SECTION II: FINANCIAL INSTRUCTIONS

INTRODUCTION

Completing the Parish Annual Report will be straightforward if you have been using the Archdiocesan Parish Accounting System. The specific account and program numbers contained within this report are included in the Archdiocesan Chart of Accounts. Filling out the Annual Report entails transferring the ending balances from your accounting records to the individual line items in the report. In accounting terms, the Annual Report is a “pre-closing trial balance.” The report should be completed before you close your books for the fiscal year.

Again this year, please submit a copy of your Financial Statements, including the detailed Balance Sheet and Income Statements for all programs, with this report. The Income Statements for each program should be consolidated as follows:

- 10-70 Parish Operations (includes programs 10-69) and Religious Education (Includes programs 70-79)
- 80 School (Includes programs 80-89)
- 95 Cemetery

NEW FOR THIS YEAR: If your parish is using DioView, you will only submit specific information requested in Section II-A: Table 3: Assessment Information.

If your parish operates a cemetery, regardless of its size, it should be reported separately on the Annual Report (program 95). If an outside board or organization is administering the operations of the parish cemetery, they should provide you with an annual summary of operations, and any assets should be recorded on the parish books.

If you are using a program designation other than those included in the Parish Accounting Manual, please call Sarah Diama, Assistant PFS Director at (206) 382-4573 or (800) 422-5417 or e-mail sarah.diama@seattlearch.org.

After you have completed Section II of the Annual Report, be sure to CLOSE YOUR BOOKS! (Most accounting software will allow you to set a password for the closing process to prevent posting to prior accounting periods.)

AGAIN THIS YEAR

If you complete the Financial Section prior to completion of the other sections of the Annual Report, you are encouraged to submit it separately.

If you are printing Section II-A: Financial, please remember that you should print the ENTIRE WORKBOOK at once by selecting the option in the print dialogue box. Make sure that you fill out all three tables of Section II-A: Financial, Section II-B: Banking Information, and Section II-C: Building.
Project Forecast. Upload the section to box.com in accordance with the General Instructions sent separately.

**SPECIFIC INSTRUCTIONS FOR SECTION II-A**

Do not make any additions to this report or add account numbers without calling Sarah Diama at (206) 382-4573 or (800) 422-5417 or e-mail sarah.diama@seattlearch.org. If you are using accounts that are not in the Parish Accounting Manual, consolidate them into one or more existing accounts within the same general category.

Any references to **DioView users** pertain only to parishes that received notification from PFS (Sarah Diama or Scott Bader) that they can submit parts of this section through DioView.

Tables may be completed in the order in which they are arranged in the workbook or in any order that makes it easier for you to complete the tables. However, before printing the final copy of the tables, please make sure that Table 1 is balanced.

I. **Section II-A, Table 1: BALANCE SHEET**

DioView users, no need to complete Table 1.

You should submit only one Table 1: Balance Sheet for your Annual Report. If your accounting software generates several balance sheets (i.e., Parish, School, Building Project, etc.), consolidate all data into this table.

Please note that you will enter data except for NET INCOME which is automatically copied from Table 2: Summary of Operations.

II. **Section II-A, Table 2: SUMMARY OF OPERATIONS**

DioView users, no need to complete Table 2.

Enter the amounts for specific items under the general category (E.G. 4101-Sunday Collections under 41XX-Collection Revenue). All other amounts under the general category shall be added to the “Other” line item (e.g. “Other Collection Revenue” under 41XX-Collection Revenue”).

After you have completed Table 2, make sure that the total revenues, expenditures and net income/loss showing in this table match the total revenues, expenditures and net income/loss in your Profit and Loss Statement or Statement of Activities generated by your accounting software.

Some of the data required for Table 3: Assessment are in Table 2. Please refer to the following section for explanation on some of the data required.

Please note that the SURPLUS/DEFICIT AFTER DEPRECIATION will be copied automatically to Table 1: Balance Sheet NET INCOME.
III. Section II-A, Table 3: ASSESSMENT INFORMATION

The purpose of this section is to assemble the information that will be used in calculating your parish’s Archdiocesan Assessment. The assessment for 2018-2019 will be based on this year’s 2016-2017 Parish Annual Report. It is very important that all parishes complete this section accurately.

The information collected in Table 3: Assessment Information relates to the various elements that make up the assessment formula. Please note that some of the cells will be pre-populated from data entered in Table 2: Summary of Operations. You will have the ability to change some of these data; however a message will appear. The message is just a flag for you to revalidate the amounts entered in Table 2 and 3 and other PAR sections or review your General Ledger entries to ensure that transactions are recorded correctly.

Following are explanations for those items where reporting errors commonly occur.

**ORDINARY INCOME**

DioView users, no need to supply Ordinary Income information.

Don’t forget to include all forms of electronic giving.

Please note that the amounts will automatically be copied from Table 2: Summary of Operations. You cannot change the data in Table 3.

**SCHOOL SUBSIDY**

**Direct subsidy** is the amount of CASH transferred by the parish to the parish school. It is recorded in the parish books as an expense and recorded in the school books as educational receipts. Amount is copied from Table 2. DioView users need not supply information for direct subsidy.

**Indirect subsidy** is the value of services and goods transferred by the parish to the school. These items must be fully paid for by the parish only. Indirect subsidy may include items such as shared staff (e.g., bookkeeper, custodian) and shared facility costs (e.g. common area maintenance). The parish may have other items that make up its indirect subsidy to the school. Attach a separate sheet showing the details of the indirect subsidy provided by the parish to the school. DioView users, supply information for indirect subsidy, if any.

Please note that the amounts for direct and indirect subsidy will automatically be copied from Table 2: Summary of Operations.

**NEW BANK LOANS**

DioView users complete this section also.

If your parish has received a loan from a bank (not from the PRF/ARF) during the 2015-2016 fiscal year, indicate the amount of the loan.
**PRINCIPAL REDUCTION ON BANK LOANS**

DioView users complete this section also.

If your parish has a loan from a bank (not from the PRF/ARF), even if it was borrowed in another fiscal year, include here the total amount of principal payments made during the fiscal year. This will equal the total payments made less any interest expense relating to the loan. This information should be available from your banking institution.

**BUILDING AND RENOVATION PROJECTS, CAPITAL PURCHASES AND REAL ESTATE PURCHASES**

DioView users complete this section also.

Include here the total expenditure amount and a description of the work done for any new construction or major renovations performed by your parish or real estate purchased during the 2015-2016 fiscal year, regardless of whether the amount was capitalized or expensed. An example might be:

- Building Project #1  School Roof Replacement  $39,829

Other components of the Assessment formula are generated internally by the Archdiocese and will be communicated to you with your Assessment Billing.

**SPECIFIC INSTRUCTIONS FOR SECTION II-B**

*Item #1 (Bank Accounts).* Examples for the description are school operations, cemetery, Scrip, Parents Club, Ladies Guild, raffle, Pastor’s discretionary, restricted savings.

*Item #4 (Credit Card).* Include position of authorized signer (e.g., Pastor, PAA, Principal, Custodian).

*Item #11 (Additional Information).* Please copy the column headings for the items that you are adding. For example, if you are adding more bank accounts, copy the headings for Item #1 and list items below it. If you are adding other accounts outside of what’s listed in #1 or the PRF, copy the headings for Item #2 and list items below it. If you are adding credit cards, copy the headings for Item #4 and list items below it. If you are adding other methods of payment, copy the headings for Item #5 and list items below it. If space is still not enough, you may provide more information on additional sheets outside of the PDF document and submit it together with Section II-B.

*Item #12 (Unclaimed Property).* This is a new section where you can list unclaimed property. Unclaimed Property is money or intangible property owed to an individual or business. Property is considered unclaimed after it is held for a period of time with no owner contact and a good faith effort has been made to locate the owner. Abandoned property is turned over to the Department of Revenue from many sources. An example might be a damage deposit paid for the rental of a parish hall. If you are unable to find the person who put down the damage deposit and return the unused portion to them, this would be considered unclaimed property.

Parish Financial Services is now able to file an aggregate report for all parishes in the Archdiocese (previously, once a parish filed a report of unclaimed property, they had to report every year, even if they had nothing to report.) If you report any unclaimed property, we will work with you during October to turn those funds (or property) over to the Department of Revenue, as state law requires.