



Catholic Diocese of Columbus

1100.0 - Auxiliary Organizations

The policies of **Section 1100.0** establish the order of authority and the responsibilities for auxiliary organizations in the Diocese of Columbus. Each organization is fully accountable to their sponsoring entity and the Pastor/ Canonical authority/ Principal/ Director of that entity.

Auxiliary organizations are those groups in a parish or school, which use the parish/school tax ID, the activities of which are managed by a group of volunteers (through the Pastor/Principal) and who have responsibility for assets raised and consumed by the group. Typically these groups will have a checking or savings account for which the volunteer members of the group have signing authority.

Auxiliary organizations include but are not limited to:

- Scouting programs
- Men's/ Women's/ Youth Service groups
- Guilds
- Societies
- Athletic Associations
- Parent Teacher Organizations

The policies in effect include:

1101.0 - Proper Accountabilities

1102.0 - Bank Accounts

1103.0 - Use of the Entity Tax ID Number

1104.0 - Funds Remaining at Fiscal Year End

1105.0 - Charters to Parishes Using the Scouting Program



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1101.0 - Proper Accountability

All auxiliary organizations are accountable to the Pastor/ Canonical authority/ Principal/ Director of the sponsoring entity.

Each auxiliary organization must have written Bylaws that identifies their mission, organizational structure (i.e. officers and the roles they play), methods and purposes of funds raised, etc. The Code of Regulations is subject to review and approval of the Pastor/ Canonical authority/ Principal/ Director of the sponsoring entity. Any changes must be reviewed with and approved by the Pastor/ Canonical authority/ Principal/ Director of the sponsoring entity.

The Pastor/ Canonical authority/ Principal/ Director will provide direction for the auxiliary organizations and see that the funds of such organizations are kept in order by the proper officers.

A quarterly report is to be submitted to the Pastor/ Canonical authority/ Principal/ Director. The report must include both the activities as well as the financial results of the auxiliary organization. Reports must include both a Statement of Activity (Profit & Loss Statement) and a Statement of Financial Position (Balance Sheet).

No fund raising program shall be undertaken by an auxiliary organization without the approval of the Pastor/ Canonical authority/ Principal/ Director.

Funds generated in the name of an organization are to be used by the respective organization with the approval of the designated authority.

Reports submitted to the Office of Catholic Schools and/or the Diocesan Finance Office are to include the financial position and results of the auxiliary organization as specified in **policy section 200**.



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1102.0 - Bank Accounts

The establishment of any bank account for an auxiliary organization must be done in compliance with the terms of **Policy # 301.0 Choice of Banking Institution**.

Bank accounts of auxiliary organizations must use the tax identification number of the sponsoring entity.

The Pastor/ Canonical authority/ Principal/ Director must be a signatory and receiver of account information on all accounts held by auxiliary organizations.

The original bank statements and cancelled checks or image documents must be mailed to the sponsoring Diocesan entity where a copy of the statement will be held on file.

The original documents are then to be forwarded to the auxiliary organization.

Auxiliary organization bank accounts must be reconciled monthly and a copy of the reconciliation is to be provided to the sponsoring entity to be retained on file with the corresponding account statement.

Each auxiliary organization account will be reported in the quarterly reports submitted to the Diocese by the sponsoring entity.



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1103.0 - Use of the Entity Tax ID Number

Groups, organizations and clubs who utilize the Tax ID number or name of a Diocesan entity must account for all cash receipts and expenditures through the corresponding bank accounts established under the sponsoring entity.

See **Policy #1102 – Bank Accounts** for additional information on establishing accounts.



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1104.0 - Funds Remaining at Fiscal Year End

At the end of each fiscal year, auxiliary organizations should transfer **excess funds** from their bank account(s) to the sponsoring entity to be used for ministerial purposes.

Excess funds are defined as funds not required for the on-going operation of the auxiliary organization. The Pastor/Canonical authority/Principal/Director, in consultation with the auxiliary organization, should establish whether excess funds exist, and if so, the amount to be transferred to the sponsoring entity.



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1105.0 - Charters to Parishes Using the Scouting Program

If a parish has one or more charter with one or more boy scouting program (i.e., Cub Scouts, Boy Scouts, etc.) then all of the policies in **Section 1100.0 Auxiliary Organizations** will apply to each program.

The organization(s) become a parish organization(s) and all of its assets are parish assets.

A copy of the **Auxiliary Organization** policies must be distributed to the scouting unit leaders when signing the annual charter. This informs them of their responsibilities to the Pastor and the parish.

A copy of the signed charter must be retained on file in the parish office.

Please note that all Girl Scout groups are chartered to the Girl Scout Council, not to an organization like our Parishes and Schools. The group may meet at one of our locations, may be made up principally of our parishioners or students, but the financial policies are set by the Girl Scout Council. No accounts should be opened using the Tax ID of our parishes or schools.



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1106.0 – Oversight Responsibilities

Pastors/Principals have responsibility to provide oversight over all Auxiliary Organizations. Some of these responsibilities, if appropriate, may be delegated to other Parish/School staff, provided that the status and fulfillment of those responsibilities are communicated fully to the Pastor/Principal.

1. Obtain and approve, for each Auxiliary, a copy of their Bylaws
2. Be a signatory on all bank accounts
3. Assure that Auxiliary Organizations understand the responsibilities associated with being an Auxiliary, and with using the Parish/School Federal Employer Identification Number and associated 501(c)(3) status
4. Receive and retain a copy of the monthly bank statement and cancelled checks/image copy.
5. Receive and retain a copy of the bank reconciliation for each bank account
6. On the cancelled checks/image copy, verify that all checks are signed by two authorized signatories
7. Receive and retain supporting documentation for each disbursement at least quarterly. Selectively verify that support received for high dollar disbursements
8. Receive and retain copy of balance sheet and statement of activities at least quarterly.
9. Review uses of funds to assure they are consistent with the purpose of the organization as approved by Pastor/Principal
10. Create and distribute 1099's to independent contractors paid \$600 or more in a calendar year
11. Process compensation to employees based upon requests from Auxiliary Organization. Receive reimbursement from the Auxiliary
12. Record changes in asset balance monthly based on bank statement
13. Review and provide approval for fundraising activities
14. Hold an annual meeting with Auxiliary Organization leadership to discuss excess funds