

# Missoula Catholic Schools



*POLICY FOR*  
*FINANCE AND BUSINESS*  
*OPERATIONS*

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## **MCS Fiscal Management**

### **Finance and Business Philosophy**

- An effective bookkeeping and budgeting system is needed in every Catholic school for the following reasons:
  - To insure orderly financial management, displaying income and expenses in such a way as to focus attention on program priorities;
  - To provide financial information to administrators, school board members, and diocesan departments in a consistent, easy to understand and easy to use format; and
  - To provide assurance to the school community that the school administration is responsible and exercising good stewardship.
- The schools shall maintain financial stability, while providing affordable Catholic education for those Catholic families who desire to send their children to a Catholic school.
  - The school shall manage its fiscal affairs, consistent with Canon Law, as they pertain to Catholic schools.
  - The school shall manage its fiscal affairs for the purposes of the organization in accordance with sound accounting and business practices, and legal requirements.
  - The school administration is fiscally responsible for school operation through the day-to-day decisions, authorization of expenditures, and other procedures in accordance with policies established by the School Advisory Council, the Diocese of Helena, and authorized by the Bishop of Helena.

### **The Controller / Finance / Business Office Personnel**

#### **Controller / Finance / Business Office personnel responsibilities include:**

- Collaborate with the administration and MCS Finance Committee in preparation of the annual school budget(s).
- Present the annual school budget to the Advisory Council for approval and recommendation to the Diocese of Helena Superintendent.
- Prudently administer the school budget.
- Expend budget-approved funds in a timely manner within the official accounts.
- Assure that all school checks have two signatures.
- Oversee and manage all operations of the business office.
- Produce monthly financial statements.
- Annually confirm that the general budget checking account has the following signatures on file with the bank:
  - Bishop of Helena
  - School Administrator(s)
- Consult with the Finance Committee before expending any funds that are not part of the approved budget, extraordinary, or in excess of the approved budget.
- Protect confidential information regarding employees, families and students.

## **The MCS Finance Committee**

### **The MCS Advisory Council shall have a Finance Committee who shall:**

- Collaborate with the Controller / Business / Finance Office staff and administration in preparation of the annual school budget(s).
- [Assist in the annual preparation of the budget] of income and expenditures over the coming year for the governance of the [school] in accordance with the direction of the Bishop (Can. 493).
- Account at the end of the year for income and expenditures (Can. 493).
- Monitor the school budget at monthly committee meetings.
- Work with the School Business / Finance staff in matters of school finances.
- Keep clear and concise records of committee meetings.
- Circulate minutes or a report of monthly meetings and summary financial reports to all Advisory Council members before monthly meetings.
- Provide the Advisory Council with a monthly “state of school finances” report.
- Work with the local education foundation in keeping the lines of accurate and open communication open regarding the schools’ income, expenditures and cash flow
- Have in its monthly attendance, the Controller, Finance Committee Chair, the school administrator(s), the Advisory Council Chair, and other committee members, as determined by the Controller and Finance Committee Chair.

## **MCS School Advisory Council**

### **The MCS Advisory Council shall:**

- Review the monthly “state of school finances” report, as presented by the Controller and Finance Committee.
- Work with the local Education Foundation in keeping the lines of communication accurate and open regarding the schools’ income, expenditures and cash flow.
- Consult with the school administrator(s) and Controller / Business / Finance Manager regarding the implementation and review of all finance / business procedures and protocols.

### **Role in the School Budgeting Process**

- The Advisory Council will annually review the proposed budget each year and recommend for approval or recommend for continued review and improvement.
  - If the budget is recommended for approval, the school administrator(s) will present the budget to the Diocese of Helena Superintendent of Schools, who in turn will submit it to the Diocese of Helena Business Office and the Bishop.
  - If the budget is not recommended for approval, the Advisory Council Chair will determine a timeline for budget approval and schedule additional Advisory Council meetings, for the sole purpose of reviewing and approving the budget.
  - If the consensus regarding the budget approval cannot be reached between the Advisory Council, administration, Business / Finance Office staff, and Finance Committee, the Advisory Council Chair, Finance Committee Chair, and administrator(s), will meet in executive session, for the purpose of reaching consensus.

- If consensus cannot be met, the Advisory Council Chair, President, and school administrator(s) will present the matter to the Diocese of Helena Superintendent of Schools for resolution.

## **MCS Budget**

### **Preparation**

- The annual School Budget(s) will be prepared for a period of one-fiscal year, beginning July 1, and ending June 30 and submitted to the Diocese of Helena for approval, before the school year begins.
- In collaboration with the Advisory Council Finance Committee, the administration shall prepare annually a school budget that reflects the actual cost of operating and maintaining the school.

In the cases where the school shares facilities with another Catholic institution (e.g. parish) the maintenance, utilities, janitorial, and other services that are used in conjunction with the jointly used facilities should be prorated so that the budget is a true picture of education costs.

### **Approval**

- The budgets of regional diocesan schools require review and recommendation by the Superintendent and final approval by the Chancery Business Office.

### **Amendment**

- The administration has the responsibility of operating within the limits of the approved budget. Any significant deviation from any part of the approved budget requires the written authorization of the Superintendent in the case of the diocesan schools.

### **Budget Time-line**

- The following is a suggested timeline for budgeting in the Catholic School:

#### December

The Controller and MCS administration will begin collecting information related to, and developing the Cost of Education, working with the Finance Committee in preparation for presentation and approval at the Advisory Council

#### January

- The administration will distribute Employee Letters of Intent for the purpose of establishing a projected payroll.
- The administration and Finance Committee begin to prepare the preliminary budget for the following year.
- The Advisory Council shall review the proposed budget expenditures and income and approve a "Cost of Education" for the preceding school year.
- The Advisory Council approves the initial budget and presents it to the Superintendent.

#### February

- Student / Family Registration Packets / Tuition information is distributed.

#### March

- FACTS G&AA deadline for "Verified" status.

#### April

- Financial Aid offers extended to families, via Accept/Decline Forms.
- Payment preference forms returned to tuition office.
- Preliminary budget to Advisory Council for input.

#### May

- Financial Aid Offer acceptance deadline.
- Payment Preference Form deadline.

#### June - August

- Tuition invoicing begins and first payment is due.

#### Late September

- The Advisory Council reviews changes to the initial budget.
- The administration and Advisory Council finalize the school budget.
- The final budget is presented to the Superintendent.

## Income

- It is the responsibility of each Diocesan Catholic school to generate the income necessary to operate and maintain the school.

### Sources of Income

- The ordinary sources of school income are tuition and fees. The major supplementary source of income is parish subsidy (where applicable), Education Foundation subsidy, and fund raising / other development activities according to the resources of the school community.

### Tuition and Fees

Tuition payments will be received by the Business / Finance Office staff designated to work with tuition collection.

Tuition payments are photocopied and the amount of the deposit will be credited against the student's account.

Tuition shall be accounted for on a semester basis and pro-rated on a semester basis.

Tuition will not be bartered for goods or services.

### Parish Subsidy (if applicable)

Parish subsidies are established by the Diocese and/or the Pastor of the parish school.

- The amount of subsidy is established each spring, through the budgeting process.
- The subsidy disbursements shall be paid to the school on a monthly basis.

For those Catholic schools that receive a parish subsidy, the School Business / Finance Office shall remain in close communication with the supporting parishes.

- If a parish falls behind in its established subsidy payment, the administration will communicate directly with the Pastor.
- If the administration is unable to communicate with the Pastor or if the Pastor refuses to remunerate the subsidy, the administration will contact the Superintendent.

It is recommended that school parents be made generally aware of the financial condition of the school and the extent of subsidies from the general funds of the parish.

### **Education Foundation Subsidy**

Each Catholic school shall receive a subsidy amount from the local Education Foundation.

- The amount of subsidy is established each winter and spring, through the budgeting process.
- The subsidy disbursements are arranged locally, between the school and the Foundation.

### **Participation Fees**

Each student participating in a school-sponsored co or extra-curricular activity may be required to pay a participation fee.

- The Finance Committee shall annually establish the participation fee.

All participation fees are due and payable upon registration for each activity. A check will be refunded to those not selected for the activity.

### **Scholarships**

Scholarship funds are established through the Loyola Sacred Heart Foundation. These funds are allocated to MCS according to the Foundation's Distribution Policy.

- The schools should have published criteria and procedures for obtaining scholarships and apply them consistently and equitably to all qualified recipients.

### **Student Activity Funds**

Should a Catholic school have student activity funds, these funds shall be established at the discretion of the administration, in consultation with the Advisory Council Finance Committee, and used for such purposes as are determined by the by laws and the regular proceedings of the student organization.

### **Books and Instructional Supplies**

Each school should determine its need for books and supplies after due consideration of available monies as well as the need for:

- Religion and family life textbooks, teacher's manuals, and other basic instructional materials
- Consumable materials, learning kits, duplicating materials, and pupil supplies
- Books for libraries or resource centers
- Audiovisual materials, computer materials, and supplies

Monies collected for books and supplies must be used for the purposes listed in this subdivision. Under no circumstances shall they be transferred to another account classification.

### **Commercial Enterprises**

Commercial enterprises may never promote merchandise directly to students. Students may not act as carriers of brochures or promotional literature on behalf of such merchandise, especially literature with attached response cards requesting home addresses. Schools shall neither accept premiums or permit agents to present lessons or mini educational programs in exchange for the promotion of commercial goods.

Book cover and calendar publishers do not, strictly speaking, sell a product to be purchased by the school or the parents. Nevertheless, the administration should scrutinize carefully the business practices or any such publisher with whom the school contracts.

### **Miscellaneous Collections and Campaigns**

Any solicitation or collection of money from students is subject to the regulations and provisions of school and diocesan policy. Funds collected shall be used for the purposes publicized in advance of or at the time of solicitation.

### **Fund Raising**

- Catholic schools traditionally help defray expenses and supplement basic educational programs by fund raising in the school community, parish community, and general community.
- If it involves students, any fund raising activity must be conducted in accord with diocesan guidelines and agreements with the educational foundation.
- Sponsors of these fund raising events include parent groups, booster clubs, youth clubs, and the general school or parish community.

### **Conduct and Methods**

In all cases, the sponsoring group and its event exist only for the benefit of the school.

- The conduct of the fund raising event and the methods employed by the sponsoring groups should conform to the fund raising policies of the school, diocese and tasteful and moral standards appropriate for church activities.
- When questions of taste, judgment, or the image of the Church are involved, it is incumbent on the sponsors of the event to consult the administration.
- It is expected that all fund raising activities shall comply with any and all federal, state, and local laws and regulations including any tax filings and special licenses.
- School officials or Education Foundation personnel planning to solicit funds through some special event or personal appeal should consult with the lead administration regarding the event.

All fundraising events that support the Catholic school shall comply with the diocesan insurance liability regulations.

### **Non-Profit Status**

The Catholic school sponsoring a fund raising event derives its tax exempt status because it is a member of the Diocese of Helena and is subject to diocesan policies and regulations. Therefore, the administration is ultimately in charge and responsible for whatever occurs at any of these events, whether held on school premises or away from the school campus.

The Education Foundation sponsoring fund raising events to support the Catholic school derives its tax exempt status from its own not-for-profit, 501 (c) (3) status. Therefore, the Education Foundation should maintain the Diocesan intent of integrity and Catholic Identity in all fund raisers.

Other parent or other support groups that lend financial assistance to the Catholic school will not be separately incorporated.



## **Requirements**

The need and purpose of any fundraising must be clear and necessary.

All funds raised shall be applied to the stated purpose as soon as practical.

Fundraising should not take advantage of children or detract from the primary educational purposes of the student, class, or school.

## **Parent Groups and Other School Organizations**

All fund raising activities whose goal is to raise funds, must be approved by the administration.

- The group or school organization shall submit a written outline of the proposed fund raising activity including the specific purpose and use of the funds raised to the administration, Fundraising Steering Committee, and Foundation.
- After reviewing the proposal, the administration will consult with the Advisory Council and Foundation before approving or not approving the fundraising effort.
- Special attention will be paid to “donor fatigue” when considering additional fundraising efforts.

All funds raised by a local parent group and other school organization shall be used only for the approved purpose set by the administration.

All funds raised in the name of the school and not by the Education Foundation shall be the property of the school and they will be managed according to school and diocesan policy.

## **Gifts, Grants, Bequests, Donations, and Fundraising**

- All donations, grants, gifts, and bequests donated to the school (or parish for use by the school) should be, if possible, directed to the Education Foundation for fiscal management and dispersal.

### **Gifts, Grants, and Bequests**

Donors will be encouraged to submit all monetary donations to the Education Foundation.

The administration may accept, on behalf of and for the school, any bequest, grant, or gift of money or property for a purpose deemed to be suitable. Suitability shall be determined according to the following criteria:

- The gift has a purpose consistent with that of the school.
- The gift does not begin a program which the school would be unwilling to assume when funds were exhausted.
- The gift does not bring undesirable or hidden costs to the school.
- The gift places no restriction on the school operation.
- The gift does not imply endorsement of any business or product.
- The gift is not inappropriate or harmful to the best education of the students.

### **Donations**

Donors will be encouraged to submit all monetary donations to the local Education Foundation.

- All monetary gifts, grants, or bequests received by school personnel will be presented to the local Education Foundation for investment and/or distribution.

All monetary donations shall be reviewed to ensure any restrictions correspond with the goals and objectives of the school and that any obligations would not unduly encumber the school in fulfillment of its mission and obligation.

A receipt noting the following information will be received for each monetary donation

- Name of donor
- Restriction of donation (if applicable)
- Date of receipt
- Balance of account (if applicable)

When non-discretionary funds or property are donated to the school, the donation shall be used as designated by the donor.

The administration shall make every attempt to formally thank and acknowledge all donors.

### **Services and Material Donations**

Donors will be encouraged to submit invoices or statements supporting the in-kind goods and services provided to the school, then sent on to the education foundation for processing and appropriate recognition.

All donations of services or materials received by the administration are reported to the local Education Foundation.

All donations of services and materials shall be reviewed by the administration to ensure any restrictions on the funds correspond with school goals and objectives and that any obligations would not unduly encumber the school in fulfilling those obligations.

The administration and education foundation shall make every attempt to formally thank and acknowledge all donors.

When funds are donated to the school and directed to the Education Foundation, the monies generated from these funds shall not normally be considered part of the Education Foundation's subsidy to the school for operations.

### **Restricted Funds**

When funds are made available to the school and those funds have been designated by the donor for a specific use or purpose, the funds are considered restricted and may not be used for any other purpose without the donor's written permission.

- Funds raised in excess of what is needed to accomplish the restricted purposes are still obliged to be spent for those restricted purposes unless sufficient amounts of donated funds are released for another purpose by the donors.

The fact and concept of restriction of funds is absolute, whether that restriction is specific or general. In rare and unusual cases, relief from an unrealistic restriction may be obtained through the diocesan attorney.

- If the administration, after consultation with the Advisory Council, requests restricted funds relief, the administration shall contact the Superintendent for consultation.

### **Explicit Fund Restrictions**

Funds given to the school with the requirement that they be used at the discretion of the administration or other school employee are to be considered as explicitly restricted.

- It is the responsibility of the recipient to specify the purpose for which the funds are to be used, to obtain the donor's consent, if possible, and to determine that the funds are expended for the designated purpose.

Explicit Restricted Funds shall not be channeled into ordinary operating budgets, except for special programs or facilities.

Funds raised in excess of what is needed to accomplish the restricted purposes are still obliged to be spent for those restricted purposes unless sufficient amounts of donated funds are released for another purpose by the donors.

### **Implied Fund Restrictions**

The restriction on any fundraising can be implied as well as explicit. If the school, school related organization undertakes an effort to raise funds for a specific purpose, the announcement of that purpose at the time of solicitation establishes a restriction on the fund.

Accordingly, in setting fund raising goals, officials of school related organizations shall consult with the administration to avoid restricting major funds to purposes that do not merit priority in the school's special needs.

Funds raised in excess of what is needed to accomplish the restricted purposes are still obliged to be spent for those restricted purposes unless sufficient amounts of donated funds are released for another purpose by the donors.

### **Legal Restrictions**

When funds are received through estates, wills, bequests, and probate distributions, any legal restrictions are to be met. Upon notification that the school has been named the beneficiary of an estate, an estate file is to be opened in the Chancery Office and all distribution papers are to be signed locally, filed locally, and a copy sent to the Chancery Office.

## Tuition and Fees

### Tuition

#### Catholic Schools

The determination of tuition rates should be guided by the following principles:

- The actualized cost of educating each student in the Catholic school.
- Within the limits imposed by the socio economic character of the school's attendance area, serious effort shall be made to defray the actual per pupil tuition assessment and obligation by way of fees, gifts, bequests, endowments, foundation grants, alumni activities, and parent/student fund raising.

Consistent with the mission to provide a Catholic education to those who wish to obtain one and consistent with the obligation to maintain a financially viable Catholic school system, the following process will be referenced when handling and collection of accounts owing the school system.

- Where it is necessary to obtain financial information from families of students, whether for scholarship or financial aid purposes or for determination of tuition, such information will be maintained in the utmost confidentiality and will be available only to the Business / Finance Office staff and administration.
- Tuition information will be maintained in separate files, and not in the students' academic records.
- Tuition information will not be available to faculty, support staff, members of the Advisory Council, or member of the local Education Foundation.
- The Business / Finance Office may use whatever legal means necessary to collect tuition; a serious and charitable effort will be made to collect tuition before any legal process is pursued.
  - *While the school retains the legal ability to charge interest or penalties on accounts, this will be avoided to the maximum extent possible, consistent with sound financial management, and only where voluntary collection actions have not obtained a response.*
  - *In cases where the school has exhausted its ability to collect tuition, the delinquent account may be turned over to a third party collection program.*
  - *When a family's tuition account is turned over to a third party collection agency, the Catholic School will no longer provide educational services to the children of that family.*
- While the Advisory Council establishes payment schedules and procedures for tuition and other amounts owing to the Schools, the Business / Finance Office staff, in consultation with the administration has the delegated authority to vary from those procedures and schedules in cases where strict compliance would result in financial hardship and other circumstances deemed appropriate and where variance does not result in financial hardship to the schools.
- All families are to be treated courteously, fairly, and equitably.
- All financial information and communications will be handled in the strictest of confidence

### **Tuition Requirement**

All families attending the Catholic school are required to have a signed tuition agreement on or before October 1st of each school year and remunerate their tuition payments per a signed tuition agreement.

- Where it is necessary to obtain financial information from families of students, whether for scholarship, financial aid, or for determination of tuition, such information will be maintained in the strict confidentiality.
- *Such information will be available only to administrative and Business / Finance Office.*
- While the Finance Committee establishes the amount of tuition, payment schedules, and procedures for tuition collection, the Business / Finance Office, may recommend to the administration to vary from those procedures and schedules in cases where strict compliance would result in financial hardships to the families.
- *The Tuition Officer will consult with the administration prior to making such arrangements.*
- Tuition may also include service hour's participation, as deemed appropriate and necessary by the Finance Committee and Advisory Council.

### **Tuition Agreement**

Every parent or guardian who enrolls a student in a Catholic school shall sign a written agreement to pay the required tuition and fees, as well as agree to comply with all diocesan and school policies and regulations, including those governing tuition delinquencies.

### **Tuition Obligation**

Under no circumstances shall an active and participating Catholic student / family, in good standing with the school, be denied admission to a Catholic School solely on the basis of their ability to pay tuition.

- Each family attending a Catholic School is required to communicate with the Business / Finance Office to arrange a tuition amount and payment.
- *When families refuse to communicate with the Business / Finance Office, the school administration and Superintendent will be informed for the prescribed tuition collection process (see Section 8310.8)*

### **Tuition Relief / Write-Off**

The Catholic school may grant tuition relief to families or students regardless of student sex, race, color, or creed, who fail to be either eligible or approved for financial assistance through any other school approved program, e.g. extended payment plans, financial assistance, work study, and/or scholarship and who meet the eligibility criteria.

Tuition Relief is discretionary and limited by the overall available resources of the school.

Eligibility for tuition relief will be established by the school administration, recommended to the Advisory Council, and approved by the Lead Administrator.

### **Tuition Relief / Write-Off Procedure**

The Business / Finance Office staff will present all requests for tuition relief, reduction, or write-off to the administration for consultation and decision.

Annually, the administration will keep the Finance Committee generally informed of the tuition relief, reduction, or write-off requests without breaching confidentiality. The administration will also present the total recommended tuition write-off amount / tuition relief to the Superintendent.

The Superintendent will present this information, along with his/her recommendation, to the Bishop (delegate) for review and approval / non approval. Upon review / approval / non approval from the Bishop, the Superintendent will notify the administration.

The administration (or Business / Finance Office staff) will formally and immediately notify the individuals of the tuition reduction or relief and undertake the proper accounting procedures.

- All recipients of tuition reduction or relief will sign a receipt, acknowledging the reduction or relief. The signed receipt will be placed in the family's tuition file.

### **Tuition Delinquency and Collection**

#### **Tuition Obligation:**

- Each school shall establish a written policy and publish it in the school handbook.
- A tuition payment is delinquent when it is more than **sixty (60)** calendar days behind its payment schedule. The account must be current in order for services to continue.
- The following steps will be taken by the appropriate school administrative personnel in dealing with delinquencies:
  - The responsible person(s) for tuition payments shall be contacted by the school business office via telephone and e-mail notifying them of the delinquency.
  - If, after seven (7) calendar days there is no response from the responsible person(s) the school business office shall send a delinquency letter, tuition account statement, and delinquency policy via certified mail.
  - If, after ten (10) calendar days from the date of certified mailing, there is no response from the responsible person(s), the business office shall turn the delinquent account over to a third party agency for collection.
- MCS has the right to refuse re-enrollment for the following school year if financial commitments are not met for the current year.
- Early Education Program: Once an account is 60 days past due services may be terminated.

### **Confidentiality**

All matters pertaining to Tuition are strictly confidential and are to be handled in the most delicate manner. The only people with access to the information are:

- Administration
  - *President or Chief Administrator*
  - *Principals*
  - *Assistant Principals*
- Business / Finance Office designated to tuition
- Superintendent
- Bishop

UNDER NO CIRCUMSTANCES will the members of the Advisory Council, Finance Committee or School Faculty / Support Staff be aware of individual tuition information, including family assessments, obligations, payments, reduction or relief.

### **Tuition Assistance**

Each Catholic school shall make provisions for Catholic students unable to pay full tuition to attend the Catholic school through a tuition assistance program.

- Tuition assistance procedures will be published in the parent / student handbook.
- Tuition assistance shall be based on the following guidelines:
  - *Annually, a formal and objective evaluation of a family's financial need will occur*
  - *Tuition assistance funds shall be distributed in a manner that is socially just and fair*
  - *No family shall be given a full tuition grant; all families are required to remunerate some level of tuition.*

### **Tuition for Catholic Parishioners**

Catholic schools may charge a reduced rate of tuition for Catholic students who are active and participatory in their Catholic parish life.

- An active Catholic is person who contributes time, talent, and treasure to their local Catholic parish.

### **Tuition for Catholic, Non-Parishioners**

Catholic schools may charge a higher rate for Catholic residents of other parishes when:

- The parish of residence makes no contribution to the support of the receiving school; and
- The non-resident families make no regular contribution to the general funds of the parish supporting the school.

### **Tuition for Non-Catholic or Not Active Catholic Families**

As Non Catholic and not active Catholic families do not participate in the life of the Catholic community and choose to send their children to a school sponsored and supported by the Catholic community, they should expect to pay tuition commensurate with the cost of education for each child enrolled in the school. Any arrangements for reduction should be at the discretion of the administration (Pastor, if applicable) upon consultation with the Advisory Council.

## **Fees**

### **Student Fees**

In addition to tuition, the Catholic student should expect to remunerate a level of “user fees” as recommended by the administration and Advisory Council.

- All student fees for the activities and events of local school or parish programs, e.g., graduation / senior fees, science lab fees, computer fees, parking fees, etc., shall be announced annually. These fees should be held to a minimum and in any case shall not exceed the per student cost of the activity or service.

These fees shall not be a condition of admission, attendance, or reception of normal school services.

### **Tuition Deposit**

A tuition deposit shall be used to reserve a place for the student. The amount of the deposit shall be determined by the administration and the local Advisory Council.

The tuition deposit shall be non-refundable.



## **Expenditures**

### **Employee Compensation**

- Except for small cash outlays from a revolving petty cash fund, all expenditures shall be made by check.
- All documented debts will be paid in a timely manner from a budget-approved account and with a school check.
- Checks will be prepared as necessary but not less than a semi-monthly basis for signature and mailing.

### **Payroll**

It is the policy of the diocese that all salaries shall be paid by check or third-party payroll to the school faculty and staff on a monthly basis.

### **Legal and Benefit Obligations**

It is the responsibility of the administration to observe the legal and financial requirements related to employee compensation according to the timeline and directives of the government and diocese.

### **Contract Expenses**

- All contract expenses that are out of the ordinary or not within the approved budget will be reported to the Finance Committee for consultation before submission to the granting or contractual agency.

### **Paying for Goods and Services**

- The Principal or his/her delegate is responsible for all purchases in the name of the school and shall authorize payment for goods and services under the following conditions:

The proposed payment falls within the school's budget and within the budget limits.

The proposed payment complies with purchasing policies and regulations.

The proposed payment is for goods and/or services that have been inspected and certified by the responsible employee as having been received in acceptable condition.

### **Purchasing Guide**

- Ordinarily the administration is responsible for the procurement function from the school. In this capacity it is the responsibility of the administration to see that equipment and materials adequate to accomplish the objectives of the school program are not only budgeted, but available to all classes.

### **Purchases and Purchase Orders**

#### **Purchases**

All orders in which the school is expected to make payment must be through the use of the school's Purchase Order (PO) system and be pre-approved through the Business / Finance Office and administrator before an order is made.

- Credit card orders are not to be exercised as normal procedure but are acceptable with permission of the building administrator.

- Any order made without a pre-approved purchase order will result in the employee being held personally liable for the order.
- Retroactive approval will be denied.

### **Purchase Order Process**

- Prior to making an order, employees will obtain and fill out a Purchase Order (PO) Form from the appropriate location (usually school office personnel.)
- The following information will be on the PO:
  - Name of Vendor
  - Complete address including Zip Code
  - Unit Price
  - Total (include shipping and handling costs)
- The employee will present the PO to the appropriate administrator for approval.
- A signed copy of the PO will be presented to the Business / Finance Office.
- The employee or Business / Finance Office staff will make the purchase, using the information outlined on the PO.
- When the shipment arrives, the employee will check the contents to be sure everything ordered was delivered
- The employee will mark the packing slip with the date received and give the packing slip to the Business / Finance Office staff.
- The Business / Finance Office staff will pay for the shipment.

The Business / Finance Office will not pay for merchandise until receipt of delivery is made available.

## Accounts

### Internal Control

- The Catholic school administration and Business / Finance Office staff, in consultation with the Finance Committee, shall establish a system of controls that will safeguard the school's resources and assure proper, correct, and complete recording of economic transactions. The system, in written form, shall be approved by the Diocese and include:
  - Cash handling procedures
  - Purchasing procedures
  - Inventory procedures
  - Payroll procedures
  - Tuition billing and collection

### Accounting System

- All schools shall follow standard accounting and payroll procedures.
- Schools shall process all school monies through checking and savings accounts designated for school use only.

### Financial Records

- Schools shall keep records of all financial transactions related to the school and keep them distinct from other financial records associated with the school (parish, diocese, foundation, etc.). They are required to preserve the following records in a safe place for seven (7) years:
  - Payroll records
  - Income tax W 2 forms
  - Canceled checks
  - Bank statements - 3 years
  - Invoices
  - Purchase orders
  - Tuition and fee ledgers
- Bank accounts and all financial records shall be balanced monthly and ready for inspection / internal audit at all times.
- All government programs (i.e. lunch, milk) require the keeping of special records which are kept on file for three (3) years.
- Schools shall keep their ledgers permanently. They shall keep other financial records and receipts for the current year and the five previous years. These records include:
  - Monthly financial reports
  - Record of checks cashed
  - Accounting ledgers

## Financial Statements

- Monthly, the Business / Finance Office staff shall provide the following written financial statements:

Administration, Pastor (when applicable), Finance Committee, Advisory Council, and Education Foundation:

- Monthly and annual financial statements and any other requested reports

The Diocese of Helena:

- Annual financial statements on the diocesan provided forms and any other requested reports

## Money in the School Building

- All school monies, other than necessary petty cash, shall be receipted, entered into the account book, and prepared for bank deposit.
- Bank deposits should be made as frequently as practical, but at least once a week.
- Large sums of money are never to be kept in the school building.
- Each Catholic School shall have a safe in which to hold money until it is deposited.

## Petty Cash

- The Business / Finance Office shall maintain a petty cash fund for small expenditures and emergencies, not to exceed \$150.00.
- All disbursements from petty cash require a completed Check / Cash Reimbursement Form, and a copy of a receipt for which the funds were used.
- The Check / Cash Reimbursement Form will contain the following information:

Date of purchase

Approved by \_\_\_\_\_ (School Administrator)

Items to be purchased and total amount requested

Total amount spent

Signature of individual who received the petty cash

## Student Activity Funds

- The collection of money for Student Activity Funds always requires prior approval by the Principal. The distribution of funds requires the authorization of the appointed moderator. These funds may be maintained in a separate account.

## Banking

### Banking Accounts

All monies raised by Catholic schools and school-sponsored organizations are raised in the name of the Catholic Church and, therefore, the Bishop (Pastor, if applicable) are legally and canonically responsible to ensure that these funds are secure and are used for the intention for which they were raised.

As approved by the administration (Pastor, if applicable), banking and savings accounts shall be established exclusively for the schools according to the guidelines established by the Diocese of Helena. These guidelines require that:

- All checking and saving accounts established for a school and its organizations shall be under the name of "The Diocese of Helena" and shall have added the name of the school and the school organization if applicable.
- No school or school organization accounts shall be established in the name of any individual, in the name of the administration, (Pastor / Parish, if applicable) or in the name of the school or school organization alone.
- All checking and saving accounts established for a school or its organizations shall include the following persons as authorized signers on the account:
  - *the Bishop of the Roman Catholic Diocese of Helena*
  - *the Superintendent*
- Signature Requirements
  - *Two signatures are required for all transactions for the school's accounts. The persons authorized to sign on these accounts shall include the Bishop, Superintendent, and administration.*
  - *Other persons may be authorized to sign on school accounts with the expressed written permission of the Bishop.*

### Receipts

All receipts shall be deposited intact in the school's appropriate bank account.

### Borrowing

The Catholic school shall not borrow money except through the processes established by the Diocese of Helena.

### NSF Checks

The Business / Finance Office staff will handle all NSF checks.

The school may require cashier checks or a payment in cash from any individual from whom an NSF check has been received.

## Cash

### General Principles and Procedures

No one person will have exclusive knowledge and control of any financial transaction.

Cash receipts of the school will be processed daily and promptly deposited.

Each payment received will be promptly recorded. A receipt is issued to the payer with a duplicate kept on file.

All receipts are deposited to the bank.

The cashing of paychecks from school receipts or office funds is prohibited.

The cashing of accommodation checks will be avoided. The cashing of accommodation checks always require prior approval from the administration, through the initializing of the face of the check. Checks cashed will be for small amounts and should be made payable to an individual accountable for the cash.

The area or areas that are utilized primarily for cashiering functions will be separate and protected to the greatest extent practical. However, this area will not be secluded in such a manner as to interfere with the observation of cashier operations by the administration.

All receipts of cash through the mail will be recorded by the Business / Finance Office employee prior to transfer to the cashier.

Bank statements will be mailed to or be delivered unopened to the administration for his/her preliminary review.

When possible, bank statements will be reconciled by the Business / Finance Office staff not directly involved in the receipt or disbursement of cash.

## Inventory

### Property and Equipment

- Property identification of any **asset with a value of \$2,500 or more and a useful life greater than one year will be added to the fixed asset inventory system and depreciated according GAAP.**
- In order to verify the accuracy of the fixed asset inventory, **an accounting** of property and equipment will be performed on an annual basis.

### Disposition of Property and Equipment

- The administration will approve of any school property or equipment to be disposed ensuring that:
  - Any property purchased with grant funds is disposed of in accordance with grantee specifications.
  - The property could not be put to use by another department, school, or Catholic organization.
  - A fair price is obtained for disposal of the asset.
  - The asset is deleted from the fixed asset inventory system.