

DIOCESE OF BUFFALO INTERNAL AUDIT NEWSLETTER

Family Fundraising: General Procedures, Recording & Reporting

01-2024

INTERNAL AUDIT TEAM

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FAMILY FUND-RAISING

Overview

In this newsletter, Internal Audit offers advice on how to reduce overall financial and administrative risk to your parish(es) regarding “Best Practices” for a family fund-raising event.

Fundraising Committee/Chair-People:

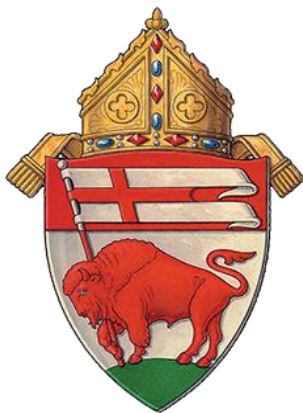
- A combination of individuals from all parishes in the family should participate in the development and execution of the family fund-raiser. Each person and parish have both different perspective and experiences regarding their parish.
- Discussion must include distribution of final proceeds (i.e., % or equally).

Established Bank Accounts:

- The Hub parish for the fund-raising activities should establish or use pre-existing bank accounts. NYS Games of Chance Charitable Gaming bank account(s) are for *ONLY* regulated gaming activity. If a new bank account is needed, it should be established at regional, state, or federal banks where all parishes within the family have a nearby location for ease of depositing.
- Local credit unions are not recommended as parishes will have limited access and Credit Unions cannot provide digital images with their statements.
- Duplicate deposit tickets for this account(s) should be distributed to each parish in the family to enabling all parishes the ability to deposit cash receipts prior to the day of the event.

Deposits/Cash Receipts:

- Each parish should safeguard counted and uncounted fund-raising receipts using tamper-evident bags. Cash receipts must be secured in the parish safe until funds are counted and deposited.
- All cash receipts must be counted by at least two unrelated individuals, using a cash count sheet, ensuring the cash & checks agrees to the cash count sheet. Individuals can be offertory count team members, fund-raiser volunteers, chairpeople, etc.
- All cash receipts for the fund-raiser **MUST** be deposited to the bank.
- As presale receipts are received, deposits must be made at least weekly leading up to the day of the event.
- If necessary, one designated individual may gather prepared deposits secured in a tamper-evident bag from each parish in the family and deliver to the bank for deposit.
- Fund-raising cash receipts are **NEVER** to be taken home by volunteers or employees.
- Validated bank receipts and deposit detail **MUST** be remitted to the Hub parish for the fund-raiser. Deposit detail includes cash count sheets, adding machine tape of checks, photocopies or listing of checks, ticket stubs, record of sold tickets (ticket #, contact, type, amount pd, check #, etc.).
- Deposit detail **MUST** be retained with the family fundraising records.
- Deposits to the bank are entered into PDS Ledger by the Hub parish only.
- All deposits are recorded to a liability account established for the family fundraiser.
- Description should include source (parish) purpose (admittance tickets, BBQ, raffle, etc.)



For additional information regarding charitable gaming requirements, please review NYS Regulation website:

<https://www.gaming.ny.gov/charitablegaming/>

DOB Website Newsletters:

<https://www.buffalodiocese.org/internal-audit/>

See Templates for:

[Family Fundraising Report Template](#)

[Cash Count sheet](#)

[1099 NEC](#)

[W2-G](#)

Please contact the audit team if you have any questions 716.847-5572

SAMPLE DEPOSIT/CASH RECEIPT:

Cash Receipts:

Date Changed: 08/29/2023

Reference:

Date:

Source: (Abbr: Family Fun)

Amount:

Memo:

[Add Documents](#)

Batch Number: 588
 Cash Account: 1003.10
 Bank Statement: Not Reconciled

Distribution:

Account	Account Name	Amount	Description
▶ 2400	Family Fundraiser	\$450.00	Parish A Raffle Ticket Sales
2400	Family Fundraiser	\$490.00	Parish B Raffle Ticket Sales
2400	Family Fundraiser	\$335.00	Parish C Raffle Ticket Sales
2400	Family Fundraiser	\$472.00	Parish A BBQ Tix Sales
2400	Family Fundraiser	\$303.00	Parish B BBQ Tix Sales
2400	Family Fundraiser	\$300.00	Parish C BBQ Tix Sales

Expenses/Disbursement/Paid Invoice:

- ALL expenses **MUST** be paid by check.
- ALL contracts **MUST** be signed by family Pastor.
- Hub parish is responsible for paying all invoices related to the fundraiser.
- Copies of paid invoices/receipts **must** be retained and distributed to all parishes with the finalized fundraiser report.
- All expenses paid must be distributed to the liability account established for the fundraiser.
- All disbursements/paid Invoice must include a description in PDS Ledger (i.e., ticket printing, advertisement, tent deposit, caterer deposit.)

SAMPLE PAID INVOICE/DISBURSEMENTS:

Disbursement:

Check Number:

Check Date:

Payee/Vendor: (Abbr: Ray Gay Sa)

Check Amount:

Memo:

Distribution:

Account	Account Name	Amount	Description
▶ 2400	Family Fundraiser	\$55.00	Split Club Ticket Rolls

Disbursement:

Check Number:

Check Date:

Payee/Vendor: (Abbr: Faith Cath)

Check Amount:

Memo:

Distribution:

Account	Account Name	Amount	Description
▶ 2400	Family Fundraiser	\$25.00	BBQ Ticket Printing

NYS Games of Chance Reporting / Sales Tax

- Hub parish is responsible for remitting any necessary sales tax and NYS reporting based on the type of fundraiser, and classification of fundraiser based on net proceeds.
- Sales Tax must be collected and paid for 2 or more prepared meals per calendar year.
- Hub parish is responsible for issuing any W-2Gs and 1099-NEC associated with the fundraiser, if applicable.
- Sales Tax liability should be processed through a separate liability account established for the family fundraiser.

Fund Raiser Report (See Excel Workbook template for Family Fundraising Report on IA webpage)

- Preliminary Fundraising Report must be prepared & distributed to each parish family member within 2 weeks of the event.
- Outstanding items must be identified and estimated. (i.e., day of event ice, \$200 charged to parish credit card).
- Fundraising report **MUST** be signed by the Chairpeople and/or Committee.
- At least two designated independent individuals (not involved in the fundraiser (Trustee(s), Finance Council Members) **MUST** review and reconcile the documentation to the report, bank statements and PDS Ledger.
- Reviewers **MUST** also sign the Fundraiser report, indicating the review was completed without exception.
- Any variances noted **MUST** be researched and resolved by the reviewer.
- Final fundraiser report is due within 4 weeks from date of the event.
- Final fundraiser report (signed by preparers and reviewers) must be provided to each parish with the disbursement/paid invoice documentation and a PDS Ledger detailed general ledger for ALL fundraiser accounts (asset and liability).

Recording the Profit:

Based on information provided in the overall fundraising report, all parishes in the family will enter in receipt and expenses at gross for a net profit on their income statement.

HUB Parish:

- HUB parish will record an adjusting journal entry to reduce the liability for their share of the profits.
- AJE will balance when revenue and expenses are entered at gross.

Adjusting Journal Entries:

Reference:

Date:

Memo:

Distribution:

Account	Account Name	Debit	Credit	Date	Description
▶ 2400	Family Fundraiser	\$2,000.00	\$0.00	09/30/2023	Gross profits
3189.10	Family Fundraiser - Su...	\$0.00	\$2,250.00	09/30/2023	GROSS REVENUE
4189.10	Family Fundraiser	\$250.00	\$0.00	09/30/2023	GROSS EXPENSES

Other Parishes in Family:

- HUB parish will distribute checks and fundraising report to other parishes in the family based on the fundraising report final numbers.
- Checks will be written against the liability account for the fundraiser, reducing the liability to zero when all payments are made to parishes in the family.
- Non-hub parishes enter the cash receipts at gross to receive the net amount of proceeds from the fundraiser.

Disbursement:

Check Number:

Check Date:

Payee/Vendor: (Abbr: PARISH B)

Check Amount:

Memo:

Distribution:

Account	Account Name	Amount	Description
▶ 2400	Family Fundraiser	\$1,875.00	PARISH B Portion of FF Profits

Cash Receipts:

Reference: 594-1
Date: 10/05/2023
Source: Family Fundraiser - Summer Sweepstakes (Abbr: Family Fun)
Amount: \$1,875.00
Memo: Summer Sweepstakes Family Fundraiser

Distribution:

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Account	Account Name	Amount	Description
▶ 3189.10	Family Fundraiser - Summer Swee...	\$2,000.00	GROSS REVENUE
4189.10	Family Fundraiser	(\$125.00)	GROSS EXPENSES