HELPFUL TIPS

- Other cash accounts (Altar Guild, Mass Fund, PTO, etc.) that use the church's tax id number **must** be on the church/school books. (See page 20 of parish manual). You can adjust the balance in the accounts every month or you can wait and adjust it before you send the Diocese your 6/30 report. The amount in this account will be the amount on the bank statement. You can record these amounts as a Debit to Cash-Other Cash Accounts (Asset account) and a Credit to Accounts Payable-Other Cash Accounts (Liability account).

- Never post to Equity accounts unless instructed to by the Diocese.

- National Collections need to be remitted to the Diocese on a monthly basis. Holy Days are not national collections. Record Holy Day collections the same way you would a Sunday mass collection.

- Do **not** post Revenue and Expenses in the **same** account. If your parish/school operates a parent's day out or after school care program, you need a revenue and expense account for each one. If you receive a designated gift for maintenance and repairs, the gift will be posted to a revenue account and the expense to an expense account. Do not post them in one account.

- All receivables need to be reconciled at the end of each month. Pledge and tuition reports should balance to the general ledger receivable account at the end of each month. You **must** run the year-end pledge/tuition reports **on 6/30** for audit purposes. There should not be credit balances on these reports. (See the parish manual page 11 for details on how to adjust).

- The "Due to" / "Due from" accounts between the church and school or your mission parish should balance each month.

- Deposits posted to the general ledger need to match the amount on the deposit slip. Do not post two different amounts that add up to the validated deposit slip. (See page 6 of parish manual)

- Bank reconciliations need to be completed every month. There should not be outstanding deposits on your bank reconciliation for longer than the preceding month. Example: In October you should only have October outstanding deposits. When you do November, those should have cleared. If they haven't, you will need to research why and where the deposits are.

- **Pay Vendors directly**. Do not allow employees or contracted individuals to make purchases and then be reimbursed for them. An example would be John Doe is installing some computers in the school. He orders the equipment from Dell and then invoices the school in his name for the equipment and his labor for installation. Or a speaker presents a talk and the employee hosting the talk pays the speaker and submits an invoice to the church for reimbursement. This can cause problems with issuing 1099's at year end. In these 2 examples, John Doe's 1099 will be for the total amount, including the equipment cost. The speaker wouldn't receive a 1099 as the payment was not made by the church directly to her.

- Checks written to the Diocese at the end of the year (6/30) for parish assessment, loans, deposits, payroll, etc. need to be mailed in time for the Accounting Office at the Diocese to process them. If you think that they will not be received in time, you need to **date these checks in July and do a Journal Entry in June to accrue them**. **Do not back date checks**. An example of an accrual entry dated 6/30 would be: Debit the expense account for the amount due, and Credit the correct accrual account for any amount owed. These need to be reversing entries that reverse in July.

- Back ups to your PDS programs should be done at least weekly. See page 37 of the parish manual.

- Parish Assessments, priest /lay pension and cafeteria benefits should be transmitted monthly to the Diocese.

- Purchases of Furniture, Fixtures or Equipment in excess of $5,000 and having a useful life in excess of three years and the item consists of movable equipment, furniture or fixtures **must** be debited to the asset account, not expensed. See page 33 of the parish manual.

- An item must be coded to one of these account (Construction in Progress or Land/Building Improvement – at cost) **IF** the purchase price is more than $5,000, has a useful life in excess of five years and the item consists of Land, New Construction, Building Improvement or Repairs.