

— THE ROMAN CATHOLIC —

ARCHDIOCESE OF ATLANTA



Financial Guidelines for Preschools

Updated April 2021

Governance	✓
The Pastor is responsible for the preschool. Parish management oversees preschool operations.	
Preschool operates in conjunction with parish administration and follows all applicable parish policies and procedures.	
The Preschool account is recorded on parish financial statements as a department #006. Preschools do not keep separate books, bank accounts, or financial statements.	
Preschool uses Archdiocesan approved software to maintain receipt records (sub-ledger). All software must be PCI compliant.	
The finance council by-laws address preschool related responsibilities.	
Programs conducted by a third party that operate on Archdiocesan property must provide a certificate of insurance naming the parish and Archdiocese as additional insured, and follow all Safe Environment guidelines. The program's offerings must be within the mission of the parish.	
Only the pastor enters into contracts for the preschool.	
The business manager approves/dates all journal entries monthly before parish books are closed and financial statements published ensuring properly documented journal entries.	

Revenue Process	✓
A designated preschool employee who is not responsible for recording receipts serves as a cashier and is responsible for collecting receipts.	
The preschool cashier provides a consecutively numbered receipt preprinted with parish name for cash, check, money order, etc. received. The blank receipt books are stored in a secured place.	
Checks are endorsed with bank stamp upon receipt.	
Preschool cashier and another person verify the receipts, place the money and the receipt log in tamper resistant moneybag, and drop it in the parish safe daily for processing by parish money counters.	
The parish business manager collects the receipt book periodically, selects a reasonable numbers of receipts and traces them to the deposit, and initials/dates the receipt copy.	
If an employee is not regularly available to serve as a cashier, a secured drop box is made available for parents to place money. The money is removed by the counters on Monday morning, counted, and deposited as part of the regular process. The counter documents envelopes containing cash with the amount received. The envelopes and copies of checks are provided to the preschool bookkeeper so that the preschool sub-ledger can be properly updated. The	

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parents are provided with a cash/check remittance form, if necessary, as documentation for the payment.	
The preschool funds are deposited into the parish's operating bank account. We do not recommend that the preschool have a separate bank account.	
Preschool should consider offering an electronic tuition option using the parish's online giving vendor or another vendor who is PCI compliant.	
The preschool bookkeeper serves as the preschool record keeper and posts receipts to Parishsoft (sub-ledger) or another software approved by the Archdiocese. The sub-ledger includes amounts owed (expected revenue), collected, and balanced due by family.	
Preschool bookkeeper does not receive money and post receipts from actual cash or checks since this would be a conflict of duties. If the preschool director has sub-ledger editing access, she should not collect money, either.	
The preschool bookkeeper uses receipt records generated by the preschool cashier or the counters to post e.g., cash receipt book/log.	
The preschool Director reviews the sub-ledger posting report and initial/date the report, which is attached to cash log/online tuition receipts report in support of remittance and filed/retained.	
The parish business manager meets at least quarterly with the preschool book keeper and reconciles expected revenue in writing, i.e., compares booked deposits per G/L to Parishsoft sub-ledger ensuring all monies expected have been collected/remitted or otherwise accounted for.	
The pastor approves/dates reconciliations.	
If an electronic payment system, like FACTS, is not used, a statement is provided to all parents for each month that money is received.	
The pastor approves in writing scholarships, teacher discounts, tuition discounts.	
If a child leaves the preschool prior to the end of the school year, the withdrawal is documented (paper or electronic evidence is acceptable).	
Documents are retained according to the Archdiocese Records Management schedule.	

Donations	<input checked="" type="checkbox"/>
All monetary donations are processed through the parish.	
Volunteers should not collect money.	
Donations are recorded on parish books and earmarked for preschool via journal entry e.g., donation revenue credit and offsetting debit recorded at the same amount with zero net effect on the books.	
Donations are recorded in ParsihSoft Family Suite donation database.	
The pastor acknowledges date and description of money/goods donated and standard tax verbiage in tax letter on parish letterhead.	

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Petty Cash	✓
If a petty cash system is maintained, the parish bookkeeper lists the account balance on the parish balance sheet.	
The distribution of cash is documented, including: the amount, date, name of person receiving money, and approval by the parish business manager. Receipts are submitted for purchases. The documentation is maintained in the business office. The cash issued for business expenses should not be considered taxable income to the recipient.	
The preschool Director maintains the petty cash and parish business manager reconciles the account in writing when replenished.	
The preschool bookkeeper may not maintain and reconcile petty cash since this is a conflict of duties.	

Accounts Payable	✓
Preschool employees follow parish payables procedures, including approval, documentation, including use of purchase orders, check requests, expense reports, etc.	
With the pastor's approval, the business manager can request a credit card for use by the preschool Director.	
Expense reports are used to claim out of pocket expenses.	
All disbursements must have documentation and approval.	
The pastor approves payment of all material expenses.	
As department head, the preschool Director approves payment of expenses incurred by preschool employees. Preschool employees submit expense reports with original receipts to the preschool Director for approval and forwards reports to the business office.	
The pastor approves payment of the expenses incurred by the Director. The preschool director should submit the expense reports with original receipts to pastor for approval. He should forward the reports to the business office.	
The pastor signs reimbursement checks to department heads.	
At least three bids in writing are required for major purchases. The amount is established by the pastor and the bids are retained.	

Payroll	✓
Preschool employees are part of the parish payroll and are employees of the Archdiocese of Atlanta.	
Substitute teachers should all be paid as employees, not independent contractors.	
To ensure all payroll forms are complete, an employee should be designated to	

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review the W-4, G-4 and I-9 forms annually. Independent contractors must follow the Safe Environment & Human Resources Requirements for Independent Contractors.	
Parish bookkeeper are responsible for issuing 1099 forms for independent contractors who are paid more than \$600, as required by the IRS.	
The parish business manager is responsible for providing proper training for preschool staff regarding independent contractors.	
The pastor must approve in writing all pay raises for preschool employees. A copy of the employment letter should be filed in the employee's file.	
Pastor approves in writing all employee gifts (Christmas, year-end bonuses). Gifts are processed through payroll. Cash gifts are not permitted. All gifts, including gift cards, are taxable income to the recipient.	
Pastor must approve in writing the hiring/termination of all employees in advance, ensuring proper documentation.	

Should you have any questions about the financial guidelines, please contact:

Name	Title	Email	What we can help you with:
Holly Orsagh	Internal Audit Manager	horsagh@archatl.com	Archdiocese guidelines; internal audit process
Marquita Richburg	HR Manager	mrichburg@archatl.com	Employee Relations; Employment Law and Company Policy & Procedural Updates/Interpretation; Compensation
Patrick Warner	Parish Systems Manager	pwarner@archatl.com	Finance & accounting policies
Susan Shirley	Parish Systems Administrator	sshirley@archatl.com	ParishSoft Family Suite, electronic payment systems

<https://archatl.com/offices/finance/>