

# Parish Review and Advisory Services Update

## September 2010

### Contact Information

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### Parish Reviews Focus on:

Compliance with the Pastoral Handbook

Cash Receipt Controls (offertory, tuition, and other)

Cash Disbursement Controls (expense review and approval procedures, account signers, check supply)

Accounting Controls (reconciliations, recording transactions, financial statement completeness and accuracy)

Controls over Fundraising Activities

Payroll & Taxes

Personnel Files

Finance Committee Meeting Minutes

In this newsletter to the Pastors of the Archdiocese of Denver, the Office of Parish Review and Advisory Services (PRAS) offers advice on how to reduce overall financial and administrative risk to your parish in regards to the sale of Scrip.

### The Financial Risks Associated with Scrip (Grocery Certificates, Gift Cards, etc.)

Parishes are becoming targets for theft of Scrip. Entire safes containing Scrip have been stolen. Recently, we have had examples of individuals visiting several of our churches in one weekend and purchasing Scrip with bad checks. The losses from NSF checks can be significant, and the effort to recover the loss can be burdensome. Consider for a moment that a parish earns 5% on the sale of Scrip. In this case, if someone purchases \$700 worth of Scrip using an NSF check, how much more Scrip does the parish have to sell to make up for that \$700? **\$14,000.**

Accordingly, we believe best practices should be implemented by every Parish selling Scrip in order to reduce the risk of financial loss:

- The serial numbers of all Scrip purchased, sold and unsold should be tracked.
- All Scrip inventory should be retained in a parish safe. Parish safes should be bolted or secured so that they are immovable, and access to the safe should be restricted.
- Obtain a drivers license or other form of identification for verification of the buyer, when selling the Scrip, and document the information on the check received. The sale details should be documented on a sheet of paper. This sheet should include the following information: date, card number(s), card type, amount, purchaser name, cash or check, and parishioner (yes or no), at a minimum.
- We advise the parishes to accept checks only from known parishioners. If the individual is unknown to the Parish, only cash should be accepted.
- Two unrelated people should count and reconcile the grocery certificate inventory on hand to the paper records and to the parish general ledger on a weekly basis.
- Scrip purchases, sales, and profit should be recorded on the parish general ledger in accordance with the guidance issued by the Office of Parish Finance. For questions, please contact Pat Kaus, Office of Parish Finance.
- If Scrip is stolen, contact the Police and vendors immediately. Let the vendors know exactly what happened. Give the vendors and police a list of the serial numbers of all stolen Scrip and ask to see any vendor videos showing all persons attempting to use the Scrip.
- Finally, many of our parishes have moved from the traditional means of selling Scrip to selling reloadable Scrip or on-line Scrip purchases/sales, both of which reduce the risk of financial loss to the parish and seem to generate more profits:

### Best Scrip Programs (these programs increase revenues and reduce risk of financial loss)

The Kroger Company (King Soopers, etc.) participates in a reloadable scrip program. The parish sells or gives a card to a parishioner. The parishioner can pay the vendor to "load" the card with as much money as they want whenever they go to the store. The store will then send 5% of the total amounts "loaded" on these cards to the parish automatically. Call 303-698-3403 for more information.

Albertsons, LLC participates in a community partner program in which parishes receive free cards, give them away, and whenever the card is swiped at a store, a percent of total purchases automatically is sent to the parish. Visit: <http://www.albertsonsmarket.com/index.php/community-partners>

Purchasing Scrip can sometimes be complicated. Some parishes purchase all of their Scrip at one location on-line. Great Lakes Scrip provides such a program offering Scrip to hundreds of vendors. Parishioners can then choose to buy Scrip on-line or at the parish. Visit: [www.glscrip.com](http://www.glscrip.com).