Parish: ________________________________
Pastor: ________________________________
Associate Pastor(s): ________________________________

Does the parish have a:

School? ________________________________
Cafeteria? ________________________________

Parish Visit Date: ________________________________

GENERAL QUESTIONS

____ X if Management Letter Comment

____ 1) Are accounting personnel required to take vacations? ______________
    Who performs the accounting duties during their absence? ______________

____ 2) Are journal entries authorized? ________________________________

____ 3) Who initiates purchases? ________________________________

____ 4) Who authorizes purchases? ________________________________

____ 5) Are due to or due from accounts reconciled monthly? ______________
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A: 06.30.08

CASH

_x_ if Management Letter Comment

_____ List all bank accounts maintained, their account numbers and the authorized signers:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Account Number</th>
<th>Authorized Signer</th>
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_____ 1) Are bank statements mailed directly to the rectory by the bank?
   Yes _____ No _____

_____ 2) Are bank statements reconciled timely? Yes _____ No _____
   By whom? __________________________

_____ 3) Type of bookkeeping system used:
   Standard Diocesan Journals _____ One-Write _____
   Batch-Process _____ PDS _____
   Other (Describe) __________________________

_____ 4) Are accounting records and checks maintained in a safe or locked file cabinet when not in use? Yes _____ No _____

_____ 5) Is the pastor an authorized signer for all parish and organization bank accounts?
   Yes _____ No _____
   If not, why not? __________________________

_____ 6) Have all signature cards been recently reviewed at the bank by the pastor and do they all contain the currently authorized signatures only? Yes _____ No _____
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X if Management Letter Comment

7) Does the parish have a petty cash fund(s)? Yes _____ No _____
   If yes, how many? _____________________________________________
   If yes, how does it function and what is the amount of each fund?
   How often is cash replenished? ________________________________
   Do the fund amounts agree to the general ledger? Yes _____ No ______

8) Does the parish use wire transfers or automated clearing house (ACH) transfers?
   Yes _____ No _____
   If yes, how are the transfers documented and authorized?

INVESTMENTS

1) Does the parish maintain in their possession any investments (CD’s, stocks, and bonds)?
   __________________________________________________________________
   __________________________________________________________________

2) Are all of the above investments listed on the general ledger? Yes _____ No _____

3) Is investment/interest income recorded monthly (or when paid)? Yes _____ No _____

LOANS, SUBSIDIES, AND ASSESSMENTS

1) Does the parish have any loans from the Diocese or with an outside financial institution? Yes _____ No _____

2) Has the parish made any personal loans to employees or others? Yes _____ No _____

3) Are all loans and interest expense properly recorded on the general ledger? Yes _____ No _____

4) Does the parish have a debt reduction plan? Yes _____ No _____

5) Does the parish have a copy of their debt amortization schedule(s)? Yes _____ No _____
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X if Management Letter Comment

6) Does the parish/school receive any subsidies? Yes _____ No _____ If Yes, are they properly accounted for? Yes _____ No _____

7) Is the new Cathedraticum methodology (effective January 1, 2008) being used? Yes _____ No _____ Are assessments paid to the Diocese within 30 days after month-end? Yes _____ No _____

OFFERTORY COLLECTIONS

Briefly describe the offertory collection procedures: __________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

1) Is the offertory secure after the collection? Yes _____ No _____
   How? ____________________________________________________________
____________________________________________________________________________________

2) When is the offertory counted? ______________________________________________________
   By whom? _______________________________________________________
____________________________________________________________________________________

3) Is tally sheet total and bank deposit receipt compared? Yes _____ No _____
   By whom? _______________________________________________________
____________________________________________________________________________________

4) When is offertory deposited? ______________________________________________________
   By whom? _______________________________________________________
____________________________________________________________________________________

5) If receipts remain in the rectory, are they kept:
   In an operational safe? _____________________________________________
   Locked file cabinet? _______________________________________________
   Other (describe)? _________________________________________________
____________________________________________________________________________________

6) Who records deposits to the accounting records? ______________________________________
____________________________________________________________________________________

7) Is there a comparison of the tally sheet to the receipted deposit ticket?
   Yes _____ No _____
____________________________________________________________________________________

8) Who records offertory to the parishioner contribution records?
____________________________________________________________________________________

____________________________________________________________________________________
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TUITION

Briefly describe the procedures involved in collecting, recording, and depositing tuition payments:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

X if Management Letter Comment

_____ 1) Is unearned tuition revenue and tuition receivable recorded at the beginning of each school year? ________________________________

________________________________________________________________________

_____ 2) Is a detail tuition receivable sub-ledger maintained? ________________________________

________________________________________________________________________

_____ 3) Are the receivables aged monthly? ________________________________

________________________________________________________________________

_____ 4) Is the receivable detail reconciled to the general ledger on a regular basis and if so, how often? ________________________________ By whom? ________________________________

________________________________________________________________________

_____ 5) Who investigates overdue payments? ________________________________

________________________________________________________________________

_____ 6) At year end, is uncollectible tuition written off? ________________________________

Who authorized this? ________________________________

________________________________________________________________________

_____ 7) Are the duties of reconciling the receivable detail to the general ledger and recording/depositing tuition payments separated? ________________________________

________________________________________________________________________

_____ 8) How often are tuition payments deposited? ________________________________
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OPERATING DISBURSEMENTS

_X__ if Management Letter Comment

_____ 1) Who initially receives and reviews all mail?


______ 2) Are invoices reviewed and approved for receipt of goods or services, and accuracy? Yes _____ No _____ By whom? __________________________________________

_____ 3) Who prepares checks? (Checks should be prenumbered) ________________________


______ 4) Who signs checks? (Check signing should require dual signatures over specified dollar amounts). ________________________________


______ 5) Is a signature stamp used? (It is recommended that no signature stamp be used)
Yes _____ No _____ If yes, where is it stored? ________________________________


_____ 6) Does the pastor review prepared checks and invoices before signing?
Yes _____ No _____


______ 7) Are paid invoices:
Retained? Yes _____ No _____
If yes, are paid invoices cancelled? Yes _____ No _____
How? ____________________________________________________________


______ 8) Are checks written in sequence and recorded in a check register and cash disbursements journal? Yes _____ No _____


______ 9) Is the supply of unused checks safeguarded? Yes _____ No _____
How? ____________________________________________________________


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PAYROLL DISBURSEMENTS

X if Management Letter Comment

1) Describe procedures for capturing hours for hourly employees, e.g. time cards, time sheets, etc. ____________________________

2) Are time sheets approved by an appropriate supervisor and in writing? Yes _____ No _____

3) Are I-9s and W-4s properly maintained for each employee? Yes _____ No _____

4) Are vacation accounting records maintained for each eligible employee? Yes _____ No _____

5) Are W-2s issued for each employee (including the pastor) by January 31? Yes _____ No _____

6) Is a reconciliation of the W-2 Transmittal to the 941 Quarterly Federal Reports performed for the calendar year? Yes _____ No _____

FIXED ASSETS

1) What is the parish’s policy for capitalizing major fixed asset purchases (or is everything expensed?) AND for recording fixed asset disposals? ________________

2) Were there any significant purchases made during the current year? ________________

3) Are all properties (i.e., real estate, rental properties) owned by the parish listed on the general ledger? Yes _____ No _____
   What information was used to record the value (i.e., insured values, cost, assessed value, other)? ________________
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_X_ if Management Letter Comment

Is there a copy of all real estate transactions/deeds, lease agreements, and easement grants on file in the parish office?  Yes _____ No _____

4) Does the parish rent any property or facilities to third parties?  Yes _____ No _____

<table>
<thead>
<tr>
<th>Property name/location</th>
<th>Rented to</th>
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5) Is there a signed lease agreement on file in the parish office?  Yes _____ No _____

6) Is there a copy of proof of insurance on file from the lessee or renter?  Yes _____ No _____

7) Is rental income recorded properly on the general ledger?  Yes _____ No _____

8) Is there a current detailed list of furniture, fixtures, and equipment owned by the parish/school? Yes _____ No _____

If yes, does it reconcile to the general ledger? Yes _____ No _____
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INFORMATION TECHNOLOGY

  If Management Letter Comment

1) What procedures are in place to make sure that all software on systems is legally licensed?

2) Does everyone have a unique user name and password for their system and for the accounting and bank software? Yes _____ No _____

3) Are any passwords shared among personnel? Yes _____ No _____

4) Are passwords required to be changed at regular intervals? Yes _____ No _____
   Automated or initiated by the user? _____________ How often? _____________

5) Do all workstations and servers have a firewall and virus protection (especially those with internet access)? Yes _____ No _____

6) Is surge protection installed for all equipment? Yes _____ No _____

7) If you have a server does it have a battery backup? Yes _____ No _____

8) Who is the systems administrator for the server (if applicable) and the accounting software? Server: ________________ Accounting: ________________

9) For entities with a server, is it in a secure location (get description)? ________________
   ________________

10) Is all data required to be stored on the server? Yes _____ No _____

11) How often and how many backups are made? ________________
    How many copies? ________________
    Where are they stored? ________________

Prepared by ___________________________ Date ___________________________

Reviewed by ___________________________ Date ___________________________