

Parish Stewards  
Conference

April 14, 2016

**Accounting Best Practices**

Parish Stewards  
Conference  
April 14, 2016

**Accounting Best Practices**

# Parish Stewards

# Parish Stewards

Responsible

Accountable

Understand the big picture

# Filing of Financial Statements

St. Thomas of Perpetual Accuracy Catholic Church  
12 Emmaus Way  
Corpus Christi, FL 33333

Financial statement certification for the \_\_\_\_ month period ending \_\_\_\_\_, 2016.

Staff Certification:

1. The Statements of Financial Position, Statement of Activities and Statement of Cash Flow for the above referenced date which are available via the parish's CN accounting software represent an accurate and complete accounting of parish finances.
2. The parish's operating and mass stipends bank accounts have been reconciled monthly with the general ledger balances through the above referenced date and Bank Reconciliation Statements have been prepared for review using the parish's ConnectNow Accounting software.
3. The month-end and/or year-end closings have been completed for the above referenced time period.
4. The Change in Net Assets, Year-to-date as shown on the following financial statements are in balance:

Statement of Financial Position \$ \_\_\_\_\_  
Statement of Activities \$ \_\_\_\_\_  
Statement of Cash Flow \$ \_\_\_\_\_

\_\_\_\_\_  
Business Manager/Bookkeeper

\_\_\_\_\_  
Date

Pastor and Finance Council Certification:

The above referenced financial statements have been reviewed and discussed with the parish's Finance Council at a meeting held on \_\_\_\_\_.

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance Council Chairperson

\_\_\_\_\_  
Date

Send via email to: [financialcertification@dosp.org](mailto:financialcertification@dosp.org)

**DRAFT**

**St. Thomas of Perpetual Accuracy Catholic Church  
12 Emmaus Way  
Corpus Christi, FL 33333**

Financial statement certification for the \_\_\_\_ month period  
ending \_\_\_\_\_, 2016.

# DRAFT

## Staff Certification:

1. The Statements of Financial Position, Statement of Activities and Statement of Cash Flow for the above referenced date which are available via the parish's CN accounting software represent an accurate and complete accounting of parish finances.

# DRAFT

2. The parish's operating and mass stipends bank accounts have been reconciled monthly with the general ledger balances through the above referenced date and Bank Reconciliations have been prepared for review using the parish's ConnectNow accounting software.
3. The month-end and/or year-end closings have been completed for the above referenced time period.



# DRAFT

4. The Change in Net Assets, Year-to-date as shown on the following financial statements are in balance:

Statement of Financial Position	\$ _____
Statement of Activities	\$ _____
Statement of Cash Flow	\$ _____

\_\_\_\_\_  
Business Manager/Bookkeeper

\_\_\_\_\_  
Date

# DRAFT

## Pastor and Finance Council Certification:

The above referenced financial statements have been reviewed and discussed with the parish's Finance Council at a meeting held on \_\_\_\_\_.

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance Council Chairperson

\_\_\_\_\_  
Date

*Send via email to: [financialcertification@dosp.org](mailto:financialcertification@dosp.org)*

# St Thomas of Perpetual Accuracy

## Statement of Cash Flow

March 2016

	<u>Current Month</u>	<u>Year to Date</u>
<b>Cash Flows from Operating Activities</b>		
Net Income	6,627.49	132,112.89
Adjustments to reconcile net income to net cash provided by operating activities.		
1230000 Unsold Masses Payable	(270.00)	676.00
1231001 Federal Withholding Tax	0.00	0.00
1231002 SSI Tax Withholdings	0.00	0.00
1231003 Medicare Tax Withholdings	0.00	0.00
1233000 DOSP National Collections	(581.00)	(581.00)
1310000 Net Assets: Parish	0.00	0.00
<i>Net Cash provided by Operating Activities</i>	<u>5,776.49</u>	<u>132,207.89</u>
<b>Cash Flows from Investing Activities</b>		
1161501 Church Building	0.00	0.00
1161503 Rectory Building	0.00	0.00
1165500 Equipment & Furniture	0.00	0.00
<i>Net Cash provided by Investing Activities</i>	<u>0.00</u>	<u>0.00</u>
<b>Cash Flows from Financing Activities</b>		
1210001 Accounts Payable - Diocese	0.00	0.00
1270000 Notes Payable DOSP Land Cost	0.00	0.00
1270001 Notes Payable DOSP E1L653	388.91	(4,199.29)
1270003 Notes Payable DOSP E1L727	(1,843.01)	(16,368.40)
1271100 Loan Payments Made	0.00	0.00
<i>Net Cash provided by Financing Activities</i>	<u>(1,454.10)</u>	<u>(20,567.69)</u>
<b>Net Cash Increase/Decrease for Period</b>		
1110000 Checking: Main Operating (Bank Name)	4,379.33	64,108.71
1110100 Checking: Stipends (Bank Name)	(270.00)	676.00
1112000 DOSP S&L Unrestricted Acct # E1S333	153.75	41,367.76
1112002 DOSP S&L Unrestricted Acct # E1S437	59.31	5,487.73
<i>Net Cash Increase/Decrease for Period</i>	<u>4,322.39</u>	<u>111,640.20</u>
<b>Cash at Beginning of Period</b>	<b>252,822.99</b>	<b>145,505.18</b>
<b>Cash at End of Period</b>	<b>257,145.38</b>	<b>257,145.38</b>

# Statement of Cash Flow Example

St Thomas Of Perpetual Accuracy

## Statement of Cash Flow

March, 2016

	Current Month	Year to Date
<b>Cash Flows from Operating Activities</b>		
<b>Net Income</b>	6,627.49	132,112.89
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
1230000 Unsaid Masses Payable	(270.00)	676.00
1231001 Federal Withholding Tax	0.00	0.00
1231002 SSI Tax Withholdings	0.00	0.00
1231003 Medicare Tax Withholdings	0.00	0.00
1233000 DOSP National Collections	(581.00)	(581.00)
1310000 Net Assets: Parish	0.00	0.00
<b>Net Cash provided by Operating Activities</b>	<b>5,776.49</b>	<b>132,207.89</b>

# Statement of Cash Flow Example

## **Cash Flows from Investing Activities**

1161501 Church Building	0.00	0.00
1161503 Rectory Building	0.00	0.00
1165500 Equipment & Furniture	0.00	0.00
Net Cash provided by Investing Activities	<u>0.00</u>	<u>0.00</u>

# Statement of Cash Flow Example

## **Cash Flows from Financing Activities**

1210001	Accounts Payable - Diocese	0.00	0.00
1270000	Notes Payable DOSP Land Cost	0.00	0.00
1270001	Notes Payable DOSP	388.91	(4,199.29)
1270003	Notes Payable DOSP	(1,843.01)	(16,368.40)
1271100	Loan Payments Made	0.00	0.00
	Net Cash provided by Financing Activities	(1,454.10)	(20,567.69)

# Statement of Cash Flow Example

## Net Cash Increase/Decrease for Period

1110000 Checking: Main Operating	4,379.33	64,108.71
1110100 Checking: Stipends	(270.00)	676.00
1112000 DOSP S&L Unrestricted Acct	153.75	41,367.76
1112002 DOSP S&L Unrestricted Acct	59.31	5,487.73
Net Cash Increase/Decrease for Period	<u>4,322.39</u>	<u>111,640.20</u>
<b>Cash at Beginning of Period</b>	252,822.99	145,505.18
<b>Cash at End of Period</b>	257,145.38	257,145.38



Setup



1099 Payer Info.



Check Layout



Entities



Projects



Project Groups



User Options



Vendor Terms



Vendor Types



Assign Cash Flow Categories





# Upcoming Events

- CPE for CPAs and Attorneys

June 8, 2016 at Bethany

Please invite all Parish Finance Council members, but anyone you invite may attend.

Will qualify for 7 hours CPE/CEU.

- Safety Day.

# What's in the Works

- Safety Program
- Changes in insurance billings.
- Pension contribution for priests.
- Health insurance billing and sweeps:
  - Changes already made
  - New reports in Paylocity
  - Automated billing and payment

### Account Cash Flow Categories

#	Account Code	Shortcut Number	Description	Cash Flow Category
1	A-01-1100-00	1110000	Checking: Main Operating (Bank Name)	Cash or Cash Equivalent
2	A-01-1101-00	1110100	Checking: Stipends (Bank Name)	Cash or Cash Equivalent
3	A-01-1120-00	1112000	DOSP S&L Unrestricted Acct # E1S333	Cash or Cash Equivalent
4	A-01-1120-02	1112002	DOSP S&L Unrestricted Acct # E1S437	Cash or Cash Equivalent
5	A-01-1615-01	1161501	Church Building	Investing Activities
6	A-01-1615-03	1161503	Rectory Building	Investing Activities
7	A-01-1655-00	1165500	Equipment & Furniture	Investing Activities
8	L-01-2100-01	1210001	Accounts Payable - Diocese	Financing Activities
9	L-01-2300-00	1230000	Unsaid Masses Payable	Operating Activities
10	L-01-2310-01	1231001	Federal Withholding Tax	Operating Activities
11	L-01-2310-02	1231002	SSI Tax Withholdings	Operating Activities
12	L-01-2310-03	1231003	Medicare Tax Withholdings	Operating Activities
13	L-01-2330-00	1233000	DOSP National Collections	Operating Activities
14	L-01-2700-00	1270000	Notes Payable DOSP Land Cost	Financing Activities
15	L-01-2700-01	1270001	Notes Payable DOSP E1L653	Financing Activities
16	L-01-2700-03	1270003	Notes Payable DOSP E1L727	Financing Activities
17	L-01-2711-00	1271100	Loan Payments Made	Financing Activities
18	N-01-3100-00	1310000	Net Assets: Parish	Operating Activities

## Account Cash Flow Categories

#	Account Code	Shortcut Number	Description	Cash Flow Category
1	A-01-1100-00	1110000	Checking: Main Operating (Bank Name)	
2	A-01-1101-00	1110100	Checking: Stipends (Bank Name)	Cash or Cash Equivalent
3	A-01-1120-00	1112000	DOSP S&L Unrestricted Acct # E1S333	Operating Activities
4	A-01-1120-02	1112002	DOSP S&L Unrestricted Acct # E1S437	Investing Activities
5	A-01-1615-01	1161501	Church Building	Financing Activities
6	A-01-1615-03	1161503	Rectory Building	
7	A-01-1655-00	1165500	Equipment & Furniture	Investing Activities
8	L-01-2100-01	1210001	Accounts Payable - Diocese	Financing Activities

# Recording Weekend Offertory

## **Functional Accounts**

- 4000 Offertory Collection Weekend**
- 4001 Offertory: Christmas**
- 4002 Offertory: Easter**
- 4003 Offertory: Holy Days**
- 4004 Offertory: Weekday Mass**
- 4005 Offertory: Special Masses**

## **Subaccounts**

- 00 Total**
- 01 Electronic Giving**
- 02 Envelope Contributions**
- 03 Loose Cash**
- 04 Loose Checks**
- 05 Children's Envelopes**

# Recording Weekend Offertory

## Using Revenue subaccount 00

Recording the deposit of Weekend Offertory

Checks

Checking Main Operating (1110000)

JE #	Amount	JE #	Amount
1	\$ 13,500.00		
Deposit 1: Checks			

Offertory Collection Weekend (100400000)

JE #	Amount	JE #	Amount
		1	\$ 13,500.00
		Revenue: Checks	

# Recording Weekend Offertory

## Cash

### Checking Main Operating (1110000)

JE #		Amount	JE #	Amount
1	Deposit 1: Checks	\$ 13,500.00		
2	Deposit 2: Cash	\$ 4,500.00		

### Offertory Collection Weekend: (100400000)

JE #		Amount	JE #	Amount
	1		Deposit 1: Checks	\$ 13,500.00
	2		Deposit 2: Cash	\$ 4,500.00

# ACH Offertory Giving

Recording the deposit of ACH Offertory Giving

Cash

Checking Main Operating (1110000)

JE #	Amount	JE #	Amount
1	Bank Transfer: ACH	\$ 4,000.00	

Offertory Collection Weekend: ACH (100400001)

JE #	Amount	JE #	Amount
		1	Revenue: ACH
			\$ 4,000.00



# Recording Online Giving

## Recording Weekly Online Giving

### Accounts Receivable: Online Giving (1120006)

JE #	Amount	JE #	Amount
1	Online Giving Rec'v	\$	5,500.00

### Offertory Collection Weekend: Electronic Giving (100400001)

JE #	Amount	JE #	Amount
		1	Revenue: Online
		\$	5,500.00

# Recording Online Giving

## Recording Online Giving Deposits from processor

### Checking Main Operating (1110000)

JE #		Amount	JE #	Amount
2	Batch deposit	\$ 5,500.00		

### Accounts Receivable: Online Giving (1120006)

JE #		Amount	JE #	Amount	
1	Online Giving Rec'v	\$ 5,500.00	2	Credit for deposit	\$ 5,500.00

# APA Contributions

## Proper Accounting:

- APA contribution revenue and APA assessment expense for a campaign year are only recorded in the fiscal year in which the campaign ends.
- **Source Document: monthly DOSP Billing Statement a/k/a Accounts Receivable Statement only**

# APA: Important Dates

- 2015-2016 APA Campaign ends: **January 31, 2016**
- 2016-2017 APA Campaign start: **February 1, 2016**
- 2016-2017 APA Campaign ends: **January 31, 2017**
- Donations received and processed from parishioners and others after **January 31, 2016** for the 2015-2016 APA Campaign are credited to the 2016-2017 APA Campaign

# APA: Important Dates

- Parish payments for a shortfall received and processed by DOSP between **February 1, 2016 and June 30, 2016** are to be expensed by the parish at the time of payment
- **June 20, 2016:** The amount of the shortfall, if any, is due and payable for the 2015-2016 APA Campaign
- **July, 2016:** Debit **Annual Pastoral Appeal Contribution** (197414000) CN revenue and Credit **Parish APA Assessment** (197520000) CN expense for donations received and processed by DOSP from February 1, 2016 through June 30, 2016.

# APA: Important Dates

- **August 1, 2016 through January 31, 2017:**
  - Record Monthly APA revenue and expense APA donations received and processed by DOSP. Source Document: monthly DOSP **Billing Statement** only
  - Record as APA expense **only** anticipated shortfall payments
- **February 1, 2017 through June 30, 2017:**
  - Record payments for anticipated shortfall as APA expense (do not record APA revenue).
- **June 20, 2017:** APA Assessment amount due and payable

# APA Contributions: DOSP Exhibit A

## Sample DOSP Billing Statement APA Portion Only

St Thomas of Perpetual Accuracy  
12 Emmaus Drive  
Emmaus, FL 33333

Remit to: Diocese of St. Petersburg  
6363 - 9th Avenue North  
P.O. Box 40200  
St. Petersburg, FL 33743

<b>Date: 7/31/2015</b>						
Assessment/BAPA	Balance Forward	Invoice/Check #	Invoice Date	Billed Amount	Payments Received	Ending Balance
08 2015-2016 APA	-	108116	7/1/2015	307,948.00	-	307,948.00
08 2015-2016 APA		9	7/1/2015		149,479.60	158,468.40
08 2015-2016 APA		9	7/1/2015		8,685.95	149,782.45
08 2015-2016 APA		65303	7/1/2015		11,418.00	138,364.45
08 Subtotal .....						138,364.45

<b>Date: 8/31/2015</b>						
Assessment/BAPA	Balance Forward	Invoice/Check #	Invoice Date	Billed Amount	Payments Received	Ending Balance
08 2015-2016 APA	138,364.45					138,364.45
08 2015-2016 APA		2508	7/1/2015		9,342.45	129,022.00
08 2015-2016 APA		65387	7/1/2015		6,700.00	122,322.00
08 Subtotal .....						122,322.00

# APA Contributions: DOSP Exhibit A

## Sample DOSP Billing Statement APA Portion Only

St Thomas of Perpetual Accuracy  
12 Emmaus Drive  
Emmaus, FL 33333

Remit to: Diocese of St. Petersburg  
6363 - 9th Avenue North  
P.O. Box 40200  
St. Petersburg, FL 33743

**Date: 1/31/2016**

	Balance	Invoice/ Check #	Invoice Date	Billed Amount	Payments Received	Ending Balance
<b>Assessment/BAPA</b>	Forward					
08 2015-2016 APA	14,141.60					14,141.60
08 2015-2016 APA		2508	7/1/2015		4,468.30	9,673.30
08 2015-2016 APA		65890	7/1/2015		6,700.00	2,973.30
08 Subtotal .....						2,973.30

**Date: 2/29/2016**

	Balance	Invoice/ Check #	Invoice Date	Billed Amount	Payments Received	Ending Balance
<b>Assessment/BAPA</b>	Forward					
08 2015-2016 APA	2,973.30					2,973.30
08 Subtotal .....						2,973.30



Record APA Donations by Parishioners Paid to Parish  
 Debit Checking Main Operating (Cash)  
 Credit APA Donations & Collections Payable (Liability)

**Checking Main Operating (1110000)**

JE #	Amount	JE #	Amount
1	Parish APA collections: Feb - Jul,15		\$ 11,418.00

**APA Donations & Collections Payable (1210022)**

JE #	Amount	JE #	Amount
		1	Parish APA collections: Feb - Jul,15
			\$ 11,418.00

**To record transfer of Parish APA Donations to DOSP  
 Debit APA Donations & Collections Payable (Liability)  
 Credit Checking Main Operating (Cash)**

**Checking Main Operating (1110000)**

JE #	Amount	JE #	Amount
1	Parish APA collections: Feb - Jul,15 \$ 11,418.00	2	Transfer to DOSP: Parish APA collections \$ 11,418.00

**APA Donations & Collections Payable (1210022)**

JE #	Amount	JE #	Amount
2	Transfer to DOSP: Parish APA collections \$ 11,418.00	1	Parish APA collections: Feb - Jul,15 \$ 11,418.00

Record APA Contribution processed by DOSP Feb – July, 2015:  
 Debit Parish APA Assessment (Expense)  
 Credit Annual Pastoral Appeal Contribution (Revenue)

**Parish APA Assessment (197520000)**

JE #	Amount	JE #	Amount
3 (a) APA Donations: Feb-Jul,15	\$ 158,165.55		
3 (b) Transfer to DOSP: Parish APA collections	\$ 11,418.00		
	<u>\$ 169,583.55</u>		

**Annual Pastoral Appeal Contribution ( 197414000)**

JE #	Amount	JE #	Amount
		3 (a) APA Donations: Feb-Jul,15	\$ 158,165.55
		3 (b) Transfer to DOSP: parish APA collections	\$ 11,418.00
			<u>\$ 169,583.55</u>

Record APA Contribution processed by DOSP 08/15-01/16:  
 Debit Parish APA Assessment (Expense)  
 Credit Annual Pastoral Appeal Contribution (Revenue)

**Parish APA Assessment (197520000)**

JE #	Amount	JE #	Amount
(a)	APA Donations: Feb-Jul,15		\$ 158,165.55
(b)	Transfer to DOSP: Parish APA collections		\$ 11,418.00
	Balance		\$ 169,583.55
	<b>APA Donations Processed by DOSP: Aug, 15-Jan, 16</b>		<b>\$ 95,191.15</b>
	Balance		\$ 264,774.70

**Annual Pastoral Appeal Contribution ( 197414000)**

JE #	Amount	JE #	Amount
		3 (a)	APA Donations: Feb-Jul,15
			\$ 158,165.55
		3 (b)	Transfer to DOSP: Parish APA collections
			\$ 11,418.00
			Balance
			\$ 169,583.55
		4	<b>APA Donations Processed by DOSP: Aug, 15-Jan, 16</b>
			<b>\$ 95,191.15</b>
			Balance
			\$ 264,774.70

# Record Parish Payments of Estimated APA Shortfall: Debit Parish APA Assessment (Expense) Credit Checking Main Operating (Cash)

## Record Parish Payment of Estimated Parish Shortfall

### Parish APA Assessment (197520000)

JE #	Amount	JE #	Amount
3 (a)	\$ 158,165.55		
APA Donations: Feb-Jul,15			
3 (b)	\$ 11,418.00		
Transfer to DOSP: Parish APA collections			
	\$ 169,583.55		
	Balance		
4	\$ 95,191.15		
APA Donations Processed by DOSP: Aug, 15-Jan, 16			
	\$ 264,774.70		
	Balance		
5	\$ 40,200.00		
<b>Estimated APA Shortfall Payments: Aug,15-Jan,16</b>			
	\$ 304,974.70		
	Balance		

### Checking Main Operating (1110000)

JE #	Amount	JE #	Amount
1	\$ 11,418.00	2	\$ 11,418.00
Parish APA collections: Feb - Jul,15		Transfer to DOSP: Parish APA collections	
		5	\$ 40,200.00
		<b>Estimated APA Shortfall Payments: Aug,15-Jan,16</b>	

Record Parish Payment to DOSP of APA Balance Due:  
 Debit Parish APA Assessment (Expense)  
 Credit Checking Main Operating (Cash)



**Parish APA Assessment (197520000)**

JE #	Amount	JE #	Amount
3 (a)	APA Donations: Feb-Jul,15		\$ 158,165.55
3 (b)	Transfer to DOSP: Parish APA collections		\$ 11,418.00
	Balance		\$ 169,583.55
4	APA Donations Processed by DOSP: Aug, 15-Jan, 16		\$ 95,191.15
	Balance		\$ 264,774.70
5	Estimated APA Shortfall Payments: Aug,15-Jan,16		\$ 40,200.00
	Balance		\$ 304,974.70
<b>6</b>	<b>APA Balance Due</b>		<b>\$ 2,973.30</b>
	<b>APA Assessment</b>		<b>\$ 307,948.00</b>

**Checking Main Operating (1110000)**

JE #	Amount	JE #	Amount
<b>1</b>	<b>Parish APA collections: Feb - Jul,15</b>	2	Transfer to DOSP: Parish APA collections
	<b>\$ 11,418.00</b>		\$ 11,418.00
		5	Estimated APA Shortfall Payments: Aug,15-Jan,16
			\$ 40,200.00
		<b>6</b>	<b>APA Balance Due</b>
			<b>\$ 2,973.30</b>

# Record APA Donations in Excess of Assessment:

Debit DOSP S&L Parish Assessment (Restricted Cash)

Credit Deferred Rev: Excess APA Contributions (Liability)

## DOSP S&L Parish Assessment (1115003)

JE #		Amount	JE #	Amount
1	APA savings	\$ 13,800.00		

## Deferred Rev: Excess APA Contributions (1245004)

JE #		Amount	JE #	Amount
			1	APA collections deferred \$ 13,800.00

**Record Use of Excess APA Funds to pay a portion of APA Assessment**  
**Debit Deferred Excess Revenue APA Contributions (Liability)**  
**Credit Annual Pastoral Appeal Contribution (Revenue)**

**Part I**

**Deferred Rev: Excess APA Contributions (1245000)**

JE #	Amount	JE #	Amount		
2	APA deferred used	\$ 13,800.00	1	APA collections deferred	\$ 13,800.00

**Annual Pastoral Appeal Contribution (197414000)**

JE #	Amount	JE #	Amount	
		2	APA deferred used	\$ 13,800.00



**APA Excess Contributions Used (continued)**  
**Debit Parish APA Assessment (Expense)**  
**Credit DOSP S&L Assessment (Restricted Cash)**

**Part II**

**Parish APA Assessment (19752000)**

<b>JE #</b>	<b>Amount</b>	<b>JE #</b>	<b>Amount</b>
<b>3</b>	<b>APA Assessment Paymn \$ 13,800.00</b>		

**DOSP S&L Parish Assessment (1115003)**

<b>JE #</b>	<b>Amount</b>	<b>JE #</b>	<b>Amount</b>
<b>1</b>	<b>APA savings \$ 13,800.00</b>	<b>3</b>	<b>APA deferred used \$ 13,800.00</b>

**Record APA Assessment Non-Payment no later than year end:  
 Parish APA Assessment (Expense)  
 Credit APA Assessments Payable: Prior Years (Liability)**

**Record non-payment of the APA Contributions payable no later FY year-end**

**Parish APA Assessment (197520000)**

<b>JE #</b>	<b>Amount</b>	<b>JE #</b>	<b>Amount</b>
1 Shortfall in APA	\$ 24,000.00		

**APA Assessments Payable: Prior Years (1210023)**

<b>JE #</b>	<b>Amount</b>	<b>JE #</b>	<b>Amount</b>
		1 Shortfall in APA	\$ 24,000.00

# APA Assessment Payment of Past Due Amounts

Debit APA Assessments Payable: Prior Years (Liability)

Credit Checking: Main Operating (Cash)

## APA Assessments Payable: Prior Years (1210023)

JE #		Amount	JE #		Amount
2	APA shortfall pmnt	\$ 2,000.00	1	Shortfall in APA	\$ 24,000.00
				Balance Due	\$ 22,000.00

## Checking: Main Operating (1110000)

JE #		Amount	JE #		Amount
			2	APA shortfall pmnt	\$ 2,000.00

# Donations

- Donations may be restricted as to use or uses by the donor or have no restrictions imposed.
- Parish leadership may designate a specified use for donations for which no donor restriction was made. This may be helpful in managing cash but should never impact revenue.
- Donations are assessable for APA purposes whether unrestricted, donor restricted or leadership designated in the year the donation is made

# Donation: Donor Restricted

Record Receipt of a Donation Restricted as to Use by Donor

Example: \$9,000 Donor Restricted Donation to be used for Annual Parish Mission Expenses

## Subsidiary Bank: Donor Restricted (1110024)

JE #		Amount	JE #		Amount
1	CN Project: Parish Mission	\$ 9,000.00			

## Deferred Revenue: Donor Restricted (1245005)

JE #		Amount	JE #		Amount
			1	CN Project: Parish Mission	\$ 9,000.00

# Donation: Donor Restricted

Record payment of \$4,300 Speaker's Stipend for Annual Parish Mission

Part I

Retreats & Missions: Speaker Fee (1035330001)

JE #		Amount	JE #	Amount
2	CN Project: Parish Mission	\$ 4,300.00		

Subsidiary Bank: Donor Restricted (1110024)

JE #		Amount	JE #	Amount	
1	CN Project: Parish Mission	\$ 9,000.00	2	CN Project: Parish Mission	\$ 4,300.00
	Balance	\$ 4,700.00			

# Donation: Donor Restricted

Record payment of \$4,300 Speaker's Stipend for Annual Parish Mission

## Part II

### Deferred Revenue: Donor Restricted (1245005)

JE #	Amount	JE #	Amount
3	CN Project: Parish Mission \$ 4,300.00	1	CN Project: Parish Mission \$ 9,000.00
			Balance \$ 4,700.00

### Donations Used: Donor Restricted (103416004)

JE #	Amount	JE #	Amount
		3	CN Project: Parish Mission \$ 4,300.00

# Employee Related Costs

## Employee related costs include:

- Gross pay for clergy as established by the Chancellery
- Gross pay for lay employees
- Clergy Mass Stipends
- Stole Fees for clergy and musicians
- Employer Social Security and Medicare
- Employer provided health insurance
- Employer provided pension contributions
- Workers Compensation Insurance premiums
- Re-employment Insurance premiums



# Employee Related Costs

- Employee withholdings are liabilities of the parish until payment and include:
  - Federal income tax withholding
  - Employees' Medicare and Social Security
  - Employee optional benefits including:
    - Optional plan A health coverage
    - Dependent health insurance
    - Optional employee 401(k) contributions
    - Optional employee flex-spending medical accounts
    - The Colonial suite of optional insurances
    - Employee optional term life insurance

# Employee Related Costs: Payroll Entries

- The payroll journal entries should accurately reflect:
  - Employer expense for:
    - Gross pay per cost center
    - Social Security and Medicare expense
  - The liability for employee withholdings for taxes and optional benefits
  - Cash expended for net pay.

# Employee Related Costs: Payroll Entries

- Option I:
  - Use Paylocity report **00 GL Report** (see Exhibit G) which provides the journal entry account information and cost to enter the payroll entry in CN.
  - After recording the journal entry the first time, memorize it and select the option to set all amounts to zero. This will provide you with a template for making journal entries for each payroll period using the **00 GL Report**.
  - The key to successfully using this report is proper coding of employees to their correct cost center during the setup process and processing of each payroll.

# Employee Related Costs: Payroll Entries

## Option II:

- Paylocity report **Department Summary** provides summaries of relevant costs per cost center to prepare the entry for each payroll period. Paylocity departments are CN cost centers. See **Exhibit B** for the recommended template to assist with journal entry preparation.
- **Exhibit C** provides an example of the journal entry to record gross payroll expense per cost center, the liability associated with employee withholdings and total net pay which is the amount automatically deducted from the parish's operating account.
- Memorize after recording the journal entry the first time and select the option to set all amounts to zero.

# Employee Related Costs: Payroll Entries

## Option II (continued)

- See **Exhibit D** for the journal entry to record employer Social Security and Medicare (payroll taxes) expense and payment of employer and employee payroll taxes.
- The payment for employer cost and employee withholding is made and funds are automatically deducted from the parish's operating bank account by the payroll system.
- After recording the journal entry memorize it and select the option to set all amounts to zero. This will provide you with a template for making journal entries for each payroll period.

# Employee Related Costs: Payroll Entries

## Option II (continued)

- See Exhibit E for the journal entry to record the automatic payment of optional employee benefits costs for 401 (k) contributions, flex-spending account contributions and the Colonial suite of optional insurance programs.
- The payment is made and funds are deducted from the parish's operating bank account automatically by the payroll system.
- After recording the journal entry memorize it and select the option to set all amounts to zero.

# Employee Related Costs: Payroll Entries

## Option II (continued)

- See Exhibit F for the journal entry to record the Paylocity processing fee
- The processing fee is automatically deducted from the parish's operating cash account for each payroll.
- After recording the journal entry memorize it and select the option to set all amounts to zero.

# Mass Stipends

**DOSP Financial Policies and Guidelines Manual: Policy #VIII, page four**

## **The following provisions shall pertain to the treatment of Mass stipends.**

- The parish shall maintain a permanent and detailed record of all Mass offerings and the fulfillment of these offerings.
- The required record should include among others:
  - date the stipend was received,
  - amount of the stipend
  - date of fulfillment.
- Upon receipt of an offering or a stipend for a Mass intention, the money shall be recorded as a liability in Unsaid Masses.
- Monies received for unfulfilled Masses shall be deposited in the auxiliary account for Mass stipends.
- The parish is responsible for including the amount of stipends on the appropriate tax form and furnishing the same to the priest.



## Recording the Receipt of a Mass Stipend:

**Debit: Checking: Stipends (Restricted Cash)**

**Credit: Unsaid Masses Payable (Liability)**

### Checking: Stipends (1110100)

JE #		Amount	JE #		Amount
1	Mass Intention: Receipt	\$ 20.00			

### Unsaid Masses Payable (1230000)

JE #		Amount	JE #		Amount
			1	Mass Intention: Receipt	\$ 20.00

**Record Stipend Payment to Priest Paid Via Paylocity:**  
**Debit: Mass Stipends (Expense)**  
**Credit: Checking: Main Operating (Cash)**

Part I

Mass Stipends (101511000)

JE #		Amount	JE #	Amount
2	Mass Intention: Payment	\$ 20.00		

Checking Main Operating (1110000)

JE #		Amount	JE #	Amount
			2	Mass Intention: Payment \$ 20.00

# Record Stipend Payment to Priest Via Paylocity – Revenue Recognition:

**Debit: Unsaid Masses Payable (Liability)**

**Credit: Mass Stipends Revenue (Income)**

## Part II

### Unsaid Masses Payable (1230000)

JE #		Amount	JE #		Amount
3	Mass Intention Paid	\$ 20.00	1	Mass Intention Receipt	\$ 20.00

### Mass Stipends Revenue (101471000)

JE #		Amount	JE #		Amount
			3	Mass Intention Paid	\$ 20.00

**Reimbursement for Mass Stipends Paid from Operating Cash:**  
**Debit: Checking: Main Operating (Cash)**  
**Credit: Checking: Stipends (Restricted Cash)**

Checking: Main Operating (1110000)

JE #		Amount	JE #		Amount
4	Mass Intention: Reimburse	\$ 20.00	2	Mass Intention: Payment	\$ 20.00

Checking: Stipends (1110100)

JE #		Amount	JE #		Amount
1	Mass Intention: Receipt	\$ 20.00	4	Mass Intention: Reimburse	\$ 20.00

# Stole Fees

- Stole fees are to be recorded:
  - as income when received
  - as expense when paid
- The standardized Chart of Accounts provides:
  - functional income (4700) and expense accounts (5115)
  - multiple cost centers to record payments to clergy and lay personnel
  - subaccounts for baptisms, weddings, funerals and quinceaneras

# Capital Expenditures

A capital expense is an expense where:

- The benefit continues over a long period, rather than being exhausted in a short period
- Such expenditure is of a non-recurring nature and results in acquisition of a permanent asset.
- The typical amount is \$5,000 or more

# Capital Expenditures

Examples of capital expenditures:

- Land purchases and site improvements
- New structures
- Additions to existing facilities
- Major renovations
- Equipment additions

# Capital Expenditures

A capital expenditure is not:

- Normal repairs and maintenance
- Replacement of air conditioning systems, roofs, painting and other major facility components
  - Why:
    - The general ledger value of an asset already includes the total cost of the facility
    - We do not depreciate the value of the assets over its useful life



# Capital Expenditures

Recording expenditures for diocesan approved capital projects

Example: Church Building

Construction in Process (1163000)

JE #	Amount	JE #	Amount
1 Expenditure #1	\$ 28,000.00		

Checking: Main Operating (1110000)

JE #	Amount	JE #	Amount
		1 Expenditure #1	\$ 28,000.00

# Capital Expenditures

Recording expenditures for diocesan approved capital projects

Example: Church Building (cont)

Construction in Process (1163000)

Construction in Process (1163000)

JE #	Amount	JE #	Amount
1 Expenditure #1	\$ 28,000.00		
2 Expenditure #2	\$ 22,000.00		
	\$ 50,000.00		

Checking: Main Operating (1110000)

JE #	Amount	JE #	Amount
		1 Expenditure #1	\$ 28,000.00
		2 Expenditure #2	\$ 22,000.00

# Capital Expenditures

Recording Increased Asset Value  
Example: Church Building (cont)

## Church Building (1161501)

JE #	Amount	JE #	Amount
3	Completed project transfer		\$ 50,000.00

## Construction in Process (1163000)

JE #	Amount	JE #	Amount
1	Expenditure #1	3	Completed project transfer
2	Expenditure #2		\$ 50,000.00
			\$ 28,000.00
			\$ 22,000.00
			\$ 50,000.00

# Repairs & Maintenance

Category	Facilities/PPE (32)					
Cost Center Descript.	Facilities General	Admin Building	Auxiliary Bldg	Chapel	Church Bldg	Convent
Cost Center	30	31	32	33	34	35
Category	Facilities/PPE (32)					
Cost Center Descript.	Education/ Classrooms	Maint Bldg	Parish Center Bldg	Rectory Bldg	Youth Center/ Gym	
Cost Center	36	37	38	39	41	

# Repairs & Maintenance

## **Building Repairs & Maintenance (5430)**

00	Building Repairs & Maint	07	Tools & Equipment
01	Maintenance Supplies	08	Building Structure
02	HVAC	09	Roofing
03	Electrical	10	Lighting
04	Plumbing	11	Cleaning Services
05	Security & Fire	12	Pest Control
06	Furniture & Fixtures	13	Painting

# Repairs & Maintenance

## Grounds Maintenance (5435)

- |    |                      |    |                              |
|----|----------------------|----|------------------------------|
| 00 | Grounds Maintenance  | 05 | Parking Lot                  |
| 01 | Lawn & Tree Service  | 06 | Playgrounds                  |
| 02 | Landscapng           | 07 | Athletic Fields              |
| 03 | Irrigation           | 08 | Fertilization & Pest Control |
| 04 | Fixtures & Equipment |    |                              |

# Loan Draws

- Loan draws from the diocesan, third party lender for approved projects are processed through the DOSP Construction and Finance Offices and deposited in an appropriate, temporarily restricted DSL account. To record a loan draw:
  - Debit **DOSP S&L Temporarily Restricted** (1115000) or selected subaccount and Credit **Notes Payable SunTrust** (1250101).

# Loan Draws

- Loans made by the Diocesan Savings & Loan for capital projects and/or emergency repairs are funded at the time funds are needed for approved expenditures:
  - Debit **DOSP S&L Temporarily Restricted** (1115000) to reflect the increase in restricted cash on deposit. Multiple subaccounts are available to record each loan and Credit **Notes Payable DOSP** (1260000).



# Loan Draws

- Loans made by the Diocesan Savings & Loan for working capital purposes are funded by diocesan check made payable to the parish:
  - Debit **Checking: Main Operating** (1110000) to record the deposit of loan proceeds and Credit **Notes Payable DOSP** (1260000) to record the loan liability. Multiple subaccounts are available for each loan.

# Loan Payments

- Payments of Principal & Interest to the diocesan approved 3<sup>rd</sup> party lender:
  - Debit **Notes Payable SunTrust** (1250101) to record the loan principal paid and **Interest Expense** (125566100) to record the interest paid on the loan principal and,
  - Credit **Checking: Main Operating** (1110000) to record the payment

# Loan Payments

- Payments of Principal & Interest to the Diocesan Savings and Loan (DSL):
  - Debit **Notes Payable DOSP** (1260000) to record the loan principal paid and **Interest Expense** (125566100) to record the interest paid on the loan principal and,
  - Credit **Checking: Main Operating** (1110000) to record the payment

# EXHIBITS

# Department Summary

<b>Department Summary</b>	Check Date: 01/08/2016
	Process: 2016010801
	Pay Period: 12/21/2015 to 01/03/2016

**Totals for Department: Accounting(26)**

Employees	4 Code	Earning	Hours	Amount Code	Tax Amount Code	Employer Amt Code	Deduction	Amount				
Female	4 REG	REG	96.50	3,858.00 FITW	497.58 MED-R	50.32 MDCL	MEDICAL	387.24				
Male	0 HOL	HOL	84.00	0.00 MED	50.32 SS-R	215.18						
	VAC	VAC	14.00	0.00 SS	215.18 FLSUI	0.00						
				FL	0.00							
<b>Total Earning:</b>			194.50	3,858.00	<b>Total Taxes:</b>	763.08	<b>Ttl Employer</b>	265.50	<b>Total Deductions</b>	387.24	ER Liab	4,123.50
										EE Net	2,707.68	



# Exhibit C

## Payroll Journal Entry for the payroll ending:

Shortcut	Account Description	Debit	Credit
101510000	Salaries Clergy & Religious	4,450.01	
101511501	Stole Fees: Baptisms	-	
101511502	Stole Fees: Weddings	100.00	
101511503	Stole Fees: Funerals	400.00	
101513000	Pension: Clergy & Religious	216.93	
101514002	Auto Allowance: Clergy	908.30	
101511000	Mass Stipends	815.00	
103510500	Wages: Lay Worship	2,981.80	
103511503	Stole Fees: Wedding Worship Parish	76.50	
103511502	Stole Fees: Funeral Worship Parish	200.00	
104510500	Wages Lay Music Parish	2,025.00	
103511502	Stole Fees: Wedding Music Parish	-	
103511503	Stole Fees: Funeral Music Parish	100.00	
110510500	Wages: Lay Religious Ed	1,949.40	
112510500	Wages: Lay Adult Faith Formation	1,418.26	
116510500	Wages: Lay YM	1,230.78	
119510500	Wages: Lay Pastoral Care Ministry	200.50	
125510500	Wages: Wages: Lay Gen Admin Parish	3,815.41	
126510500	Wages: Lay Accounting Parish	3,858.00	
128510500	Wages: Lay Development Parish	2,019.72	
130510500	Wages: Lay Facilities Parish	6,251.38	
1232001	401(K) Deduction Payable		1,365.30
1232002	Health Insurance EE Options WH		1,838.31
1232006	Employee Optional Colonial Ins. WH		55.21
1232007	Employee Optional Life WH		22.20
1232005	Flex Spending Account		38.46
1231001	Federal Withholding Tax		3,499.53
1231003	Medicare Tax Withholding		389.12
1231002	SSI Tax Withholdings		1,663.74
1110000	Checking Main Operating		24,145.12
		33,016.99	33,016.99

# Exhibits D, E & F

## Journal Entry: Record Automatic Payment of Payroll Taxes

Shortcut	Account Description	Debit	Credit
101512001	Employment Taxes: Cergy & Religious	181.30	
103512003	Employment Taxes: Worship	245.44	
104512000	Employment Taxes: Music	162.57	
110512000	Employment Taxes: Religious Education	126.17	
112512000	Employment Taxes: Adult Faith Formation	108.49	
116512000	Employment Taxes: Youth Ministry	94.16	
119512000	Employment Taxes: Pastoral Care	15.34	
125512000	Employment Taxes: Gen Admin Parish	248.51	
126512000	Employment Taxes: Accounting	265.50	
128512000	Employment Taxes: Development	134.66	
130512000	Employment Taxes: Facilities General	470.72	
1231001	Federal Withholding Tax	3,499.53	
1231003	Medicare Tax Withholding	389.10	
1231002	SSI Tax Withholdings	1,663.76	
1110000	Checking Main Operating		7,605.25
		7,605.25	7,605.25

## Journal Entry: Automatic Payment of Voluntary Withholdings

1232001	401(K) Deduction Payable	1,365.30	
1232006	Employee Optional Colonial Ins. WH	55.21	-
1232005	Flex Spending Account	38.46	-
1110000	Checking Main Operating		1,458.97
		1,458.97	1,458.97

## Journal Entry: Record per payroll Paylocity processing fee

126534003	Payroll Processing Fee: Actg	88.50	
1110000	Checking Main Operating		88.50



# Exhibit I

## Summary of Benefits Invoice by Cost Center & Type

<b>DOSP Benefits Invoice Summarized (Monthly)</b>				
	5132	5131	5133	1232007
	Group Life	Health Insurance	Disability Insurance	Optional Life
Clergy & Religious	33.06	2,749.00	31.85	-
Worship	28.12	1,206.00	39.29	48.10
Music	-	-	-	-
Religious Education	17.86	1,190.00	24.95	-
Adult Faith Formation	13.08	611.00	18.27	-
Youth Ministry	10.64	595.00	14.86	-
Pastoral Care	-	-	-	-
Gen Admin Parish	15.96	595.00	22.30	-
Accounting	23.44	1,190.00	32.73	-
Development	16.34	595.00	22.83	-
Facilities General	25.02	1,206.00	34.95	-
	183.52	9,937.00	242.03	48.10

# Exhibit I (Continued)

## Record Payment of monthly DOSP Benefits Invoice

Account Shortcut	Functional Account Description	Cost Center	Debit	Credit
101513100	Health Benefits: Employer	Clergy & Religious	2,749.00	
103513100	Health Benefits: Employer	Worship	1,206.00	
104513100	Health Benefits: Employer	Music	-	
110513100	Health Benefits: Employer	Religious Education	1,190.00	
112513100	Health Benefits: Employer	Adult Faith Formation	611.00	
116513100	Health Benefits: Employer	Youth Ministry	595.00	
119513100	Health Benefits: Employer	Pastoral Care	-	
125513100	Health Benefits: Employer	Gen Admin Parish	595.00	
126513100	Health Benefits: Employer	Accounting	1,190.00	
128513100	Health Benefits: Employer	Development	595.00	
130513100	Health Benefits: Employer	Facilities General	1,206.00	
1232002	Health Ins EE Options WH		3,982.00	
101513200	Group: Life: Employer	Clergy & Religious	33.06	
103513200	Group: Life: Employer	Worship	28.12	
104513200	Group: Life: Employer	Music	-	
110513200	Group: Life: Employer	Religious Education	17.86	
112513200	Group: Life: Employer	Adult Faith Formation	13.08	
116513200	Group: Life: Employer	Youth Ministry	10.64	
119513200	Group: Life: Employer	Pastoral Care	-	
125513200	Group: Life: Employer	Gen Admin Parish	15.96	
126513200	Group: Life: Employer	Accounting	23.44	
128513200	Group: Life: Employer	Development	16.34	
130513200	Group: Life: Employer	Facilities General	25.02	
101513300	Disability Ins: Employer	Clergy & Religious	31.85	
103513300	Disability Ins: Employer	Worship	39.29	
104513300	Disability Ins: Employer	Music	-	
110513300	Disability Ins: Employer	Religious Education	24.95	
112513300	Disability Ins: Employer	Adult Faith Formation	18.27	
116513300	Disability Ins: Employer	Youth Ministry	14.86	
119513300	Disability Ins: Employer	Pastoral Care	-	
125513300	Disability Ins: Employer	Gen Admin Parish	22.30	
126513300	Disability Ins: Employer	Accounting	32.73	
128513300	Disability Ins: Employer	Development	22.83	
130513300	Disability Ins: Employer	Facilities General	34.95	
1232007	Employee Optional Life WH		48.10	
1110000	Checking Main Operating			14,392.65
			14,392.65	14,392.65