all disbursement transactions that will ultimately result in the use of parish assets. Transactions covered by this policy include, but are not limited to: reimbursements for personal funds spent in the pursuit of parish business, vendor payments, capital expenditures, check requests and purchase orders.

FIDUCIARY RESPONSIBILITY

A fiduciary duty is a legal duty to act solely in another party's interests. Parties owing this duty are called fiduciaries. The individuals to whom they owe a duty are called principals. Fiduciaries may not profit from their relationship with their principals unless they have the principals' express informed consent. They also have a duty to avoid any conflicts of interest between themselves and their principals. A fiduciary duty is the strictest duty of care recognized by the US legal system.

Parish funds belong to the parish and not to any one individual or subgroup. Anyone who spends parish funds or enters into a financial obligation on behalf of the parish has a fiduciary duty towards the care and use of those funds.

DISBURSEMENT PROCESS – BUDGET TO PAYMENT

1. Prior to the July 1 beginning of the fiscal year, each commission should prepare a budget at both the project and GL account level.
2. Based on the project plan and parish needs, compile a delegated spending authority list for each commission. Submit the list via e-mail to the Pastor, Bookkeeper and Finance Chair.
3. As expenditures are necessary, commission chairs should first consult the budget to ensure adequate funds are available.