

 **ROMAN CATHOLIC DIOCESE OF BOISE** 
CASH MANAGEMENT PROGRAM

GENERAL INFORMATION

BACKGROUND

The Roman Catholic Diocese of Boise has established a central Cash Management (CM) program modeled after programs that are in effect at several other Diocese as well as in use extensively throughout the corporate world. The purpose of the program is to pool the funds of the various members of the Diocesan family. By doing so, they will earn higher rates of return than they would otherwise be able to if left in individual checking or money market accounts at the local level.

The CM program operates as follows. The Diocese has opened a master checking account with a money market sweep feature. At the end of the banking day, any excess funds that remain in the account after all checks and miscellaneous withdrawals have been covered are invested in money markets securities. If the reverse happens and the deposits for the day are not sufficient to cover all of the checks and miscellaneous charges, money market securities are sold to cover the remaining charges to the account. In this way, any excess money is invested so as to earn a higher rate of interest while at the same time remaining extremely liquid and readily available to cover the daily charges that hit the account.

After a formal search process, US Bank was selected as the financial institution of choice. With the highest number of branches throughout the state, it is well equipped to serve our diverse geographic family while providing competitive rates on investments.

Each member of the Diocesan family will have a sub-account uniquely identified within the master account. This sub-account operates identically to any normal business checking account similar to what you might have currently opened at your location. The major exception being that you will earn interest on every last dollar in your checking account with **NO** minimum balance requirement and, **NO** cost to you at the local level to open or maintain the account.

Your deposit tickets and checks are uniquely coded so as to identify your funds and keep them from getting commingled with any other funds within the master account as long as you follow the procedures identified herein. You will get regular monthly bank statements of the activity that has occurred within your account just as you do now from your bank. The only difference is that the statement will be processed by and mailed to you directly from the Diocese' finance office rather than the bank.

This process is possible, as the Finance Office has invested in a computer program (in use at other Diocese) that has the ability to dial directly into US Bank's computers and download all of the current period's transactions. The software will create a monthly activity statement (see example attached as exhibit 1) which has the look and feel of a regular checking account statement.

The software will also compute the average daily balance in the account for the month and then, using this figure, it will calculate interest earned. An "Advise of Credit Report" showing the interest earned on your account for the month will accompany your bank statement (see exhibit 2).

As the pool grows (more and more Diocesan family members come on board) we anticipate being able to pay extra dividends (on a periodic basis) above and beyond the normal money market rate of return earned on your regular monthly activity. This will be possible, as a portion of the excess funds will be investable in higher yielding longer-term investment grade fixed income securities.

ADMINISTRATION

1. The Cash Management Account is administered through the Finance Office of the Roman Catholic Diocese of Boise, 1501 Federal Way, Suite 400, Boise, ID 83705-5925. Telephone: (208) 342-1311.
2. The day-to-day activity of the Cash Management Account is the responsibility of the Roman Catholic Diocese of Boise's Finance Department staff.
3. Address questions concerning the day-to-day activity of your account to the Finance Office, Roman Catholic Diocese of Boise, 1501 Federal Way, Suite 400, Boise, ID 83705-5925. Telephone: (208) 342-1311. Fax number: (208) 342-1571.
5. Address requests for **all** supplies for your account, checks, deposit slips, endorsement stamps, ledger sheets, etc., to the Finance Office, Roman Catholic Diocese of Boise, 1501 Federal Way, Suite 400, Boise, ID 83705-5925. Telephone: (208) 342-1311. Fax number: (208) 342-1571.

NOTE: Please do not request supplies directly through the bank or from Safeguard. All requests should be placed through the Finance Office. Special arrangements regarding the coding of deposit tickets and checks, so as to properly identify the various sub-accounts, have been made by the Finance Office with US Bank and Safeguard and hence, this procedure must be followed in order for the system to work properly.

ACCOUNT TITLES AND ACCOUNT NUMBERS

1. The Master Account Title is: **Roman Catholic Diocese of Boise**. This is the main account title for every account in the Cash Management System.
2. The Master Account Number is: **1 533 0050 5192**. This is the main account number for every account in the Cash Management System.
3. The Sub-Account Title is the title or **account name that you choose** to call a particular account, i.e. General Fund, School Fund, Hot Lunch Program, Home & School Association, etc.
4. The Sub-Account Number is assigned by the Diocese when a new account is opened. Each account in the Cash Management System has its own sub-account number. Each sub-account number is a ten-digit number, e.g. 0450000000 or 0450500000. Currently, positions 2 through 5 (i.e. 4500 or 4505) are the only active numbers in this sequence the rest being there for future expansion.
5. The Federal TAX ID Number for the Roman Catholic Diocese of Boise is: **82-0200748**.

NEW ACCOUNTS

1. Requests for new account(s) will be handled through the finance office. Please fax or mail us a letter indicating the exact name of the account(s) you wish to add along with the mailing address for each account.
2. The finance office will assign a sub-account number for each account requested.
3. A confirmation letter regarding the new account(s) will be sent to the location along with a "signature card" for each account requested.
4. All intended signers on the account need to sign the card. The pastor/administrator/principal should then review and approve them.
5. A copy of the signature card(s) should be kept for your records. **Return the original completed signature card(s) and confirmation letter to the Roman Catholic Diocese of Boise, Attention Cash Management, 1501 Federal Way, Suite 400, Boise, ID 83705.**
6. Upon receipt of the signature card(s), the finance office will contact you with regards to placing orders for checks, deposit slips and deposit stamps. The card(s), along with the order for supplies, will then be sent to the bank for processing.

Your supplies, with the exception of the deposit stamps, will be sent directly to you from the printers at the mailing address indicated in #1 above. The deposit stamps will be sent to the Diocese initially and then forwarded on to your parish or school. Although this may delay your receipt of the stamps by a day or two, it is critical that we have the opportunity to check them for accuracy prior to their use and, re-order if necessary.

CHECKS

1. Due to the various system/printer configurations that exist throughout the Diocesan family, the location will be asked to place the initial check order directly with Safeguard Business Systems. **DO NOT ORDER CHECKS DIRECTLY THROUGH U.S. BANK.** Safeguard will mail all checks directly to the location with the invoices being sent to the Diocese. **Re-orders for checks should be placed through the Finance office.** The information required for a check re-order is the quantity and starting check number for the new order as well as the location number and account name for which the order is being placed.
2. All checks WILL BE printed with both the Master and Local Account Title on them.
3. All checks are to be encoded with the Master Account number. The entity's sub-account number will be the first four digits of the ten-digit check number encoded on the lower left side of the check.
4. All Checks are to be numbered in sequence. All subsequent check re-orders will start with the next check number in sequence from the previous check order. **Any deviation from this needs to be approved by the finance office prior to re-order.**

5. When your checks arrive from Safeguard, please check them **CAREFULLY FOR ACCURACY**. We ask that you pay special attention to ensure that the location number (sub-account number), master and local account titles as well as the master account number are correctly reflected on both new and subsequent orders.
6. All Checks require one signature.
7. Checks are **NOT** negotiable for amounts greater than ten thousand dollars (\$10,000.00).

DEPOSIT TICKETS/STAMPS

1. Initial orders for deposit tickets/stamps will be placed for you automatically by the finance office based upon information that you have previously supplied. All requests for re-orders **must** be directed to the finance office who will then contact Safeguard and place the order on your behalf. The deposit slips/stamps will be mailed directly to the location. Please check them for accuracy prior to use. Verify the account name and check to make sure that the location code is present and correct. The location code should be encrypted on the side of the deposit slip (upper left) before and separate from the routing number and main account number.
2. All deposit tickets/stamps will be printed with the master and sub-account title on them.
3. All deposit tickets are to be encoded with the Master account number and with the entity's ten-digit sub-account/location number. The deposit stamps will also contain both the Master account number and the location number.
4. Deposit tickets are printed in duplicate. When making your deposits, the original should be sent to the bank along with the deposit and the carbon copy kept in the deposit book. When the bank gives you a validated deposit receipt, attach this receipt to the duplicate deposit ticket making sure that the total deposit agrees with what you previously recorded.

CHANGE OF SIGNATURE

1. All requests for a change in authorized signers on the account must be made through the Roman Catholic Diocese of Boise's Finance Office.
2. A replacement card will be sent to the requesting entity. The same procedure is followed as for **NEW ACCOUNTS** above. Complete the card at the local level then **Send the completed card to the Roman Catholic Diocese of Boise, Attention: Cash Management.**

STATEMENTS

1. Statements will be issued each month from the Roman Catholic Diocese of Boise. (See sample attached as exhibit 1.)
2. Statement activity extends to and includes the last business day of the month.
3. Statements are mailed mid-month and detail the previous month's activity.
4. Reconcile the statement as soon as possible.
5. Any errors are to be reported to the Roman Catholic Diocese of Boise's Finance Department accompanied by an explanation and documentation if warranted.

INTEREST EARNED

1. Interest is based on the average monthly balance of each sub-account/location and computed using the Merrill Lynch Ready Assets Trust monthly average.
2. Your interest income is automatically deposited in your account on the first day of the following month and a written notice is included with your statement detailing the amount and date deposited. (See exhibit 2)
3. Any questions concerning the interest should be directed to the Finance Office of the Diocese.

NON US BANK LOCATIONS

If you do not have a US Bank branch in your city, **you can still participate** in the cash management program. The procedure for this is to establish a cash management account as described above. You can continue to make your regular deposits to your local bank. The **WIRE TRANSFER AUTHORIZATION AGREEMENT** form, attached as exhibit 3, would then be filled out and mailed to the cash management office at the Diocese. This form authorizes the Diocese to make withdrawals from your account on an ongoing basis. The Diocese **will not** be able to honor requests for wire transfers until such time as this form is received.

Individual requests for wire transfers can be faxed and/or mailed to the Diocese using the **WIRE TRANSFER REQUEST** form, attached as Exhibit 4. In accordance with the instructions given on the form, the cash management office will then do an ACH wire transfer of funds from your local account into the cash management account for your location, where it will immediately start to earn interest. You would then process and pay bills out of your cash management account as you would your local account. Your existing local account becomes a depository account only, in effect, and your cash management account becomes your regular daily operating account.

When filling out the wire transfer forms, it is important to be as complete as possible so that we can execute your instructions properly without further follow-up. A confirmation that we have executed your instructions will be faxed back to you. The results of the transaction(s) will show up on your next monthly bank statement.

INTERNAL TRANSFERS

Once you are set up on the cash management system, you can also make internal transfers: (1) between your own checking accounts within the cash management system, (2) to and from your Diocesan saving account(s) and (3) in payment of bills to the Diocese. All that is required to do any 'internal transfer' transaction is a memo either faxed or mailed to the Diocese' finance office. If the request is for payment of a Diocesan invoice, please send a copy of the invoice with your request. The memo must contain the account name and location number for each account (checking and savings) that will be impacted by the request as well as the amount to be transferred. For example, if you have several savings accounts and wish to do a transfer from your savings account to your cash management checking account, please be explicit as to which savings account you want the funds transferred out of and to which checking account you want the funds transferred into. Do not assume the Finance office will know which savings account and which checking account to use in processing your request. Finally, **the Father overseeing the parish and/or school requesting the transfer must sign all requests.**

When asking for an internal transfer, it is important to be as complete as possible so that we can execute your instructions properly without further follow-up. A confirmation that we have executed your instructions will be faxed back to you. The results of the transaction(s) will show up on your next monthly bank statement. If the internal transfer is to pay a Diocesan invoice, the payment will be taken on the last day of the month so as to maximize your accounts earning potential with regards to interest. If the transfer involves parish savings or is between cash management checking accounts, it will be done on the date the transfer request is received, unless otherwise noted. Any other miscellaneous transfers will be done on the date requested. Please be aware that ALL cash management clients will have their payroll automatically deducted from their cash management checking account on the 15th of the month for mid-month payrolls and the last day of the month for end-of-month payrolls.

Diocese Cash Management
Questions and Answers

- Q. What is the Diocese Cash Management program?
- A. The Diocese Cash Management program is a cash pool intended to maximize the investment return on assets and to benefit the Diocese as a whole. It provides for the establishment of individual “bank accounts” for parishes and schools within the Diocese master bank account.
- Q. What bank do we deal with?
- A. The master bank account is with U.S. Bank.
- Q. How do I sign up for Cash Management?
How do I change signatures on an existing account in Cash Management?
How do I re-order checks, deposit slips or endorsement stamps?
How do I change the style of my checks from hand-written to computer checks?
- A. Contact the finance office at (208) 342-1311 for signature cards and instructions for entering the program as well as for supplies. The process of completing signature cards, ordering checks and deposit slips for **a new account takes** about six weeks. The re-ordering of supplies takes approximately 10 to 15 days.

Please do not go to the bank for signature cards or for re-ordering checks, deposit slips and endorsement stamps. Everything must be done through the Finance Office.

Please do not use counter checks or counter deposit slips that you obtain at the bank. Using these “generic” checks and/or deposit slips create a delay in the processing of the CM bank statements. They will not credit/debit properly to your Cash Management Account since they are missing the sub-account number. **If a situation occurs where you absolutely have to use a generic deposit slip, please be sure to write both the parish or school’s name on the deposit slip as well as the location code. This is EXTREMELY important.**

- Q. How do I stop payment on a check?
What if I have questions about my bank statement?
- A. Cash Management is administered through the Finance Office. Contact the Finance Department at (208) 342-1311 to put a stop payment on a check or to answer questions concerning your bank statement.
- Q. How are deposits made?
- A. You make regular deposits to your account at your nearest U.S. Bank branch office.
- Q. What if there is no US Bank branch in my town?
- A. You make deposits in your current local account as normal. To transfer the money from your local bank to your US Bank account, just fax the “wire transfer authorization” form to the Finance office and we will transfer the money for you. If you do not have a fax machine, then mail the request to the Finance office at 1501 Federal Way, Suite 400, Boise, ID 83705-5925 with the needed information and the transfer will be completed.

- Q. Is there any limit to the number of accounts that a location may open up?
- A. There is no limit, but for the sake of simplicity, you should limit your accounts to only those that your parish/school needs for accountability and management purposes.
- Q. What if I have to write a check for greater than \$10,000?
- A. If it is an invoice for a non-Diocesan payment, send the invoice to the finance office and we will issue a check from here and fund the check from the parish checking account or savings account as necessary.
- If the invoice is for a Diocesan payment, such as DDP, we can do an automatic withdrawal from the parish checking account. Just follow the procedures outlined under the 'Internal Transfers' section of this manual.
- Q. What is an internal transfer?
- A. An internal transfer may be used to transfer cash from the parish checking or savings to pay any Diocesan invoices; monthly invoice, clergy retirement, school subsidies, loan payments, savings transfers, etc.
- Q. How do we initiate an internal transfer?
- A. Fax or send your internal transfer request to the finance office. If the transfer is to be done each month, such as the monthly invoice, only one request needs to be sent with a note indicating that this is to be a recurring transaction. We will then continue to do the transfer as originally instructed until such time as we receive further instructions from you.
- Q. When will the money come out of the checking account for internal transfers?
- A. If the internal transfer is to pay a Diocesan invoice, the payment will be taken on the last day of the month. If the transfer involves parish savings it will be done on the date the transfer request is received unless otherwise noted. Any other transfers will be done on the date requested.
- Q. How does the Diocese Cash Management program work?
- A. Simply put, it places the funds of all participating locations into a single large bank account, yet maintains the individual identity of each location's funds. You receive a bank statement each month for each account maintained by your location. By pooling the funds, we are able to negotiate better services and interest rates for the funds as a whole. We invest funds that are not required for immediate use in marketable securities (stocks), money market instruments and federal government securities.
- Q. How much interest do the accounts earn and how often is the interest paid?
- A. Accounts earn interest at the Merrill Lynch Ready Assets Trust average monthly rate which is applied to the average daily balance in the account during the month.

- Q. Are there any bank fees charged for Cash Management accounts?
- A. No. We absorb all charges associated with check, deposit slip and stamp orders as well as any bank processing fees, bank analyst charges and fees for copies of cleared checks. In short, there is no cost to you.
- Q. What does the Diocese do with the cash that is not required for immediate use?
- A. All money currently in Cash Management is covered with cash-in-the-bank and investments. There are investment policies and guidelines in place as well as Investment Managers and Custodians who are all supervised by the Diocesan Finance Council and Finance Officer.