

School: _____

Name of ASO: _____ *For the quarter ending:*

Best Practices for Affiliated School Organizations

With permission of the pastor and principal, a school may form an affiliated organization such as a Parent Teachers Organization or a Home School Association. All affiliated school organizations (ASO), societies, ministries and clubs are fiscally responsible to the pastor/principal. Assets of any such an association are the property of the school.

- School organizations may have their own checking accounts at the **discretion of the pastor/principal**. All affiliated organizations' funds should be kept solely in a checking account.
- Each and every account shall have the pastor's/principal's signature as one of the authorized signatures along with no more than 2 officers. **No school or parish employee may be an officer of an ASO.**
- All bank accounts shall bear the name and federal identification number of the school.
- The pastor/principal should receive and review the bank statements **with check images**; the accompanying diocesan formatted financial report; other software generated financial statements if any, at least quarterly.
- All bank statements must use the school address and be reviewed by the school bookkeeper.
- Every expenditure must be supported by an invoice or receipt for the expense or purchase.
- A minimum cash balance should be kept by all ASO's.
- The organizations' bylaws should state a maximum amount of cash that may be kept as an operating fund.
- At the end of each year, the ASO's bank balance should be reduced to an amount equal to one month's operating expense. Excess funds should be donated to the school.
- All donations from the affiliated organization to the school should be in the form of cash by check. This ensures that the school will be able to properly record revenue inflow.
- **No payments should be made by the affiliated organization for any goods or services intended as a donation for school.** This ensures the school will be able to properly record expense or capital asset purchases; and that donors' contributions will be honored as charitable deductions by the Internal Revenue Service.
- Whenever an affiliated organization must pay an individual for services rendered, **a check should be issued to the school**, and the school will issue a check to the individual. This will allow the school to consider payment for 1099 reporting.
- Affiliated organizations should follow the same procedures for processing cash receipts as the school does.
- All school organizations must submit the standard diocesan formatted ASO financial report (see page 2), bank statements with check images, and bank reconciliations to the school on a quarterly basis.
- The school is required to submit a copy of the signed ASO quarterly report (pages 1 & 2) to the Diocese with their quarterly financial package.

See page 2 for the current approved format for affiliated school organizations' financial reporting. Software generated financial statements and bank reconciliations may supplement the diocesan report.

Read & reviewed by: _____

Title of reviewer: _____

Diocese of Charleston		Page 2 of 2	
Affiliated School Organization (ASO) Financial Report		Date:	
School:		ASO:	
<i>For the quarter ending:</i>			
Income from:		Current Qtr	Year to Date
1	Beginning cash balance (all accounts)		
2	Member dues/activity receipts		
3	Fund raising receipts		
4	Donations to ASO		
5	Other income (refunds, rebates)		
6	Total Cash Available	\$0.00	\$0.00
Expenditures for:			
7	Members' socials/meetings (include supplies for ASO use)		
8	Fund raising purchases/rentals		
9	Funds transferred to school for disbursement to contractors		
10	Funds donated to school as gift for general use		
11	Funds donated to school as gift for specific use (list by amount and intent below)		
12	Total Cash Expenditures	\$0.00	\$0.00
13	Ending Cash Balance	\$0.00	\$0.00
Breakdown of Ending Cash Balance			
14	Checking per bank statement at end of quarter		
15	Other, Specify:		
16	Less: Outstanding checks		
17	Add: Outstanding deposits		
18	Total of All Accounts		\$0.00
Donated by ASO to school and specified for:		\$ Amount	Check #
19			
20			
21			
22			
23			
24			
25	Total Parish/School Related Expenditures	\$0.00	
26			
Name and Signature of Treasurer			Date
27			
Name and Signature of Pastor/Principal			Date