

Manual

Finance and Accounts Policies and Procedures

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DECREE PROMULGATING THE FINANCE AND ACCOUNTS POLICIES AND PROCEDURES MANUAL OF THE EPARCHY OF SAINT THOMAS THE APOSTLE.

After having duly completed the discussion in the Priests' Conference, Pastoral Council, Diocesan Finance Council and Consulters meetings of 2014 and 2015 of Eparchy of St. Thomas the Apostle, Melbourne as well as in the other concerned forums, the undersigned Bishop Mar Bosco Puthur, the Bishop of the Eparchy of St. Thomas the Apostle, Melbourne, hereby promulgates the Finance and Accounts, Policies and Procedures Manual of the Eparchy of St. Thomas the Apostle, Melbourne, as attached herewith. This manual comes into force with immediate effect. All contrary dispositions notwithstanding.

Given from the curia of the Eparchy of St. Thomas the Apostle, Melbourne on the seventh day of the month of September of the year of the Lord two thousand fifteen, the feast of the Nativity of the Blessed Virgin Mary.

Sincerely yours,

Mar Bosco Puthur
Bishop
Eparchy of St. Thomas the Apostle

PREAMBLE

This Finance and Accounts Policies and Procedures Manual of the Eparchy of St. Thomas the Apostle , Melbourne is intended to provide guidance to the users, especially those engaged in execution of Finance and Accounts function, in carrying out their day to day work systematically and consistently.

It provides key steps that should be employed in conducting various tasks of Finance and Accounts function, all the way from budgeting, keeping books of Accounts to preparation of Financial Statements and Reports.

The Manual also gives the policies that are necessary for proper execution of various arms of Finance and Accounts, the internal controls and the amendment procedures that are necessary for proper functioning of Finance and Accounts elements. It should be availed to all staff involved in carrying out Finance and Accounts services in parishes and missions.

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Finance and Accounts Policies and Procedures Manual

PURPOSE

1. To promote the integrity of the Parish and its volunteers, and to instill confidence within the Parish community through a well-organized financial management procedure. The procedures described in this manual are to be followed by all parishes and missions of the Eparchy of St. Thomas the Apostle, Melbourne, to ensure the adequacy of parish financial controls. The local hierarch shall approve any deviation from this manual.

II

GENERAL NORMS

2. The Eparchial Bishop shall have the authority to revoke or to abrogate all or any provisions of this manual, and to add, to remove, to amend this either in part or in full at any time in his discretion.

3. Any question on this manual or any provisions or matters contained that are vague or not said in this manual shall be directed to the eparchial bishop and his decision shall be final.

4. All the provisions in this manual stated as binding or affecting a parish are equally applicable in same force and nature to all Missions unless specified otherwise.

5. This manual uses the term 'Parish Priest/Chaplain' in consistent to the Code of Canons of the Oriental Churches (CCEO) to denote the title 'Vicar' as used in our custom and tradition, and therefore these terms are to be understood as same. The use of the term 'Parish Priest/Chaplain' refers to 'Vicar.'

6. These rules use the term 'Eparchy' in consistent to the Code of Canons of the Oriental Churches (CCEO) to denote the term 'Diocese.'

7. These rules use the term 'Trustee' to refer 'kaikkaran' for technical, civil, and legal reasons and purposes, and to achieve better clarity, and hence shall be used in official communications. This usage of the term 'Trustee' neither adds nor removes any status, right, privilege, duty, and/or meaning other than that of 'kaikkaran.' The use of the term 'kaikkaran' is to be maintained in the internal affairs as it holds the tradition and custom of our Church.

III

ACCOUNTING PROCEDURES

8. The fiscal year of the Parish begins on 1July and ends on 30 June.
9. All parishes shall use the accounting software “MYOB cloud version” and the common ‘Chart of Accounts’ provided by the eparchial curia, at the primary level to achieve uniform financial recording and reporting. Parishes may use appropriate sub accounts below the primary level to accommodate parish level requirements.
10. Financial transactions shall be recorded by the parish in its books of records, using accrual basis accounting for recognizing revenue, expenditure, assets and liabilities.
11. The parish shall use the software named ‘MYOB cloud version’ for any and all member related activities and financial transactions including but not limited to member details, contributions, Sunday offerings, pledges, etc.
12. All accounting entries shall be supported by documentation that is sufficient and comprehensive enough to describe the nature and purpose of the transaction.
13. The financial records of Parishes are subject to an Internal Audit.
14. The Eparchial Curia may delegate an Audit Committee to review the Parish financial records at any time.
15. Back up of electronic financial data shall be performed on a weekly basis.
16. Financial records are the property of the Parish and shall be kept on the Parish premises at all times. Records shall not be kept offsite at residences or other locations.

IV

BANK ACCOUNTS

17. Each Parish shall establish and maintain a bank account(s) through which financial transactions of the Parish shall be entered.
18. The Parish bank accounts shall be established and maintained with the Parish Priest and the Kaikaran as the authorized signatories with Catholic Development Fund (CDF). Exemption to this rule should be expressively authorized by the Curia.
19. All the Parish organizations shall maintain their financial transactions through a bank account operated by the Parish Priest and Kaikaran of the Parish.

20. Online account access for authorization shall be limited to the Parish Priest and Kaikarans only. However, the view only access could be provided to the associate Parish Priest, non-signing Kaikarans, accountant or any other person as deems fit. It is the duty of the authorized persons to protect in safe custody the online ID and Passwords.

21. As personnel changes occur in the Parish, the approved signatories on each Parish bank account, including the accounts where few transactions occur, are to be verified. Signatories who leave the parish or relinquished responsibilities for the account shall be removed as authorized signatories.

22. All cheques shall be signed by two persons - the Parish Priest and the 'principal Kaikaran (nadathukaikaran).

23. Excess operating funds may be deposited in CDs or other high-yield accounts. Funds collected for capital campaigns or building funds shall be maintained separately from the operating account.

24. Access to unused cheque stock shall be restricted. When a decision is made to close an account, inventory of the remaining cheque stock shall be taken. The remaining cheque stock shall be shredded to prevent fraudulent use of the cheques.

25. A Parish may enter into an automatic debit arrangement. Controls shall be established to stop such arrangements when the business relationship is ended. A weekly review of the online accounts is to be maintained to identify any fraudulent activities.

26. All financial instruments including but not limited to, trust funds, foundations, or organization accounts must be reported to the eparchial curia and must be managed according to the directives established by the local hierarch.

V

FINANCIAL REPORTING

27. Quarterly financial reports shall be presented to the Parish Council and be approved.

28. All Parishes shall prepare quarterly and publish annually the results of their financial operations. A suitably qualified auditor to be appointed by Parish Priest with the approval of the Parish Council to audit the annual financial report and the auditor's report is to be attached with the annual financial report.

29. Weekly collections, regular or special, shall be published in a suitable manner within two weeks of the actual collection.

30. A signed copy of the quarterly reports shall be given to the Eparchial Curia by November 30, February 28, and May 31.

31. To comply with the reporting requirements to Australian Taxation office (ATO), Australian Charities and Not-for-profits Commission (ACNC), annual financial statements report approved by the Parish Council and General Body (Pothuyogam) shall be submitted to the Eparchial Curia by 31 September of the same year. The reports provided to the eparchy shall be signed by the Kaikaran and the Parish Priest.

32. The yearly internal audit report shall be presented to the Parish Council before the annual General Body and forwarded along with the passed/approved annual financial statements to Curia.

33. The annual financial reports package provided to the Eparchy shall also include copies of year-end bank statements, new loan documents, new property transaction documents, and parish statistics report.

34. When a Parish Priest leaves his office, he shall submit to the Eparchial Curia and to the new Parish Priest a financial report, which shall cover his time in office during that fiscal year.

VI

BANK RECONCILIATION

35. All Parish bank accounts shall be reconciled each month.

36. The reconciliation shall be performed by a person who has no cash receipt or disbursement responsibility on the account being reconciled.

37. A bank reconciliation shall also include:

37. 1 examining the paid and cancelled cheques as to authorized signatures and alterations,

37. 2 Comparing paid and cancelled cheques with the check register to verify date, payee, amount and irregular endorsements, and

37. 3 Comparing date and amount of deposit on bank statements to cash receipts journal.

38. The reconciliation report shall be reviewed and signed by the Parish Priest and an individual independent of the handling and recording of cash.

39. All cheques that remain outstanding for more than six months shall be investigated and resolved. Contact the payee if necessary; Cheques may need to be voided and reissued.

VII

BUDGETING

40. Each parish shall prepare a budget of anticipated income, expenses, and capital improvements prior to the beginning of each fiscal year.
41. A Parish budget shall be prepared in accordance with the goals, objectives, priorities, and plan of action, as determined jointly by the Parish Priest and the Parish Council.
42. The parish budget shall be reviewed and approved by the Parish Priest and Parish Council.
43. The signed budget for the succeeding year shall be submitted to the Eparchy by the end of the current year with a variance analysis.
44. Actual expenditure shall be limited as close as possible to budgeted amounts. The Parish should review its budget on a periodic basis, at least half yearly, in relation or comparison with actual operating results.
45. Any adverse deviation from the budget of 10% or more, in actual operating income and expenditures, shall be addressed immediately by the Parish Priest and the Parish Council.
46. Long range planning for 3 to 5 years is recommended and encouraged.
47. The Parish shall prepare its budget using a uniform format as the financial report, at the primary level.

VIII

INCOME

A. Offertory Collections

48. All donations collected by the ushers during liturgical celebrations shall be placed near altar clearly visible to people until picked up by the Kaikarans immediately after the mass.

B. General Collections

49. Christmas Carol, Christmas day, Easter Collections, Parish Feast, and Special Projects Collections (eg. retreat) shall be recorded as clearly identifiable as such in the MYOB cloud version software as per COA.
50. Building Fund shall be recorded under the member ID as pledge in the MYOB cloud version software.

C.Special Collections

51. The collections for Mission Sunday, Sabhadinam, Holy Thursday and Good Friday Collection are to be recorded as separate as per COA.

52. Any special request from charitable organizations, institutions, parishes, and individuals shall be scrutinized and approved by the Parish Priest. The Church may request individual contributions towards this purpose and record such contributions as special collections.

C. Other Receipts

53. All other cash receipts – fund-raisers, raffles, auctions, catechism school fees, registration fees, donations for out-letting facilities, or any other receipts for which benefits have been acquired by the donor - shall be recorded in the MYOB cloud version.

54. All receipts shall be kept in a safe or locked cabinet until deposited. Only the Parish Priest or his designated agent shall have access to the safe or cabinet.

55. Eparchial Collections, National Collections, and other Special Collections shall be forwarded to the Eparchial Curia within three weeks of the date assigned for the collection.

56. All mission collections collected and all funds distributed for missionary purposes shall be forwarded to the Eparchial Curia within three weeks of the date assigned for the collection.

57. The permission of the local hierarch is required to accept a gift that comes with an attached condition, or a gift that comes with obligations that can create a liability for the Parish.

D. Counting and Deposit Procedures

58. The count team shall consist of at least two members. If two members are not available to complete the counting process, the collection shall be secured in a safe locker by the Parish Priest until a team is available.

59. Cheques shall be restrictively endorsed by stamping 'non-negotiable' to the parish account. If the member ID is not recorded on the cheque, verify the envelope for the information and record it on cheque.

60. No cheques made payable to the Parish may be endorsed and converted into cash by priests or others nor deposited in accounts other than authorized church accounts.

61. Photocopies or scanned images of cheques and envelopes that held currency shall be made and retained.

62. The currency shall be counted and banded by denomination.
63. The currency, coins, and cheques shall be placed in a tamper resistant bag along with the original deposit ticket and delivered to the bank.
64. A copy of the deposit ticket shall be retained at the parish along with the collection worksheet.
65. Overages and shortages between collection worksheets and bank deposit receipts shall be reviewed to determine the cause. Notify the Parish Priest of any discrepancies.
66. The deposit shall be entered into the accounting system by the type of revenue. When recording, always use the date of the actual collection, not the date recorded anywhere else. All cash receipt accounting entries shall be supported with validated bank deposits tickets and other documentation to ensure an independent verification of cash deposits.
67. Member contributions shall be entered into the individual member contribution system (MYOB cloud version) with the individual ID number. Non-member/unidentified contributions shall be entered into the same system with a specific ID number created for such contributions.
68. Monthly contribution summary from the MYOB cloud version shall be printed and compared to the dollar amount recorded on the collection worksheets and be reconciled.
69. The complete collection shall be deposited at the bank. No money shall be kept at the Church for petty cash or any other purpose. Whenever possible, deposits shall be made daily, or at a minimum once a week.
70. A limited number of people shall maintain lock combinations and/or custody of keys to Parish safe(s). Dual control is strongly recommended. Combinations and keys shall never be stored in an unlocked desk drawer, hung on a wall, or in an unsupervised area.
71. Parishes must promote programs that involve the electronic payment of the offertory.

IX

YEAR - END MEMBER STATEMENTS /REPORTS

72. All donors shall be provided an annual contribution acknowledgement in writing stating the amounts and details. If there is a discrepancy, it shall be resolved immediately by the Parish Priest. A written summary statement shall be mailed at the yearend for the total donations in the year.
73. Any cash or check receipts received other than in the collection basket shall be acknowledged with a written receipt.

X CASH DISBURSEMENTS

E. Operating Expenditure

74. All disbursements must be made through the bank account(s) by using Cheques / EFT.
75. Any cash receipts shall not be used for expenses or petty cash replenishment.
76. A petty cash account may be maintained, if necessary, for a maximum amount up to \$1,000, which shall be funded and replenished by drawing a check from the bank.
77. All petty cash payments shall be supported by the signatory approval by a Kaikaran and the Parish Priest.

F. Capital Expenditure

78. Upon the approval of the Parish Priest at the recommendation of the Parish Council, the parish may spend a maximum of \$50,000.00 on a given project, provided that such projects are financed through internally raised funds.
79. If any project is to be financed with borrowed funds, authorization must be obtained from the Eparchial Curia.
80. Projects in excess of \$50,000 must be approved by the Eparchial Curia regardless of whether the funds are internally raised or borrowed
81. Approval of capital improvements/expenditures shall cover the total project cost regardless of the length of time on the various stages.
82. Any excess spending of 10% over the approved original project cost shall require prior approval of the Eparchial Curia by submitting a revised project cost highlighting the reason(s) for the upward cost revision.
83. Consulting with the Parish Council is required before entering into any contract that is nonrecurring and/or extraordinary.
84. A purchase order or purchase requisition shall be issued and approved where equipment, supplies, etc., are involved. Verify all items were received prior to presenting for payment.

G. Payment Procedures

85. Prior to issuing a check, a check requisition shall be completed, except for regular monthly billings from known vendors such as electricity or gas companies.

86. Regular monthly billings shall be handled similarly, but no cheque requisition shall be required.
87. Supporting documentation such as receipts shall be attached to the cheque requisition. The requestor shall sign and date the requisition.
88. Original documentation should be reviewed and requisition shall be approved by the Parish Priest/Chaplain or someone assigned by the PP.
89. The person(s) approving the requisition shall not be the person entering the data or issuing the check.
90. Cheques should not be issued without an invoice or cheque requisition form. Once the cheque is printed, compare the cheque amounts to the list of requisitions and invoices accompanying the Cheques.
91. The cheque stub and all documentation are retained as proof of the disbursement. Invoices shall be cancelled (defaced) upon payment to prevent duplicate payments.
92. Invoices should include certain minimum information such as vendor, date of service or purchase, description of service provided or goods purchased, and price of each item.
93. The number and date of the cheque shall be recorded on the invoice or requisition.
94. Access to unused cheque stock shall be restricted.
95. Voided cheques shall be defaced and retained so as to maintain proper sequential integrity. If an account is closed, remaining cheque stock shall be shredded prior to disposal.
96. Cheques shall be made payable to a person or organization. No cheque shall be made payable to "cash."
97. All cheques shall require two signatures. Cancelled cheques and other evidence of discharged obligations shall be preserved for at least seven years.
98. It is never permissible to pre-sign cheques or to use a signature-stamp.
99. Cheques must not be issued in advance, antedated or post-dated.

H. Compliance Regulations

100. When a Parish Priest/Chaplain is appointed, he will be treated as an employee of the Eparchy and PAYG declaration forms, superannuation details and private insurance details will be sent to Eparchy for further processing. This would apply to any other employee of the Parish. For any contract work, the contractor should be registered with ATO with a valid Australian Business number (ABN) and compliant with other required approvals.

101. Annual compliance statements with regard to labor laws will be managed by Eparchy

XI

REVENUE

I. Lease Income

102. Leasing of the church facility consecutively for a period of one week or more shall be treated as long-term lease.

103. All long-term leases of buildings, facilities and equipment shall be covered with a lease agreement.

104. The proposal for a long-term lease shall be approved by the PP/Chaplain and the Parish Council.

The PP/Chaplain shall submit the proposal with details to the Eparchial Curia for approval. A written approval by the Curia is to be obtained prior to signing the lease agreement.

106. The parish shall retain a copy of the duly executed lease agreement and a copy is to be given to the tenant.

107. Revenue from the long-term lease shall be treated as rental income. All the expenses related to the leased property shall be treated as rental expense.

J. Facility Usage Income

108. The application for the one-time facility usage shall be duly signed by the applicant and be approved by the PP/Chaplain or his designee.

109. The Parish Council shall decide, in compliance with the local rules and regulations, the terms and conditions, security deposits, insurance, safety measures, license, and usage fees.

110. If damages/breakage had been caused, the cost to repair and/or replace damaged property shall be taken from the security deposit or insurance proceeds.

111. The facility usage income and expenses shall be recorded under separate ledger accounts (refer COA).

112. Public liability insurance from the hirer is to be obtained or necessary arrangements have to be made before letting the facilities.

XII

FUND RAISERS

113. All fund raising income shall be treated and recorded as parish income, notwithstanding the purpose for which these were raised.
114. All transactions for fund raising activities shall be recorded through the Parish bank accounts.
115. An accounting of each Parish fund raising activity shall be made to the Parish Council at the completion of such activity.
116. Applicable licenses, insurance and tax requirements shall be complied in all Parish fund raising activities.
117. Amusement contractors during festivals shall be required to have casualty and liability insurances, based on local government guidelines.
118. Extraordinary fundraising requires the permission of the curia. Major fundraisers, capital campaigns, and larger fundraising for a parish or auxiliary organizations are considered extraordinary.
119. Extraordinary fundraisers shall be accounted on a project basis, separating income and expenses.

XIII

RAFFLES

120. Raffles are to be conducted in compliance with the local, state, ACNC andATO rules and regulations.
121. The trustees shall consult respective state agencies to identify required licenses g and reporting requirements and comply with the rules.

XIV

PRIEST ALLOWANCE

122. Priests assigned to serve within the Eparchy shall receive financial support from the respective Parish/mission in accordance with the Clergy Care Guidelines approved by the Bishop. This compensation schedule shall be updated periodically.
123. Parishes that make use of full-time services of priests should pay the following benefits. These expenses are to be reimbursed based upon approved receipts/vouchers or as per Care Guidelines. In order to streamline the statutory duties, for priests employed by the Eparchy, monthly allowance and

statutory superannuation is to be remitted before the end of the month to the nominated Eparchy bank account.

- 1) Monthly Allowance – Reportable on PAYG
- 2) Annual Spiritual Retreat
- 3) Annual Paid Vacation for 30 days
- 4) One day off per week
- 5) Room and board
- 6) Telephone
- 7) Private health Insurance
- 8) Motor vehicle including maintenance
- 9) Statutory superannuation

124. All Parishes shall report to the Eparchial Curia, before 5 July, the total of the monthly allowances so that PAYG summaries can be issued

125. The Parish Priest and Asst. Parish Priest shall, upon receipt of the form PAYG statement, prepare and file the annual tax return before the ATO deadline of 31 October of the relevant year. We suggest the use of Professional Tax preparers in assisting the tax preparation.

XV

STOLEFEES / MASS STIPENDS

126. The stipend for a Holy Mass shall be prescribed by Clergy Care Guidelines from the Eparchy. Mass Stipend for invited priests should be as per Clergy Care Guidelines.

127. The Stole fees /mass stipends shall be collected and kept by the Parish Priest/Chaplain.

128. Solemn Masses in connection with Feasts and Festivities (Novena Masses) for which a higher amount is collected from the faithful are to be accounted to the Parish and the Mass Stipend is to be reimbursed to the invited priest celebrating the Mass as per Clergy Care Guidelines.

XVI

CATECHISM SCHOOLSO F EDUCATION

129. Registration and tuition fee collected shall be accounted and recorded in Parish books as well as the cost of tuition books, resources, facility expenses etc.

130. Religious Education tuition fees shall not be treated as part of offertory collections

131. All teachers and associated volunteers should obtain Children's check (compliance to work with children)

XVII

EPARCHIALSUPPORT

L. SPECIAL COLLECTIONS

131. All Eparchial Special Collections should be submitted to the Finance office of the Eparchy within thirty days of the stipulated date of collection.

132. At the end of the fiscal year, all fund balances for each Eparchial special collection should have a zero balance.

133. The special Collections are Mission Sunday, Sabhadinam, Holy Thursday and Good Friday Collection etc.

M. Annual assessment

134. The 10% of ordinary revenue of the Parish is to be paid to the eparchial curia along with annual financial reports. They are the offertory collections and general collections as per 48 & 49. These amounts will be credited to Eparchial Pastoral Revenue.

135. The ordinary revenue means all income except the special collections. (This would include, but not limited to, Sunday Collections, Holyday Collections, Christmas Carol, General Contributions, Offertory Box Collection, Auction of Offering Items, Interest Income, Rent Income, Parish feasts, Parish retreats etc.)

N. Annual Bishop's appeal

136. The Annual Bishop's Appeal shall be conducted according to the directives from the Eparchial Curia. Any funds received at the Parish shall be sent to the Eparchial finance office promptly.

XVIII

PIOUS & SOCIAL ASSOCIATIONS, ORGANIZATIONS, AND APOSTOLATES

137. Any Pious and Social Association, Organization, and Apostolate that has a parish level unit is under the direct direction of the PP/Chaplain and so is accountable to the parish. The assets of each and every organization sponsored by a parish are assets of the parish. (This Manual uses the term 'Organization' hereafter to refer to all these entities with a parish level unit.)

138. Organizations are accountable to the PP/Chaplain and to the Parish Council. An annual report shall be submitted by every organization to the PP/Chaplain. The annual report should include both the activities as well as the financial results of the organization.

139. The Parish Priest/Chaplain shall be an ex-officio member of all organizations of the parish. The Parish Priest/Chaplain or may delegate an Assistant/Associate Pastor to represent him for any of these organizations.

140. All income received by the organizations of a Parish shall be considered as Parish income in accounting.

141. The PP/Chaplain shall be the primary signatory and receiver of information on any bank account held by these organizations. All original bank statements are mailed to the Parish where a copy is maintained and then distributed to the organization.

142. The procedures for income and expenditure outlined in this manual are to be followed for all the financial transactions of the organization.

143. No Parish or organization in the eparchy may validly form a civil corporation or legal entity in any form or establish any other entity such as foundations or trusts without the permission of the Eparchial Bishop.

XIX

LEGAL DOCUMENTS OF THE PARISH

144. Parish will be established as an unincorporated entity and have its own governing document (Constitution) based on the rules contained in "Palliyogam rules promulgated by Syro Malabar Bishop.

145. The use of the Parish legal documents such as tax identification number, Australian Business numbers are to be clearly identified and verified.

146. The PP/Chaplain receives copies of the resulting documents, for example, bank statements and licenses.

147. The Parish should maintain a log identifying the recipient of the legal documents and the purpose for the request.

148. The PP/Chaplain is responsible for submitting the quarterly business activity (BAS) statement to ATO

XX

CONSTRUCTION AND RENOVATION

148. Parishes shall follow all the procedures outlined below for new building construction and renovation.

149. Submit a preliminary letter to the Eparchial Curia outlining the proposed project for permission.

150. Develop and present the business plan in the Parish Council for approval.

151. Submit the plan, construction budget, and plan of capital campaign to the Eparchial Curia for approval. If construction financing is required, details must also be submitted for approval.

152. Eparchial approval must be secured prior to putting the project out for bid.

153. The final drawings and bid results with recommendation shall be presented to the Eparchial Curia for final approval of the project.

XXI

LOANS AND OTHER BORROWINGS

154. Parish is authorized to borrow funds only with the approval of the Eparchial Curia.

155. A special resolution to borrow funds shall be duly adopted by the Parish Council.

156. The adopted resolution shall be sent to the Eparchial Curia for approval prior to signing any contract.

157. Duplicate copies of the notes shall be kept on file at the Parish office.

XXII

REAL ESTATE TRANSACTIONS

158. The Eparchial Curia must approve all Parish real estate sales and purchases.

O. Real estate sales

159. The approval of the Curia is mandatory for sale of any parish property. The request for approval is to be made by PP/Chaplain after the Parish Council approves the proposed sale.

160. Reports of at least two licensed appraisers who are familiar with property and prices in the area are to be obtained before arriving at a sale price.

161. Services of a competent real estate broker may be arranged, if necessary.

162. Copies of all documents including appraisals, title commitments, deeds, and contracts shall be sent to the Eparchial Curia.

P. Real estate purchases

163. The approval of the Curia is mandatory for purchase of a property. The request for approval is to be made after the Parish Council approves the proposed purchase.

164. Due diligence is to be taken in following all the government rules and regulations, zoning requirements and brokerage.

165. The realty service and appraisals shall be arranged, and due diligence is to be kept, if the purchase of the property does not involve the supervision of a bank or financial institution that renders a loan.

166. The title to property shall always be in the name of the Incorporated entity i.e. 'The Trustees of the Syro-Malabar Eparchy of St Thomas ABN 67 291 009 733'.

167. A copy of the deed shall be submitted to the eparchial curia for records.

168. If the new property is to be used for Parish purposes, a stamp duty tax exemption and local council exemptions shall be filed. Any Parish property that is used for religious purposes is tax-exempt. However, any new property purchased is not automatically tax-exempt. The appropriate governmental agency shall be contacted to file the necessary documents. (State Revenue office / Local council).

XXIII

INSURANCE/ RISKMANAGEMENT

169. The parish shall have sufficient property and public liability insurance on all Parish properties throughout the year.

170. Medical Insurance shall be available to all full-time clergy at the expense of the Parish.

171. Locations that experience repeated occurrences of theft or flooding are encouraged to obtain and activate prevention devices, i.e., alarm systems or backup sump pumps.

172. All Parishes shall maintain a detailed inventory of assets. All assets shall be tagged with the name of the parish and asset tracking number in the inventory register.

173. Proper replacement value of existing assets and cost of new assets shall be recorded in the inventory of assets. This value shall be recorded in the balance sheet.

174. Parishes shall immediately report any property, automobile, or general liability losses to the respective insurance company.

175. Data and record back up shall be done periodically.

176. Sufficient disaster recovery measures shall be implemented at each parish and mission based on the risk factor.

Q. VOLUNTEER SAFETY

177. Volunteers should be encouraged to complete their work in a safe, thoughtful manner. Volunteers should not engage in hazardous activities, which normally include electrical, mechanical and plumbing, activities involving ladders or scaffolds and activities involving dangerous equipment or chemicals.

XXIV

FACILITY INSPECTIONS

178. The Kaikaran or a designated person should inspect facilities regularly and report to the Parish Council. The results of the inspection shall aid in planning for upcoming expenses.

XXV

CONFLICT OF INTEREST

179. Parish Council members owe the parish a duty of loyalty. The duty of loyalty requires a Parish Council member to act in the interest of the parish rather than in the personal interest of any member or some other person or organization. In particular, the duty of loyalty requires a Parish Council member to avoid conflicts of interest that are detrimental to the Parish.

180. Members of the Parish Council may serve in other volunteer service roles in the Parish if, in the judgment of the PP/Chaplain, such multiple services will not create conflict of interest situations.

XXVI INTERNAL AUDIT

181. In order to provide an assessment of, and to express opinion on, the accuracy and fairness of the information presented in financial reports, and to report on the adequacy of internal controls and adherence to policies and procedures, an internal audit committee shall be formed.

182. Church leaders have a stewardship responsibility to their members to ensure that the church's resources are used in a manner consistent with the church's mission and objectives. Accountability and transparency are necessary to evidence the discharge of these responsibilities, to maintain the credibility as stewards and to instill confidence on the part of donors.

183. A properly functioning Internal Audit Committee will help the church to fulfill its stewardship responsibility by helping to assure that resources have been used in the proper fashion. To be truly effective, an Audit Committee must be given the resources of talent, time, and access.

184. One of the most important characteristic for an auditor to possess is integrity. For an audit to be useful and effective, the persons performing it must do so in an objective and impartial fashion, and with the highest degree of integrity.

185. Any member of the parish, meeting the criteria outlined in the Procedure Rules, may perform the internal audit as long as that member is not involved in any of the day-to-day financial or management functions of the parish.

186. PP/Chaplain on the recommendation from Parish Council will appoint an Internal auditor for a term .

187. An internal auditor should have accounting and financial background.

188. The Internal Auditor should have adequate knowledge of the Procedure Rules of the Eparchy and other stipulations of the curia/bishop.

189. Upon completion of the annual audit engagement, the financial statements are to be presented to the PP/Chaplain for approval.

190. The financial records of Parishes and institutions shall be subject to regular audits by the Eparchial Curia.

191. The Eparchial Curia shall have the right to review the finances of a Parish before the outgoing PP/Chaplain leaves.

192. Established principles of internal audit should be followed by the audit committee with regard to purpose, procedures and reporting formats, if not specified expressively.

XXVII

RECORD RETENTION

193. All records shall be stored in a secure area where these records are safeguarded against physical damage and deterioration.

194. There should be a formal strategy for providing backup of electronic data with secure offsite storage of all data backups.

195. Records retention schedules represent the period of time that records must be kept according to legal and/or organizational requirements.

196. The following retention schedule complying with the civil law should be followed.

Annexure 1

RECORD RETENTION DOCUMENTS LIST

Financial and Accounting Records	Retention period
Banking	
Bank deposits	7 years
Bank statements	7 years
Cheque registers/stubs	7 years
Bank reconciliation	7 years
Internal Audit Reports	Permanent
Chart of Accounts	Permanent
Financial Reports – Annual	Permanent
Financial Reports- Quarterly	2 years
Contribution Records	7 years
Copies of Cheques and Cash envelopes	7 years
Insurance policies	Permanent
Accident reports and claims	Permanent
Mortgage records	Permanent
Accounts payable invoices	7 years
Credit card statements/charge slips	7 years
Invoices/paid bills – major building construction	Permanent
Invoices/paid bills – general accounts	7 years
Cash books	7 years
Cash journals	7 years

Cash receipts records	7 years
Mortgage payments	7 years
General ledger	Permanent
Journals, general and specific funds	Permanent
Constructions contracts	Permanent
Construction bids and proposals	Permanent
Repair and maintenance work contracts	7 Years
Rental agreements	7 years
Deeds	Permanent
Title policies	Permanent
Blue prints and plans	Permanent
Inventory of furniture, fixture and equip.	Permanent
Legal	
Articles of Incorporation and minutes	Permanent
Legal correspondence	Permanent

Annexure 2 - Chart of accounts

Name of the account	Type	Comments
Assets account		
Cash at CDF bank a/c		
Cash in hand		
Term deposits		
Other advances		
Assets	Header account	musical instruments, lap top etc.
Acc. depreciation on assets	Header account	musical instruments, lap top etc.
Charity funds	Header account	name of the person or fund
GST Paid		
Liability accounts		
GST collected		
Loan accounts		Name of the loans
Diocese accounts	Header account	
Retained earnings		
Building fund	Header account	Ward-wise
Eparchial Pastoral Revenue Account	Header account	
Income and expenditure		
Income		
Interest received from bank		
Youth program income	Header account	Program-wise
Mission Sunday collection		
Good Friday collections		
Retreat income	Header account	name of the retreat
Tithes - visiting Bishops/ priests		
Marriage preparation course		
Collections- House blessings		
Income from Holy Mass	Header account	name of the place within the Church
Parish day income	Header account	Different types
Parish feast - income	Header account	Different types
Carol income	Header account	ward-wise

Christmas income		
Fundraising income	Header account	name of the fund raiser
Easter income		
Night vigil income	Header account	name of the churches
Catechism income	Header account	Nature of income

Expenditure

Holy Mass expenses	Header account	for rent, refreshments
Pastoral expenses		
Petrol expenses		
Car Maintenance		
Insurance expenses		
Water expenses		
Electricity & gas expenses		
Tithes to visiting priest		
Telephone & internet expenses		
Accounts expenses		
Maintenance and repairs		
Catechism expenses	Header account	refreshments, books, stationery
Meeting expenses		
Youth program expenses	Header account	Program-wise
Good Friday expenses		
Easter expenses		
Retreat expenses	Header account	name of the retreat
Parish day expenses	Header account	refreshments, light& sound etc.
Parish feast - expenses	Header account	refreshments, light& sound etc.
Carol expenses	Header account	Ward-wise
Xmas expenses		
Mission Sunday expenses		
Parish Priest Salary		
Parish Priest Super		
Night vigil expenses	Header account	Place-wise
Fundraising expenses	Header account	name of the fund
Ecumenical expenses		
Interest on loans	Header account	loan wise
Bank charges		
Eparchy expenses	Header account	
Depreciation		