

Internal Control Questionnaire - School

Purpose: This 2023 questionnaire is designed as a tool for schools to help evaluate the accounting controls and financial management procedures in use. The answers to these questions will assist your school in improving the quality of the financial information you use, as well as, improve the security of your assets.

Instructions: Answer each of the questions in this questionnaire and provide requested information if necessary. The School Administrator and Finance Council are required to sign and date the completed questionnaire. By signing the document, members of the Finance Council are simply stating they have reviewed the answers provided in the questionnaire and are not certifying to anything in terms of how the school is operated. There is no attestation to verify which procedures are used at the school.

Attach the completed questionnaire and supporting documents to an email, and send to your finance Deanery specific email "... [@charlestandioocese.org](mailto:charlestandioocese.org)" by June 30, 2023.

SCHOOL INFORMATION

Name of School _____

Diocesan School Number _____

City _____

School Telephone Number _____

EIN # of Reporting Entity _____

Number of Students _____

SCHOOL ADMINISTRATOR / PRINCIPAL INFORMATION

Name of School Administrator / Principal _____

Hire Date at School _____

Phone Number _____

E-mail address of [@charlestandioocese.org](mailto:charlestandioocese.org) _____

BOOKKEEPER INFORMATION

Name of Bookkeeper _____

Phone Number _____

E-mail address of [@charlestandioocese.org](mailto:charlestandioocese.org) _____

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Name of School

Number

Finance Council

An overview of the responsibilities and role of the School Finance Council is provided in the Diocese of Charleston Finance Council Handbook available on the Diocese of Charleston website.

Catholic schools are required to have a Finance Council unique and apart from the Parish Finance Council.

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	FINANCE COUNCIL	YES	NO
1	Does the school have a unique and active Finance Council that meets at least quarterly?		
2	Does the school finance council consist of at least three unrelated members who are not employees and selected from the school community?		
3	Does the Finance Council have an appointed Chairperson and Secretary?		
4	Does the school administrator / principal consult both the school finance council and the Bishop's Office for all acts of MAJOR importance and extraordinary acts?		
5	Does each member of the Finance Council act in the best interest of the school?		
6	Does the Finance Council confirm in writing that there are no known conflicts of interest?		
7	Are meeting minutes from the Finance Council meetings archived as part of the school's permanent record?		
8	Are all Finance Council meetings open to the school community?		
9	Does the Finance Council utilize Subcommittees?		
10	Does the school administrator / principal consult both the school finance council and the Bishop's Office for all resources over \$10,000?		
11	Is the school administrator/principal aware that the finance council can be consulted on ordinary acts; though it is not required?		
12	Is the Finance Council involved in developing the school annual budget?		
13	Does the Finance Council review the school year-end financial reports?		
14	Does the Finance Council review the school quarterly reports at least on a quarterly basis?		
15	Does the Finance Council provide assistance in the communication of the Mid-Year Financial Report and the Annual Financial Report to the community?		
16	Does the Finance Council provide advice on the use of undesignated bequests or other unbudgeted revenue?		
17	Does the Finance Council review the request for any new bank accounts?		

18	Does at least one member of the Finance Council review the monthly bank reconciliations and bank statements?		
19	Does the Finance Council assist the school administrator/principal in establishing an endowment program or cash reserves for the care and maintenance of the school property??		
20	Does the Finance Council review the school debt?		
21	Does the Finance Council review the school's internal controls and accounting procedures?		
22	Does the school have two adult members of the parish who are active in parish/school life, good standing, are skilled in business affairs and not part of the Finance Council who are chosen as auditors?		
23	Does the Finance Council review the financial reports of all school auxiliary groups; i.e. ASO's or PTO?		
24	Does the Finance Council provide advice on hiring and evaluating a business manager, accountant or similar position?		
25	Is prior approval obtained from the Bishop before accepting a restricted donation as required in the DOC Accounting & Internal Control Procedures manual?		
26	Is there an established procedure for recording restricted donations as restricted and for ensuring that the funds are used only for the restricted purpose imposed by the donor?		
27	Was permission sought from the Vicar General to accept bequests which are greater than \$10,000; restricted in purpose; not cash or readily marketable securities? Was a copy of each will sent to the Diocese? Were all donations exceeding \$10,000 reported to the Diocesan CFO?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	BANK ACCOUNTS	YES	NO
28	Does the school have one general operating account from which all check disbursements are made? (an additional account that is mandated by law is acceptable)		
29	Is the pastor/principal the only authorized signers on the school accounts (other than affiliated organizations)?		
30	Is a replacement check issued only after confirmation of the stop payment is received and attached to the request for the replacement check and the original check voided in the A/P system?		
31	Are checks returned for non-sufficient funds (NSF) followed-up immediately, resolved and adjusted as necessary?		
32	Is the numbering sequence from one check run to the next accounted for?		
33	Is a check protector i.e., watermark, utilized on your checks?		
34	Is the drawing of checks to cash or bearer prohibited?		
35	Are all school savings invested with: - Diocesan Saving & Loan Program; - Catholic Community Foundation of SC; or - only invested in government insured interest bearing accounts such as Certificates of Deposit, Money Market Funds, U.S. Government Instruments, Government Agency Instruments or State/Municipal Government Instruments?		
36	Are all bank account statements and investment accounts statements (excluding those owned by the Catholic Community Foundation of SC for the benefit of the school) included in the quarterly report to the diocese?		
37	Can you confirm there have been no occasions in the past year when the bank reconciliation has shown an unreconciled difference?		
38	Does the school have stock? (If the answer is No, skip questions 40-43).		
39	Is the school stated as the ultimate beneficiary of all donations of stock with no obligation to any additional beneficiary?		
40	Are all stock donations being transferred into the Catholic Community Foundation of SC account?		
41	Has a letter been sent to Comerica Bank naming the donor and indicating the specific beneficiary for all donations of stock ?		
42	Has the diocese been copied on the letter of notification of donation of stock?		

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Name of School

Number

Instructions: Please list below the name of each financial institution (other than the Diocese of Charleston) where your school has a bank account or an investment account.

For each account named, please list all individuals who have signing authority on the account. Also, please identify the title or position each named individual holds in the school.

This should be an all encompassing list and in agreement with the accounts on the Balance Sheet.

Bank Accounts and Signatories		
<u>Name of Financial Institution</u>	<u>Name of Signatory</u>	<u>Title / School Position</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

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Name of School	Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	AFFILIATED ORGANIZATIONS	YES	NO
43	Does the school have an Affiliated Organization? (If the answer is No, skip the remainder of this page).		
44	Has the pastor / school administrator / principal approved the bylaws submitted by the affiliated organization?		
45	Are all bank accounts of affiliated organizations independent of the school?		
46	Are all affiliated organizations funds solely in a checking account?		
47	Is the pastor/principal an authorized signer on all affiliated organizations' bank accounts, along with no more than two officers and no school employees?		
48	Are all affiliated organizations' bank statements received directly at the school and reviewed by the school administrator/principal?		
49	Does the affiliated organization transfer to the school its year end cash balance less one month's operating expense needed to reopen the following fiscal year?		
50	Whenever an affiliated organization must pay an individual for services rendered, is the check instead written to the school allowing for the capture of 1099 information on the school books?		
51	Do affiliated organizations follow the same procedures for processing cash receipts as the school?		
52	Are all gifts for the school from an affiliated organization given as cash by check and never in the form of goods or services purchased by the affiliated organization?		
53	Does the school administrator/principal receive and review affiliated organizations' financial statements, along with a reconciliation of the activity to the beginning and ending cash balances, at least quarterly?		
54	Does the school submit the affiliated organizations' monthly bank statements; bank reconciliations; and a quarterly Affiliated school Organization Financial Report, completed by the treasurer, to the diocese?		
55	Other than a check written to the school, does the affiliated organization only write checks for the organization's own fundraising or meeting expenses?		

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Name of School

Number

Affiliated School Organizations

Instructions: To properly record receipt of all documentation due in the quarterly financial report to the Diocese, please complete a list of current affiliated school organizations. Please provide the name of each affiliated school organization and indicate whether or not the ASO has a bank account independent from the school funds that are listed on the Balance Sheet.

Affiliated organizations of the school are defined as those societies, ministries and clubs fiscally responsible to the school administrator/principal. Assets of any such association are the property of the school. A quarterly accounting of assets including reconciled bank statements for the ASO is to be submitted with reports.

<u>Name of Affiliated School Organization</u>	<u>Independent bank account? Y/N</u>	<u>Name of Financial Institution</u>
1	<u>ASO Officers</u>	
President		Treasurer

<u>Name of Affiliated School Organization</u>	<u>Independent bank account? Y/N</u>	<u>Name of Financial Institution</u>
2	<u>ASO Officers</u>	
President		Treasurer

<u>Name of Affiliated School Organization</u>	<u>Independent bank account? Y/N</u>	<u>Name of Financial Institution</u>
3	<u>ASO Officers</u>	
President		Treasurer

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	CASH RECEIPTS	YES	NO
56	Does the school limit the number of people who have access to the lock combinations/keys to the school safe?		
57	Does the school limit the amount of funds secured in the safe?		
58	Are all school deposits made to the operating account at a minimum of a weekly deposit?		
59	Is all cash received deposited intact, and no funds removed from the deposit for any reason?		
60	Are checks endorsed by stamping "For Deposit Only" immediately upon receipt?		
61	Are copies of checks retained?		
62	Does the school keep each deposit receipt?		
63	Does the school review the variances between the bank deposit slip and deposit reconciliation to determine if there is human error or the need to revise procedures?		
64	If a donor makes a contribution over \$250, are they sent a timely tax acknowledgement in writing stating the amount and date of the contribution?		
65	When funds are collected for cafeteria operations, after-school care and other similar programs, are specific procedures in place to reconcile the funds received with a record of individuals served and prepared by personnel who do not have access to cash receipts?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	<u>RECON OF BANK STATEMENTS</u>	YES	NO
66	Are the unopened bank statements delivered directly to the school administrator/principal, or his designee (Finance Council Chairperson)?		
67	Are the bank statements reviewed (including a review of the signatures on checks for authenticity) by the school administrator/principal, or his designee (Finance Council Chairperson)?		
68	Are monthly bank reconciliations performed for all bank accounts, and are all reconciling differences resolved on a timely basis?		
69	Are the monthly bank reconciliations reviewed and signed off by the school administrator/principal?		
70	Are bank reconciliations reviewed by a Finance Council member on a periodic basis (at least four times per year) and signed by the reviewer to denote the review?		
71	...Does this review include checking the payees on all checks to be sure they agree with the payees as shown in the G/L or A/P system?		
72	Are checks older than 120 days investigated?		
73	Are all voided checks saved and accounted for with the work "VOID" written across the face of the check and the signature portion removed?		

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Name of school

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	CASH DISBURSEMENT	YES	NO
74	Are the distribution of expenses reviewed by the school administrator/principal, or his designee (Finance Council Chairperson)?		
75	Are signature stamps or plates prohibited from use for checking signing?		
76	Does the school prohibit signing blank checks?		
77	Are expenses over \$1,000 reported to the Finance Council?		
78	Are all major expenditures above the school specific spending limit approved in advance by a letter from the Bishop?		
79	Are written bids from at least three vendors obtained prior to hiring a vendor to perform substantial property repairs and/or improvements?		
80	Are cash disbursements recorded in the school's financial records at least weekly?		
81	Is the use of debit cards prohibited?		
82	Is there a detailed receipt with a business purpose for every petty cash disbursement (not to exceed \$25)?		
83	Does the school have a petty cash account and is the balance under the allowed maximum of \$200?		
84	Is replenishing petty cash from school deposits prohibited?		
85	Do procedures exist to ensure that all disbursements are properly classified in the General Ledger?		
86	Are standard expense reports required for expense reimbursements to employees and payment of credit card statements?		
87	Is all required information on expense reports completed, including the requesting party's signature, and are original receipts attached prior to issuing payment?		

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Name of School	Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	ACCOUNTS PAYABLE	YES	NO
88	Are all vendor bills reviewed and approved school administrator/principal prior to payment?		
89	Are checks issued only upon receipt of properly approved expense reports or check requests?		
90	Are delivery of goods and services verified before authorizing payment?		
91	Are all expenses paid when due, with no vendor invoices being intentionally past due?		
92	Are all invoices or receipts "canceled" (marked "paid") after payment?		
93	Does the school have a credit card? (If the answer is No, skip questions 95-99).		
94	Does the credit card state the name of the school and reflect an individual's name?		
95	Are credit cards kept under lock and key at the school when not in use?		
96	Does the school have a process to check out a credit card when needed?		
97	Are credit card balances paid in full each month?		
98	Are receipts for credit card purchases required and reconciled to the credit card statement?		
99	Do check signers review support documents before signing checks?		
100	After a check has been prepared for the payment of an invoice, is the check number, chart of account code, and date paid indicated on the part retained?		
101	Does someone other than the signer of the checks (principal) or the bookkeeper mail the checks?		
102	Are unissued, blank checks stored in a locked, non-portable receptacle?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	FINANCIAL REPORTING	YES	NO
103	Does the school have passwords to restrict access to the general ledger?		
104	Are computer files backed up at least once a week and secured offsite or in a fireproof receptacle?		
105	Has the annual budget been published to the parish-school community in accordance with policy as stated in the school Finance Council Handbook?		
106	Have semi-annual financial reports been made available to the parish-school community within 60 days of the previous 6 months activity?		
107	Did the semi-annual financial reports available to the parish-school community contain the Balance Sheet and the Income Statement for the period?		
108	Does the Net Income reported on the Balance Sheet equal the Net Income reported on the Income Statement each month?		
109	Are payroll liabilities reconciled at least quarterly?		
110	Does the Finance Council review budget vs. actual variances on at minimum of a quarterly basis?		
111	Does the Finance Council make adjustments to projected spending as necessary?		
112	Does the Finance Council review and approve the financial statements before they are published?		
113	...Does this review include comparing cash, savings, endowment and loan balances to the bank and/or diocesan statements?		
114	...Does this review include verifying, on the Balance Sheet, that the prior year retained earnings/(deficit) rolls forward into the new fiscal year fund balance correctly, confirming that no journal entry has been made to the equity section of the balance sheet?		
115	Are subsidiary ledgers (i.e. unpaid tuition) maintained for corresponding Balance Sheet accounts and reconciled to the General Ledger on a monthly basis?		
116	At fiscal year end, did the school submit to the Bishop, the annual representation letter containing the signatures of all Finance Council members ?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	<u>PAYROLL</u>	YES	NO
117	Are timesheets used for all hourly employees? Are employees required to accurately document time worked and submit to their supervisor?		
118	Does the school administrator/principal, or the employee's supervisor, review and approve all hourly employee timesheets?		
119	Does the Finance Council review salary ranges for specific jobs by category?		
120	Are non-exempt employees paid time-and-a-half for all hours worked in excess of 40 hours per week, and "comp time" never given in lieu of the paying of time-and-a-half?		
121	Are all non-exempt employees paid for all hours worked and not allowed to volunteer time working in the same capacity that they are employed in?		
122	Are only those payments to Religious who are subject to a vow of poverty and are working at the direction of his/her ecclesiastical superiors, processed through Accounts Payable?		
123	Are all payments to Religious issued in the name of the Religious Order and not the individual Religious?		
124	Are all eligible employees being covered for life insurance and long term disability through Hartford insurance services paid for by the school?		
125	Do all employees enrolled in the diocesan health insurance program regularly work at least 30 hours per week?		
126	Are complete personnel files maintained for all employees?		
127	Does the school prohibit payment of wages in the form of cash?		
128	Are all employees properly classified as "exempt" or "nonexempt" according to FLSA, including the minimum salary threshold for exempt status of \$684/week (excluding teachers)?		
129	Are all payments to employees (other than to Religious, and other than for properly accounted employee expense reimbursements), including bonuses, processed through payroll?		
130	Are W-4s maintained and up to date on all employees?		
131	Have all individuals treated as independent contractors been reviewed against the IRS guidelines to ensure they are properly classified?		
132	Are W-9s on file for all non-employees who have been paid for services, and are 1099s issued in accordance with IRS regulations?		
133	Do all employees enrolled in the diocesan health insurance program have the appropriate premium withheld from their pay ?		
134	Does the school make use of the guidance offered by the Diocesan Human Resources Department to determine employee compensation for similar positions?		
135	Are all diocesan regulations with regard to hiring employees consistently followed, including the requirement for a background check?		

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Name of School	Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	<u>FIXED ASSETS</u>	YES	NO
136	Does the school account for fixed assets (items purchased that are expected to have an estimated useful life of greater than one year and a cost of greater than \$5,000.00)?		
137	Does the school maintain permanent records for all fixed assets?		
138	When an asset is disposed, does the school write the expense to the original purchase price?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	FUNDRAISING	YES	NO
139	Does the school administrator/principal monitor all fundraising activities?		
140	Is each fundraiser coordinated by an appointed committee of reputable and practicing members of the school?		
141	Are prenumbered tickets used for admission to athletic, drama and other similar events, and then reconciled to funds received by personnel who do not have access to cash receipts?		
142	Does the Finance Council review the detailed report of the financial results of all fundraisers?		
143	Does the school deposit all monies collected from the fundraiser into the school bank account?		
144	Does the school prohibit cash disbursements related to fundraising?		
145	Is it prohibited to rent school facilities and / or properties to for-profit organizations or to individuals who are not schoolioners?		
146	Are all fundraising activities that occur on a regular basis handled solely by volunteers? (no paid employees involved)?		
147	Is the sale of SCRIP handled solely by volunteers? (no paid employees involved)?		
148	Does the school follow Diocesan policy in prohibiting bingo, raffles, and any other games of chance?		
149	Is it prohibited for the school to sell advertising space in the school bulletin, any regularly self published periodicals, or accept payment from a publisher?		
150	Is the school selling food or any merchandise (other than Religious articles) on a regular basis? (if the answer is no, skip the next question).		
151	Is the selling of food or any merchandise (other than Religious articles) handled solely by volunteers (no paid employees involved)?		

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Name of School

Number

Please answer each question and provide an explanation for all "no" answers.

If you are in doubt of the meaning of the question, please contact the Office of Financial Services for assistance.

Please check one box for each question

Q#	<u>GENERAL PRACTICES</u>	YES	NO
152	Are annual statements of donations issued to all donors?		
153	Is each single gift of \$250 or more acknowledged on a separate line of the annual statement?		
154	Do acknowledgements for non-monetary gifts provide a description of the item donated with no reference to its value?		
155	Are persons responsible for preparing acknowledgements aware that a volunteer's time is not tax deductible and should not be acknowledged as a charitable contribution?		
156	Are persons responsible for preparing acknowledgements aware that payments for Faith Formation and other program fees are not tax deductible and should not be acknowledged as charitable contributions?		
157	Are persons responsible for preparing acknowledgements aware that contributions earmarked for an individual or narrow class of receipts, i.e. tuition for named individual, are not tax deductible and should not be acknowledged as a charitable contribution?		
158	To the best of your knowledge, is the school in compliance with all diocesan policies as outlined in the DOC Accounting & Internal Control Procedures manual?		
159	Are passwords in place to restrict access to the accounting software and census data base to authorized personnel?		
160	When there is a change in personnel, are safeguards, i.e. locks, keys, passwords, etc., changed to deny access to the person leaving a position or to a person changing responsibilities?		
161	Are computer files backed-up on at least a weekly basis, and stored offsite or in a secure, fireproof receptacle?		
162	Is the school in possession of the Tax Identification Letter issued by the Internal Revenue Service reflecting the official name and assigned EIN of the entity?		

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Name of School

Number

After the questionnaire is completed, the School Administrator/Principal and Finance Council are required to sign and date it.

By signing the document, members of the Finance Council are simply stating they have reviewed the answers provided in the questionnaire and are not certifying to anything in terms of how the school is operated.

There is no attestation to verify which procedures are used at the school.

Fiscal Year 2023 Internal Control Questionnaire was <u>completed</u> by:	
Printed Name	Title
Signature	Date

Fiscal Year 2023 Internal Control Questionnaire has been <u>reviewed</u> by the following:	
School Administrator/Principal Signature and Printed Name	Date

Finance Council Member 1:	
Printed Name	Email
Signature	Date

Finance Council Member 2:	
Printed Name	Email
Signature	Date

Finance Council Member 3:	
Printed Name	Email
Signature	Date

Finance Council Member 4:	
Printed Name	Email
Signature	Date

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Name of School

Number

Finance Council Member 5:	
Printed Name	Email
Signature	Date

Finance Council Member 6:	
Printed Name	Email
Signature	Date

Finance Council Member 7:	
Printed Name	Email
Signature	Date

Finance Council Member 8:	
Printed Name	Email
Signature	Date

Finance Council Member 9:	
Printed Name	Email
Signature	Date

Finance Council Member 10:	
Printed Name	Email
Signature	Date