

# **Annual Parish Financial Report, FY20-21**

## **Frequently Asked Questions & Answers**

### **1. Is my accounting cash basis or accrual basis?**

All parishes should be using the standardized chart of accounts and are using a modified accrual basis accounting.

### **2. What parish bank accounts are reportable on the parish financial report and why?**

All bank accounts must be included to give a complete picture of the parish financial status. All parish, school, cemetery, and society accounts are reportable. This includes but is not limited to bank accounts such as parish and school operating, savings, cafeteria, annual school fund, book fees, SCRIP, preschool, parish and school organizations/societies, and all other accounts that are associated with the parish, school, or cemetery.

### **3. Which school expenditures are reportable on the parish financial report?**

All school expenditures are reportable. This includes any expenditure paid by the parish or by the school.

### **4. What happens to payments made to the Diocese of Springfield in Illinois Deposit and Loan Fund Trust (DLS) that a parish records during the current fiscal year, but DLS records the payment in the upcoming fiscal year?**

The transactions/payments are recorded on a cash basis which means the activity is recorded when the exchange of cash occurs. The parish will record the payment when the cash is disbursed or sent. For the Fund Trust, the receipt will be recorded when the cash is received by the Fund Trust. Since it is possible that the receipt will be in the next fiscal year, both the parish and the Fund Trust should keep track, so as not to report the same funds in multiple fiscal year reports.

### **5. What is the proper way that DLS fiscal year activity is reported on the Annual Parish Financial Report?**

Supply a QuickBooks QuickReport for all accounts listed under account #11500 - Diocesan Savings. To generate the report, open your Chart of Accounts, right click on the account and select "QuickReport."

**6. How is interest recorded if the semi-annual interest calculated on December 30<sup>th</sup> and June 30<sup>th</sup> is reinvested with DLS, and no check is sent to the parish?**

Reinvested interest should be recorded in QuickBooks on December 30<sup>th</sup> and June 30<sup>th</sup>. Record this as a journal entry by debiting the DLS account and by crediting account #43020 - Interest from Diocese Savings.

**7. Which reports must be sent to the Office for Finances for the Annual Parish Financial Report?**

- See the Checklist included in the Annual Parish Financial Report packet.
- **\*\*\*Note:** If the parish has a cemetery and the cemetery financial information is not entered into QuickBooks, the parish must report the beginning & ending bank balances along with all cemetery receipts and disbursements (Income and Expense).