

**Saint Mary Church, Hudson, Ohio**  
**LIFELONG ADULT MINISTRY (LAM)**

**Guidelines and Procedures**

**ARTICLE I**

***Purpose***

The Lifelong Adult Ministry (L.A.M.) at St. Mary Parish is an organization of women and men, single and married, 55 years of age and older, who have joined in the common objective of living vital and vibrant lives through personal and spiritual growth, service to fellow members and the parish in general, and enjoy participation in an active social life.

**ARTICLE II**

***Membership***

In order to be a member of St. Mary Lifelong Adult Ministry (LAM) the person desiring membership must be 55 years of age and must be a **registered parishioner** of St. Mary Parish. If one member of a family or couple is 55 years of age, or a member of the parish in good standing, both shall be deemed eligible for membership.

Annual dues are \$20 per person, due on June 30 before the beginning of the following fiscal year (July 1 to June 30th of the following year to coincide with the diocesan fiscal year). In order to be a member in good standing, and be eligible to attend LAM functions, a person must be up to date on payment of annual dues.

Annual dues are subject to regular review by the Board of Directors who may, upon an affirmative vote of the Board, change the amount of the annual dues. A person who has paid their annual dues on or before the date of the Saint Patrick's Day party for that fiscal year, will be considered a fully paid member. A person who pays annual dues after the St. Patrick's Party will be considered a member in good standing for the following year.

The Board of Directors may, at their discretion, waive dues for Parish leadership and staff members.

### **ARTICLE III** ***Board of Directors***

Section 3.1. General Powers: The Board of Directors (“the Board”) shall be responsible for the leadership of the organization. The Board shall have the power to govern the affairs and activities of the organization, in keeping with procedures it establishes that define the Board’s scope of authority and limitations.

Section 3.2. Number of Directors: The LAM Board of Directors shall consist of a minimum of eight (8) and a maximum of ten (10) voting members. There shall be four (4) elected officers of the Board of Directors: President, Vice President, Secretary, and Treasurer. In addition, the Board of Directors shall include the immediate past President and four (4) Directors-at-Large. The roles and qualifications of these members shall be determined by the Board in its procedures.

The Board of Directors may, at its discretion reduce or increase the number of directors if it is determined that this change will better effect the operation of the organization.

Section 3.3. Tenure: Directors shall serve a term of two (2) years from the date of their election. A full two-year term shall be considered to have been served upon the passage of two (2) annual meetings. Directors shall take office immediately following the close of the annual meeting at which they are elected. No Director shall serve more than two (2) consecutive two-year terms unless they are moving into an officer position (Secretary, Treasurer, VP or President), which supersedes the four(4) year limit. Fulfilling an incomplete term is not considered part of the term limit. Directors shall serve staggered terms to balance continuity with new perspective.

Election of Directors shall be done so that the terms are staggered to avoid a turnover of the entire board in any one year.

It shall be the responsibility of the incoming president to confirm the tenure of the directors to verify their eligibility for the subsequent year. The Board of Directors may, at their discretion, extend the tenure of a director beyond the four limit, if deemed to be necessary for successful operation of the board.

Section 3.4. Board Members: Members of the Board of Directors shall adhere to all policies and procedures established by the Board.

Section 3.5. Composition of the Board of Directors: Board members shall be sought who reflect the qualifications and diversity determined by the Board in its policies. (See also Section 3.6, Nomination and Election)

Section 3.6. Directors-at-Large: Directors: Directors-at-Large of LAM shall act on behalf of the board and provide input leadership as necessary. These directors shall act as liaisons between event chairs and the board and shall provide additional support as determined by the board.

Section 3.7. Nomination and Election: The Nominating Committee shall be responsible for reviewing qualified candidates to fill the open Board positions annually as needed and shall present a slate of proposed Board members for election by the Board at the annual meeting of the board in June. The newly elected Board members shall take office immediately following the close of the meeting at which they are elected. Any member in good standing who has been a member for more that 2 years is eligible for consideration as a board member.

The newly elected board shall be introduced to the general membership at the annual meeting of the membership.

Section 3.8. Vacancies: Any vacancy occurring in the Board of Directors and any position to be filled by reason of an increase in the number of Directors may be filled, upon recommendation of a qualified candidate, by an affirmative vote of the majority of the Board. A Director elected to fill the vacancy shall be elected for the unexpired term of his/her predecessor in office.

Section 3.9. Resignation: A Director may resign at any time by filing a written resignation with the President of the Board.

Section 3.10. Removal: The Board may remove any Officer or Director for cause by a two-thirds (2/3) vote of all Directors then in office, at any regular or special meeting of the Board, provided that a statement of the reason or reasons have been presented to the Officer or Director proposed for removal at least thirty (30) days before any final action is taken by the Board. This statement shall be accompanied by a notice of the time when, and the place where, the Board is to take action on the removal. The Officer or Director shall be given an opportunity to be heard and the matter considered by the Board at the time and place mentioned in the notice.

#### **ARTICLE IV** ***Officers of the Board of Directors***

Section 4.1. Positions: The LAM Board of Directors shall consist of a minimum of eight (8) and a maximum of ten (10) voting members. The four (4) elected officers positions of the Board of Directors shall be: President, Vice President, Secretary, and Treasurer. The qualifications of these members shall be determined by the Board in its procedures. The roles of the officers of the BOD shall be as follows:

Section 4.1.1 President: The President shall have overall responsibility for the operation of the organization. This shall include, but not be limited to, running the monthly and annual meeting, addressing the general membership at all events and additionally as necessary to relay pertinent information on the operation of the organization. The President may also appoint special committees, as necessary, to perform the regular or special needs of the organization.

Section 4.1.2 Vice President: The Vice President shall serve as a special aide to the President and shall act on behalf of the President in the event of his/her absence at meetings and other LAM functions.

In addition, when approved by the Board, the Vice President shall oversee the operation of the event chairs in their responsibilities of planning the event to which they are assigned.

Section 4.1.3 Treasurer: The Treasurer shall be the custodian of operating funds for the organization and shall be responsible for all financial aspects of the operation of the organization including receipt of annual dues, receipt of payments for all events that have an associated cost to the attendees, payment for all events and expenses incurred by the members on behalf of the organization. The treasurer shall be responsible for the maintenance of bank records and shall report the financial activity and status of the organization to the Board on a monthly basis.

All financial operations of the organization shall be done in strict accordance with the requirements established by the Diocese of Cleveland, St. Mary Parish and the Internal Revenue Service. (See Also **Appendix A** – Financial Operational Requirements of LAM)

The treasurer shall receive all member dues and upon receipt of dues from new member, and confirmation of their eligibility, shall submit the names and pertinent contact information for new members to the newsletter editor to be introduced to the rest of the membership in the next newsletter and to the publicity chair to be welcomed into the organization. The treasurer shall also forward this same contact information to the members of the Board.

Section 4.1.4 Secretary: The Secretary shall be responsible for the minutes of the monthly and annual meeting. Minutes shall be taken and published no later than 10 days after the completion of the meeting and distributed to the member of the Board upon completion. The Secretary shall be responsible for transmitting pertinent information to the Publicity chair for inclusion in the monthly newsletter. The Secretary shall also be responsible for the transmission of pertinent information to the Newsletter Editor for inclusion in the monthly newsletter.

Section 4.1.5 Past President: The Past president shall serve as an advisor to the board and shall maintain continuity from the previous years of his presidency.

Section 4.2 Presidential Succession: In cases of temporary absence, the succession shall be Vice President, Treasurer, and then Secretary. In the event that the elected President is unable to fulfill his/her term, the Vice President shall become President. The remaining term of the Vice President shall be filled by a vote of the Board. The Vice President position shall not automatically succeed to the president upon the expiration of the term of the president. Any individual Board member shall be a candidate for President.

**ARTICLE V**  
***Meetings of the Board of Directors***

Section 5.1. Regular and Annual Meeting: The Board shall meet monthly but not less than ten (10) times per year, one of which shall be the annual meeting, held in June of each year. Notice shall be given to each Director at least fifteen (15) days prior to the date of every regular meeting of the Board. Stipulation of the annual Board calendar shall fulfill the requirement for notice. Board meetings are open to all LAM members and shall be held monthly on the first Tuesday of each month at a time and location established by the board, unless changed by a member of the board with the concurrence of the entire board.

An additional general membership meeting shall be held in June of each year.

Section 5.2. Special Meetings: Special meetings of the Board of Directors may be called by the President or by a majority of the Board filing a written request for such a meeting with the President and stating the object, date, and hour therefore. Due notice of special meetings shall be given seven (7) days prior to such a meeting.

Section 5.3. Quorum: One-half plus one (1) of the Directors then in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors, except where otherwise required by these Bylaws. Voting is by majority unless otherwise specified in these Bylaws.

Section 5.4 Meeting Format: The Board shall select its own meeting format in any method allowed by the laws of the state of Ohio. Any such meeting, whether regular or special, complying with Sections 5.1 or 5.2, shall constitute a meeting of the Board of Directors and shall subscribe to the procedures and rules adopted by the Board.

Section 5.5. Meeting Notice: Notice of all regular and special meetings of the Board, an agenda of all items to be discussed at such meetings, and agenda support materials shall be circulated to all Directors prior to the meeting.

Section 5.6. Action: Any action required by the Board of Directors may be taken without a meeting, if all Directors receive notice of said proposed action in writing or by electronic transmission, and a majority of Directors consent thereto in writing or by electronic transmission. Response to the information shall constitute a waiver of notice requirements. The writing(s) or electronic transmission(s) shall be filed with the minutes of proceedings of the Board and maintained in the official files. The quorum requirement for any such action shall be as stated in Section 5.3.

Section 5.7. Proxy and Alternates: Voting by Directors by proxies shall not be permitted. An absentee Board member may not designate an alternate to represent him or her at a Board meeting.

**ARTICLE VI**  
***Parish Staff participation***

The Board of Directors shall include a member of St. Mary Staff who shall be appointed by the current Pastor and shall be a non-voting member.

**ARTICLE VII**  
***Committees & Permanent Chair Positions***

Section 7.1. Establishment and Operation of Committees and Chair Person positions:  
The President in consultation with the Board of Directors shall establish Ad Hoc committees as advisable to assist with governance, without compromising the Board's authority and in keeping with the procedures established by the Board.

Section 7.2. Standing Committee: The one Standing Committee of the Board of Directors shall be: Nominating. This committee shall operate in accordance with the rules and procedures established by the Board. The President, in consultation with the Board of Directors, shall appoint committee chairs.

Section 7.2.1 Nominating Committee: The Nominating Committee shall consist of three (3) current board members, an outside LAM member not on the current board, who shall be appointed by the president and the parish liaison, who shall be appointed by the president.

A minimum of five members must be present at the nominating committee meeting. The slate of nominated new officers and Board Members shall be presented to the Board by April 15th (prior to the June General Meeting). The current Board will vote on the list at the June meeting and the new Board will be introduced to the general membership at the annual meeting of the membership. Terms will be effective starting July 1 (beginning of the subsequent fiscal year).

Section 7.3 Permanent Chair Positions: Three (3) permanent Chair Positions and multiple event chair positions shall be part of LAM. These positions shall be Publicity Chair, Membership Chair and Newsletter Editor as well as one or more chair persons for each event. The three permanent positions may be filled by three individuals or, at the discretion of the president, by one or two people. Event chairs will be approved by the president.

Section 7.3.1 Publicity Chair: This Chair person shall be responsible for developing and distributing information and announcements necessary to keep the general membership, and the parish in general, abreast of the activities of the organization. This person shall also be responsible for keeping the membership informed of all proposed and planned events of LAM. This information may be included in the monthly newsletter or, if necessary, may be sent directly to the membership or delivered to the parish office for inclusion in the parish bulletin. Prior to submitting information for newsletter publication or submittal to the parish office for bulletin publication, the president shall be consulted for comment. This position shall report to

the Board. The publicity chair shall be responsible for maintaining copies of photographs and other pertinent published information.

Section 7.3.2 Membership Chair: The Membership Chair shall have responsibility for maintaining all membership records and preparing and continually updating the membership roster (with the assistance of the Treasurer). The membership chair shall also welcome new members to LAM. This position shall report to the Board.

Section 7.3.3 Newsletter Editor: The Newsletter Editor shall be responsible for preparing the monthly newsletter for distribution to the membership. The newsletter shall include articles, event announcements, event sign-up forms and at appropriate periods, membership dues notices and application forms. Additional information and photographs may be included at the discretion of the editor with the approval of the president. This position shall simultaneously report to the Board and the secretary.

Section 7.3.4 Event Chair Persons: Each LAM event shall have a Chair Person or Persons responsible for the development of that event. The event chairs shall be responsible for all of the social and spiritual events planned for the organization. The chair of each individual event shall be responsible for working with the treasurer in the budgeting and reporting on both attendance and financial aspects of the event. All event chair persons shall be fiscally responsible for the event that they chair and shall prepare a budget for the event at least 3 months before the date of the event. Event Chair Persons shall report to a board member assigned to oversee their event, typically the Vice President, and/or directly to the board as requested.

Following the completion of the event, the chair shall prepare a final financial status report for presentation to the board and shall prepare a report documenting the Dos and Don'ts associated with putting on their event so that future chairs of this same event have that background information available.

(See also **Appendix B** - Operational requirements for Events Chair Persons).

Section 7.3.4.1 New Events: Any LAM member may suggest a new LAM event. All proposed new events shall be subject to the approval of the board and shall have a financial budget, which shall be reviewed with the treasurer and be presented to the board member assigned as the overseer of their event and, if requested, directly to the board in order for the board to make a totally informed decision on whether to permit the event to go forward.

## **ARTICLE VIII** ***Fiscal Requirements***

The fiscal year of the organization shall begin on July 1 and terminate on June 30. The annual budget shall be prepared by the treasurer and presented to the Board of Directors at the last meeting of the fiscal year for approval prior to the commencement of the following fiscal year. The budget must then be approved by a two thirds affirmative vote of the Board. The president shall also be required to vote on the approval of the budget.

This budget shall then be presented to the general membership at the annual meeting of the membership.

Any member planning an un-budgeted event shall request a budget status report from the treasurer prior to initiating any expenditure of LAM funds. This member shall then prepare a budget for the proposed event which then must be approved by a two thirds affirmative vote of the board.

Any expenditure in excess of \$50, that is not included in the approved annual budget, must be added to the budget by a two thirds affirmative vote of the Board.

#### **ARTICLE IX** ***Rules of Order***

The rules of order in the current edition of Robert's Rules of Order shall govern the conduct of all meetings of LAM except where they may be in conflict with the Articles of Incorporation, this Manual of Procedures, or other policies adopted by the Board of Directors.

#### **ARTICLE X** ***Indemnification***

LAM and St. Mary Parish shall indemnify its Directors, Officers, employees, and volunteers to the fullest extent permitted by the law of the state of Ohio.

#### **ARTICLE XI** ***Amendments***

These Bylaws may be amended at a regular meeting by a two-thirds vote of all Directors then in office, provided that notice of the proposed amendment, together with a copy thereof, shall be distributed to each Director at least fifteen (15) days prior to the meeting at which the amendment is to be considered.

#### **ARTICLE XII** ***Dissolution***

In the event of the dissolution of LAM, and after the payment of all debt and return of charitable contributions as appropriate, all assets shall be distributed to St. Mary Parish.

## Appendix A

### Financial Operational Requirements of LAM

The parish and its organizations are governed by the requirements of the Diocesan Financial Guidelines (based in part on requirements instituted by the IRS) which dictate the following:

St. Mary church banks with Northwest Savings Bank (formerly Morgan Bank).

- A.1. The Pastor's name must be included on the LAM Checking account. In addition the name of the current president of LAM as well as that of the treasurer will also be included.
- A.2. The church fiscal year ends on June 30<sup>th</sup>. LAM must submit to the parish financial manager, as a minimum, their financial summary / check register on December 31<sup>st</sup> and June 30<sup>th</sup> along with all original receipts. Submittal of this documentation monthly is permissible.
- A.3. If a person has out of pocket expenses, a form that must be used for the submittal of requests for reimbursement is available and receipts must be attached (**see Attachment A-1**).
  - a. Receipts should have a notation of what they are for.
  - b. Members should save and submit all receipts.
- A.4. All payments to LAM (dues, event payments, etc.) should have checks made out to **St. Mary LAM** and should be mailed to the church, deposited in the collection basket or dropped off at the parish office. Payment with cash is acceptable but discouraged.
  - a. Checks sent to and/or made out to individuals are subject to theft and potential identity theft.
- A.5. LAM or the church should write a LAM check for all major event charges. If time is a critical concern, the Parish Financial Manager can make the payment using the church credit card.
  - a. If the parish credit card is used for a LAM expenditure, the church must be reimbursed by a LAM check. This keeps the LAM accounting reconciled.
  - b. Out of pocket payment (or use of a personal credit card) is acceptable for small amounts but the person requesting reimbursement must use the form mentioned above in A.3. and receipts **MUST** be submitted.
  - b. We should avoid individual members using their own credit cards for charging major LAM expenses (i.e. to pay for St. Patrick's day party, of New Years Eve Eve party, etc.).

- c. As a non-profit organization, no member can benefit from parish financial dealings. (An individual cannot use a LAM expenditure to gain credit card points or airline miles)
- A.6. The purchase of LAM beverages should be made at ACME. The store knows the tax ID number and does not charge tax. They also invoice the parish for these purchases and the invoice is passed on to LAM.
- a. **The Parish financial manager can give the credit card to ACME** or the store can charge the church and indicate that the charge is for LAM and eliminate the need for the use of a personal credit card.
  - b. The Parish financial manager should be advised of who is authorized to make these purchases at ACME.
  - c. A "Notification of Upcoming Activity Form" should be completed prior to the scheduling of an event at the church. This form advises Janice if insurance must be acquired for the event.
  - d. This form is particularly required if alcohol is being served.
  - e. An electronic version of this form can be obtained from the parish office.
  - f. Non members attending LAM events on church property must make a reservation and make payment in advance. It is not permitted to have cash change hands on church property.
  - g. Checks for LAM dues should be made out to St. Mary LAM and should be mailed to the church, can be dropped in the collection basket or dropped off at the parish office. These funds should be marked as "LAM Dues". It is acceptable to submit copayment in an envelope in the collection basket or dropped off at the office.
- A.7. The parish financial manager must be advised of any expenditure for the retention of entertainment or other person or company retained on behalf of LAM if the expenditure is in excess of \$600 per year. This person or company must have an IRS W-9 form on file with the parish and the financial manager must send that person or company an IRS 1099 Form at the end of the year.
- A.8. The Catholic Diocese of Cleveland Financial Policy and Procedure Statement E (**see Attachment A-2**) should be reviewed very carefully as there are penalties that could be levied on the parish if the rules are not followed.
- A.9. Non members attending LAM events on church property must make a reservation and make payment in advance. It is not permitted to have cash change hands on church property. These non members must obtain a temporary membership at a cost of \$10.

LIFE ADULT MINISTRY  
St. Mary Parish - Expense Form L.A.M.  
Please fill out form and attach receipts

Charge: \_\_\_\_\_  
Store Name \_\_\_\_\_  
 Check To: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Attach receipt(s) here:

Phone: \_\_\_\_\_  
Receipt Date: \_\_\_\_\_

Description/Purpose of item(s) charged:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Total Amount Due: \_\_\_\_\_

Department: Evangelization

Account #: 210407.09 P.O. #: \_\_\_\_\_

Submitted By: \_\_\_\_\_

Date: \_\_\_\_\_

All requests must be submitted to Accounting Office by Monday of each week.



# CATHOLIC DIOCESE OF CLEVELAND

## *Financial Policy & Procedure Statement E*

### **CASH RECEIPTS**



#### **CASH RECEIPTS**

Every parish throughout the Diocese has cash receipts. Cash is the asset most vulnerable to theft and misappropriation. Proper steps should be taken to reduce the risk of the loss of cash, and to make sure the cash received is properly recorded from the time of receipt until deposited into a parish account.

Cash receipts can be divided into four types:

- Normal Operating Receipts
- Other Operating Receipts
- Bingo Receipts (if applicable)
- Certificate Sales

The following guidelines apply to all types of receipts:

1. When counting cash, no person should ever be left alone with cash for any reason. Two people must be present at all times during the counting process.
2. When possible, a pre numbered receipt should be given for money received from an individual, including checks received. The donor may want to use their canceled check for a receipt, however, it is good to have a standard operating procedure that a receipt is given for any funds received from a person.
3. Cash receipts should be secured in a locked safe, with limited access from the time received until it is counted and deposited. Cash receipts should be deposited on a daily basis if possible, but in no case should receipts be held more than one week. Keeping undeposited funds in a desk drawer, unlocked cash box, or an unlocked safe would not be considered a secure location.
4. Checks should be negotiated promptly. The longer a check is held at the parish level before being deposited, the greater the chance the check may be returned to the parish due to non sufficient funds.
5. No employee or volunteer should go to the bank alone. Two persons should make the trip to the bank at all times.
6. If possible, cash should be verified by two people at the parish level before taking the money to the bank. This extra step will minimize adjustments to the deposit once the cash is verified at the bank.
7. The parish should request a validated deposit receipt from the bank. The deposit receipt should agree, without exception, to the deposit entered in the parish financial records. When preparing monthly reconciliations, the amounts from the validated deposit receipts and those amounts entered in the accounting records should agree to the bank statement. Any discrepancies should be investigated at once by someone independent of the cash collection and deposit process. If the same person who prepares the deposit investigates any discrepancies, it would be very easy to divert funds to another account without detection. To the extent the parish is able, the more persons involved in different phases of the cash process, the better chance an error in the accounting process is detected before it is posted.

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# CATHOLIC DIOCESE OF CLEVELAND

## *Financial Policy & Procedure Statement E*



### **CASH RECEIPTS**

#### CASH RECEIPT GUIDELINES *(continued)*

8. No funds (cash, checks, or certificates) should ever leave the parish property unless they are being transported to the bank. In no case should any employee or volunteer take parish funds to their personal residence for any reason. All funds not being transported to the bank, **MUST** remain on parish property. If an individual takes money off the parish property to their personal residence, the homeowners insurance of the individual may be responsible if a loss occurs.
  
9. Groups and organizations of the parish and school are required to follow these guidelines for sales at specific events sponsored by those organizations.

#### **NORMAL OPERATING RECEIPTS**

Normal receipts can be defined as receipts received during the normal course of operations. Examples of normal receipts would be offertory receipts, tuition receipts, fund-raising receipts and similar type items.

Cash receipts should be deposited intact. Expenses should **never be paid out of funds before depositing them**. Expenses should be paid by check following normal expenditure procedures. Offertory collections should be recorded in the appropriate income account. Regular Sunday offerings should be recorded in account 1001.01. Normal operating receipts are used to pay the expenses associated with the operation of the parish. Generally, normal receipts do not have restrictions attached to them.

Tuition receipts should be recorded in the appropriate tuition account. The account for current year tuition is 4001.01. All tuition should be receipted and deposited on the same day. If tuition is received in the school office, it should be kept in a secure location until deposited. Again, keeping the money in the desk drawer of the secretary would not be considered secure. At a minimum, tuition should be kept in a locked cash box until deposited or transferred to the parish. In no case should a student ever be allowed to transport any cash or checks to the parish office or handle any school cash. Care should be taken to make sure the individual tuition record is reduced by the correct amount of a payment received. Parishes are **NOT PERMITTED** to reduce the tuition account of any family in exchange for offertory contributions or any other services rendered.

Fund-raising receipts require extra care. Usually, there is a large amount of cash received during a relatively short period of time. Parishes or schools are **NOT PERMITTED** to reduce the tuition of any family in exchange for the family participating in fund raising activities. Such a procedure normally generates taxable income to the recipient which in turn requires federal reporting.

Cash receipts received by mail should be verified by two persons prior to deposit to the bank. If the pastor opens all the incoming mail, the verification by the bookkeeper or secretary would serve as the verification by the second person.

It is suggested that Sunday and special collections be published in the parish bulletin. A weekly graph may be a useful tool for the finance committee to analyze giving patterns of the parish. A graph of envelopes received and total offertory collections would be extremely useful to the pastor and the finance committee in preparing a yearly budget.

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# CATHOLIC DIOCESE OF CLEVELAND

## *Financial Policy & Procedure Statement E*

### **CASH RECEIPTS**



#### **OTHER OPERATING RECEIPTS**

Other operating receipts received may have restrictions attached. If someone donates money and a donor indicates the funds can only be used for a restricted purpose, the parish should record the money in a restricted fund. It is imperative these funds are segregated from normal operating receipts and used for the purpose intended. If a parish accepts restricted funds and uses the funds for some other purpose, the parish may be required to return the funds to the donor. It is recommended restricted funds be placed into a separate bank account. This is the easiest way to keep track of the interest earned for a specific project. Once earned, the interest may remain in the account if it is not needed at that time, however, if the interest earned is to offset some specific cost, the earnings may be transferred into the general fund. If a mutual fund or other type of investment vehicle is used which produces gains and losses on a monthly basis, the gains and losses attach to the principal amount and carry the same restriction as the earnings from the fund. For example, a donor gives the parish \$10,000 with the restriction that the earnings from the fund should be used to maintain and support the music program of the parish. Suppose the account the funds are invested in earned yearly interest of \$1,000 and had a gain of \$2,000. The account would have a balance of \$13,000 at the end of the year. The parish decided to purchase new music binders for the choir members at a cost of \$1,200. The pastor could elect to withdraw the \$1,000 of interest earned to partially offset the cost of the binders. The gain would stay in the account, therefore the balance in the account after the transfer is \$12,000. If the parish decided not to purchase the binders, the funds should not be withdrawn to offset any other expense of the parish. Usually, the income from restricted funds is not available to offset payroll costs.

Other operating receipts may include unrestricted donations, income from parish programs, donations from parish groups and organizations, investment income, rental receipts, candle income and designated collections.

#### **BINGO RECEIPTS**

There are separate procedures for Bingo cash receipts in section D of this handbook. In general, it is recommended cash receipts from Bingo admission be controlled by a cash register. Receipts from instant Bingo sales should be closely monitored and reconciled by each box of tickets sold. One indication of a problem with Bingo cash receipts would be if the Bingo operation does not have surplus revenues at the end of several sessions. All Bingo records should remain on the parish property. State law requires a separate bingo checking or savings account be maintained.

#### **CERTIFICATE SALES**

An area that has become a major source of funds for many parishes in recent years has been the sale of certificates. The process involves the parish purchasing certificates from a vendor at a reduced cost, and selling the certificates to the parish and school population at face value. The difference between the amount of certificates sold and the amount paid for those sold certificates represents income to the parish or school.

Some general guidelines that should be followed by all organizations involved in the sale of certificates should include:

1. At no time should the unsold certificates or money be removed from parish property. The box of certificates represents a box of CASH EQUIVALENTS, meaning it would be equivalent to putting cash in a box and allowing the box to be taken by someone.

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# CATHOLIC DIOCESE OF CLEVELAND

## Financial Policy & Procedure Statement E

### CASH RECEIPTS



#### CERTIFICATE SALES *(continued)*

2. Sales of certificates should be handled by volunteers. If the certificates are not sold by volunteers, the income earned by the parish or school may be subject to Unrelated Business Income Tax.
3. The certificate program should be reconciled. At a minimum, the certificates should be reconciled on a weekly basis. Certificates should not be reordered unless a reconciliation has been performed. A sample reconciliation form is included at the end of this section. *(form E-6)*
4. Student tuition accounts should not be reduced in exchange for certificates sold. If a school reduces the tuition account for the sale of certificates, the reduction may be considered taxable income to the recipient family.
5. Checks may be accepted by the parish for the purchase of the certificates. If an individual is purchasing a large amount of certificates and is not known by the person selling the certificates or a member of the parish, it may be a good idea to make the sale a cash transaction. The parish should use discretion in accepting checks for the purchase of certificates. The purchasers of the certificates paying by check should make their check payable to the parish certificate program. For example, if Saint Mary Parish is selling certificates, the check should be made payable to Saint Mary Certificate Program.
6. The unsold certificates should not be left unattended. At a minimum, the certificates should be stored in the sacristy or other secure location when sales are not being made. Proper inventory procedures should be followed when handling the certificates. When an order is received, the certificates received should be counted, and compared to the packing slip or invoice. Discrepancies should be reported immediately. The paid invoice should be retained and used to do the reconciliation. After the reconciliation, the certificates remaining available for sale should be compared to the number of certificates remaining according to the reconciliation form. These numbers should agree. If possible, following proper internal control procedures would mean the person performing the reconciliation should be different from the person counting the beginning or remaining certificates. Remember, the unsold certificate inventory represents CASH. It would be a good idea to have two persons counting and verifying the certificates. Just as no one should be left alone counting the offertory collection, no one should be left alone counting the certificates.

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## Appendix B

### Operational requirements for Event Chair Persons

All events shall have an individual event chair who shall keep the Board abreast of activities and status of the individual event being planned.

The planner of each event is responsible for working with the treasurer on the financial planning of that event, subject to the approval of the Board.

The recommended procedures for the planning of the event are as follows:

- B.1. The event chair should prepare a budget for the upcoming event at least 3 months before the event. This budget shall include anticipated income and expenses as well as the final financial results from the previous year. This budget information should be presented to the board at their regular meeting 3 months before the event.
- B.2. All payments for the event should be paid via check made out to St. Mary LAM and delivered to the church (via mail, dropped in the collection basket or placed in the mailbox at the entry of the parish office).
- B.3. The checks will be placed in the LAM mailbox in the parish office by the parish staff.
- B.4. The event chair (or event treasurer) should attempt to get any checks received to the LAM treasurer (and cash if received) so they can be deposited as soon as possible.. **(Note:** the parish is insured for the possible loss of a check paid to LAM if the check remains on site at the church. The event chair can copy all of the checks at the copy machine in the parish office and leave the checks with the the Parish Financial Manager.
- B.5. The event chair should record the payments for the event. The treasurer will provide the format for this document and the event chair should record the check number, the date of the check and the amount submitted. It is also recommended that the event chair include on this record the number of paid attendees.
- B.6. A member must have dues paid and be a member in good standing in order to attend an event. The event chair should request a copy of the current LAM roster from the Treasurer or Roster Chair to confirm that all members who pay for the event are paid members of LAM.

- B.7. In the event a member cancels their participation in the event, the event chair should either return the members check or destroy it, at the direction of the member. It shall be at the discretion of the event chair if the payment made should be returned based on the timing of the member's cancellation and the associated timing of the event and it's finances.
- B.8. The preferred method of payment for event expenses is to request a check from the treasurer made out to the vendor. It is understood, however, that this is not always possible so the event chair can make payment by their preferred means and reimbursement can be requested from the treasurer. All major expenses (in excess of \$100) must be paid by either LAM check or parish credit card to maintain compliance with Diocesan and IRS regulations. (**Note: The event chair MUST provide a receipt to the treasurer for all expenses.**)
- B.9. The Individual event chair is responsible for arranging the entertainment, catering and other expenses required for the event. In accordance with IRS regulations, any cost for entertainment in excess of \$600 annually (such as if an entertainer is used more than one time in a fiscal year) must be reported to the Parish financial manager and must have an IRS W-9 form completed by the entertainer. It is required that the parish financial manager send a Form 1099 to the entertainer.
- B.10. Following the completion of the event planning, all funds received for the event should be given to the treasurer to be recorded in the LAM financial records and for deposit. If approved by the treasurer, the individual event chair may be requested to submit checks for deposit prior to the event, based on the balance in the account vs. the expenses that need to be paid before the event.
- B.11. A "Notification of Upcoming Activity Form" (**see Attachment B-1**) should be completed prior to the scheduling of an event. This form advises the Parish financial manager if insurance must be acquired for the event.
- a. This form is particularly required if alcohol is being served.
  - b. An electronic version of this form can be obtained from the parish office.
- B.12. Non members attending LAM events on church property must make a reservation and make payment in advance. It is not permitted to have cash change hands on church property. These non members must obtain a temporary membership at a cost of \$10.
- B.13. Immediately following the event, the chair shall submit a final budget reconciliation for the event to the board member to whom the event chair is assigned to report. This reconciliation shall be submitted to the board and to the treasurer.

- B.14 Immediately following the event, the chair should document the procedures used in developing the event and should include Dos and Don'ts so that the following years event chair will have guidance in the development of the event.
  
- B.15 New Events: Any LAM member may suggest a new LAM event. All proposed new events shall be subject to the approval of the board and shall have a financial budget, which shall be reviewed with the treasurer and be presented to the board member assigned as the overseer of their event and, if requested, directly to the board in order for the board to make a totally informed decision on whether to permit the event to go forward.

NOTIFICATION OF UPCOMING ACTIVITY/EVENT

- 1. Name of the Parish organization: Life Long Adult Ministry
2. Name of the activity/event:
3. Proposed date of the activity/ event:
4. Description of the activity/event. (Please attach advertisement for soliciting member participation.)
5. Number of persons expected to attend the activity/event:

Are other Parishes involved? If yes, please list:
Are you charging participants for food or admission? Yes No Amount

- 6. Does the activity/event involve any of the following?
a) A speaker? Yes No If Yes, has the Pastor approved the speaker?
b) Independent contractor(s) (i.e., caterer, musicians, vendor, entertainment): Yes No
c) Are you renting a vehicle to transport? Yes No
d) Is a contract required? Yes No If Yes, the Pastor is the only one authorized to sign.
e) Raffle/Bingo/Games of Chance/Gambling: Yes No
f) Alcoholic beverages: Yes No
g) Tumbling, springboard, rebounding or bouncing devices/attractions, fireworks, etc.:
h) Is the activity/event a Parish sponsored event? Yes No

For individuals to be insured under the Diocesan Master Policy individuals belonging to the Parish organization must organize participation in the activity; establish the time of service of the activity for its volunteers; and coordinate the activities in which the individuals or group engage. It is not sufficient that the activity merely be one which is of a charitable nature or about which the Entity/Location publishes or disseminates information.

- 7. Do all volunteers understand that there is no "volunteer accident insurance" program in effect? In addition, there is no workers compensation or disability insurance benefits available for an injured volunteer?

Yes No

There is medical payments coverage available, in an amount up to \$1,000 per person, to assist any volunteer for out-of-pocket expenses incurred for satisfying deductibles, co-payments, prescription drugs, or medical services not covered through their own personal health insurance provider.

There is no coverage under the Diocesan Insurance Policy for damage sustained to a volunteer's vehicle, or for liability incurred, due to an automobile accident while acting as a volunteer. There may be provisions in your own automobile policy that could effect your coverage. You need to check with your agent to determine if coverage is provided under your policy. In the state of Ohio, the insurance coverage of the owner of a vehicle is primary. Any volunteer using their own vehicle must be insured!

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8. A Parish or Parish organization holding a private party at which alcohol will be served is not required to obtain a liquor permit or Liquor Liability Insurance. To be considered a private party under the law, **ALL** of the following must be true of the event:
- a) The event is not open to the public (i.e. the event is by invitation only or is open only to a limited and definable class of persons); Yes\_\_\_\_\_ No\_\_\_\_\_
  - b) Admission to and participation in the event is free of charge (i.e. no admission price, donation, or prepaid ticket/admission required); Yes\_\_\_\_\_ No\_\_\_\_\_
  - c) The alcohol at the event is provided by the host or hosting organization free of charge (i.e. alcohol is not in any way sold to or paid for by the invitees or attendees).  
Yes\_\_\_\_\_ No\_\_\_\_\_

If "Yes" cannot be answered above in 8a), 8b), and 8c), a liquor permit and Liquor Liability Insurance must be obtained and all legal requirements observed relative to the sale and consumption of alcohol. \*It is important to note that an event or party may be construed as being open to the public if the host or hosting organization fails to restrict or control uninvited guests from attending. Therefore, if you will not have procedures in place to ensure that uninvited guests will be excluded, a liquor permit and Liquor Liability Insurance should be obtained with the help of the St. Mary Business Office. A Liquor Permit takes *at least* 30 days to obtain. Liquor Liability Insurance takes *at least* 5 business days to obtain after the Liquor Permit is obtained. A total of sixty days advanced notice is required by the Parish business office to process the paperwork.

When you serve alcohol lawfully and, when necessary, after receiving an appropriate liquor permit, Ohio law can offer some protection against incidents occurring on your premises, provided you do not serve persons less than twenty-one (21) years of age, allow persons to buy beer or intoxicating liquor for the consumption by minors, or serve persons noticeably inebriated. The Liquor Liability Insurance that must be purchased for every event protects your location, the Bishop, and the Diocese of Cleveland against incidents occurring, with \$1,000,000 maximum coverage, once your guests leave your event after consuming alcoholic beverages.

There are two types of permits available to non-profit organizations. The first allows the holder to sell beer-only for a period of time not to exceed five days. This type of permit is known as an "F-Permit." **The fee for this permit is \$40.** The Parish as a whole is eligible to receive a maximum of two (2) F-Permits per month. Please note that the sale of anything other than beer is **illegal** with this permit! The second type of permit allows the holder to sell beer, wine, and spirituous liquor for a period of time not to exceed two days in an area that has been voted wet through local option for such beverages. This permit is known as an "F-2 Permit." **The fee for this permit is \$150.** Please note that the parish as a whole is eligible to receive a maximum of two (2) F-2 Permits per calendar year. People think that each Parish organization is separate when in fact every permit obtained for their organization counts against the Parish's allotment of permits. Beer, wine and mixed beverages must be purchased from a brewery, winery, or wholesale distributor. A temporary permit holder is prohibited from purchasing beer or intoxicating liquor at retail for resale.

**In order to obtain the mandatory Liquor Liability Insurance a copy of the liquor permit and a check for \$110,** made payable to the DIOCESAN INSURANCE SERVICE CORPORATION (D.I.S.C.) and your contact information must be received by the St. Mary Business Office at least ten business days before the event for processing. Should you have further questions, please contact the St. Mary Business Office at 330-653-8118 X250.

9. Your event must be scheduled on the St. Mary Facility Scheduler *and* you must receive an email confirming your request to use Parish facilities. This can be accomplished by emailing Polly Wise in the St. Mary Business Office. Her email address is [pwise@stmaryhudson.cc](mailto:pwise@stmaryhudson.cc)  
Did you receive confirmation via email from her? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_

10. Have you completed and submitted the Set-Up form for tables, chairs, podium, sound system, etc. to the Maintenance Department? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_
- Activity/Event Coordinator for the Parish Organization: \_\_\_\_\_

Phone #:\_\_\_\_\_ E-mail address: \_\_\_\_\_

Once completed and signed, deliver form to the parish office: St. Mary Church, Attn: Business Office, 340 N. Main Street, Hudson, Ohio 44236 OR e-mail to Janice Bowen, [jbowen@stmaryhudson.cc](mailto:jbowen@stmaryhudson.cc) at least 30 business days prior to the activity/event assuming you have answered Yes to a), b), and c) in question 8. If not, 60 days are required.

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| Internal Use Only: Form rec'd in St. Mary Business Office<br>on _____ by _____ |
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