

**OFFICE OF PARISH SUPPORT
DIOCESE OF ROCKVILLE CENTRE
379 LINDEN STREET
MASSAPEQUA PARK, NY 11762
(516) 442-2887**

Date: September 11, 2017
To: Pastors/Administrators and School Principals
From: Kevin T. Murphy, Director of Diocesan Administration
Re: 2017 Year-End Due Dates and Process

The Annual reports for the Parishes, Schools and Cemeteries for the year ending August 31, 2017 are due on **October 13, 2017**. Please send in your completed annual reporting package signed by you, the trustees and your finance council chairperson for parishes and cemeteries, if applicable, and signed by yourself and the school principal for the schools, to your Parish Support Manager at the address below. Specific instructions for **Parish and School Close-Out Packages and Important Information for FY '17** are listed on the Finance Department page of the DRVC website. The **Annual Parish Corporate Governance Form** to be completed and returned with your financial reports by October 13, 2017 is also listed on the Finance Department page.

The Office of Parish Support (OPS) is available to work with each parish and school through the year-end reporting process. I encourage you to work with your Parish Support Managers and Associates in completing the required forms. If you have difficulty meeting this deadline, please contact your Parish Support Manager for guidance.

The complete reporting package is to be mailed in to the attention of your Parish Support Manager at the following address:

Office of Parish Support
Attn: Parish Support Manager
Diocese of Rockville Centre
379 Linden Street
Massapequa, NY 11762

Parish and School Important Information for Year-End 2017

Each year the Pastor or Administrator of a parish is required to submit an annual report to the Bishop for the parish, cemetery and school on a fiscal year basis. These reports are due by **October 13, 2017** signed by the pastor, two trustees and Finance Committee Chairperson for parishes and cemeteries, and signed by the Pastor and the Principal for schools. The steps to take to complete the financial reporting package are listed below.

In all cases, if you have questions on the process, please contact either your Parish Support Manager or Associate for guidance.

To access the 2017 year-end forms please follow instructions below:

1. Go to the website www.drvc.org.
2. Click on Departments and then Finance Office
3. Find 2017 Year End Procedure and Schedules
4. *Right Click* on (YE Parish Package 2017) or (YE School Package 2017) and save the file to your network or computer file and include your parish name in the new file name that you create.
5. Also save the Parish Governance Form link within this site.
6. It is extremely important to save the file to your computer hard drive or network before you enter your data and before the file is printed with your figures.
7. Enter your data in this reporting package and complete the supplemental schedules.
8. If the Parish/School is using the CathoNet/QuickBooks general ledger software, you can generate Diocesan reports from the CathoNet hosted desktop. There is a link on your hosted desktop to the reporting feature. Click on the link and then select each of the following three reports:
 - a. Annual Summary Financial Report;
 - b. Annual Summary Statement of Financial Position; and
 - c. Annual Detailed Financial Report. You will still have to complete the Supplemental Schedules from the excel workbooks. Note: This time-saving feature will only work if your CathoNet/QuickBooks file has a valid chart of accounts. The parish QuickBooks user will receive an email from Mary Anne Coleman with instructions.
9. Once complete, enter the data into the portal. If the Parish/School is using CathoNet/QuickBooks general ledger software, you can download your trial balance from QuickBooks to excel and upload it into the portal. You must have a valid chart of accounts to use this feature.

The parish and school statements containing year end balances to each of the Diocesan Plans will be emailed to each Pastor or Principal on or about September 11, 2017. Unitas Investment Statements will be available on-line on or about September 18, 2017.

All General Ledger System users will need to complete the following steps prior to completing the financial reporting package and supplemental schedules.

- Reconcile all bank accounts, Unitas and investments and post all accrued interest gains or losses through August 31, 2017.
- Post all payroll journal entries including accrued vacation, sickpay and other benefit costs.
- Post all accounts payable transactions through August 31, 2017.
- Post all accruals of expenses through August 31, 2017.
- If your parish has a campaign, you will need to accrue any uncollected pledges made as of August 31, 2017. Use Account # 1172 Pledges Receivable – Short term for any pledges due before August 31, 2018. Use Account # 1200 for Pledges Receivable – Long Term for over one year redemption.
- If your parish has a construction project or renovation project, you will need to accrue all construction costs and expenses to date.
- Verify that journal entries made at year end last year have been reversed.
- If the school depreciates assets (**regional schools only**), record the expense and accumulated depreciation.

- Fiscal Year 2017 – All schools should accrue for their teacher sick pay liability fund. The supplemental schedule supporting this liability should also be completed.
- Record any pre-paid assets and reverse pre-paid asset balances from prior years.
- Diocesan collections received must equal Diocesan collections paid (3600 series and 4600 series). Unpaid Diocesan collections as of August 31, 2017 should be properly recorded as a liability in accrued expenses and expensed to the appropriate 4600 account.

Net Assets – It is important to identify restricted assets in the fund balance at year end. Campaign receipts for construction work to be done in the future is a typical example. If you are not sure how to classify net assets, please contact your Parish Support Manager. All net asset restrictions must be documented in writing from the donor. Your Parish Support Manager will request this as part of the close out.

Please mail completed signed forms and documents to the address below on or before **October 13, 2017**.

- ❖ Completed set of Parish/School Financial Reports, including Supporting Schedules A, B & C as it pertains to the Parish or School.
- ❖ Copies of all statements from investments other than Unitas
- ❖ Supplement #1, which is the individual listing of all August 31, 2017 accounts payable & accruals.
- ❖ Completed 2017 Annual Parish Corporate Governance Forms.

**Diocese of Rockville Centre
379 Linden Street
Massapequa Park, NY 11762
Attn: Office of Parish Support – Parish Support Manager**

ADDITIONAL INFORMATION FOR PARISHES

Financial Report Additional Information

If the Parish/School is not using the CathoNet/QuickBooks general ledger software, you must provide the supporting schedules listed below.

1. A supporting schedule with an itemized breakdown should be submitted in addition to Schedule A, for accounts where the dollar amount exceeds \$15,000 or more in total. This includes all of the following:

1180	Other Assets	4055	Other Salaries
1195	Exchange	4165	Religious Other
2500	Other Liabilities	4179	Other Fringe Benefits
3070	Other Special Collections	4280	Other Programs
3150	Other Fund Raising	4375	Professional Fees
3280	Other Programs	4380	Other Contracted Services
3453	Other Rental Income	4390	Miscellaneous Office Expenses
3455	Recurring Building Leases (other than religious)	4490	Miscellaneous Auxiliary Expenses
3468	Donations and Bequests (Any balance)	4550	Other Rectory Household Expenses
3469	Donations and Bequests (Major unrestricted)	4685	Other Special National Collections
3685	Other Special National Collections	4720	Contracted Maintenance Services
3780	Other Investment Income	4790	Other Building Expenses
3810	Restricted Donations and Bequests (All)	4820	Campaign Expenditures
3820	Approved Campaign	4860	New Building, Extension Property
3830	Insurance Claims	4870	Repairs and Renovations
3840	Other Extraordinary	4880	Furniture and Equipment

2. All supporting schedules and supplements have total lines that should be tied to the financial report. These include:

Schedule A	to Account 1100 Cash-Checking and 1125 Savings/Money Market.
Schedule B	to Account 1145 Unitas Investment, Account 1140 Certificates of Deposits, Account 1150 Other Investments & Account 2400 Mission Assistance Corporation respectively.
Supplement No. 1	to Account 2100 Accounts Payable & Accrued Expenses.
Supplement No. 2	to Account 32103 Accrued Sick Time (SCHOOLS ONLY) Please also complete the footnote on this schedule, providing information on how you are funding the school's sick pay liability.

3. For a detailed account description of each account, go to the Parish Support Center on the Diocesan Website for the current Chart of Accounts. Please note that the Parish Reports have standardized formatting, and every effort should be made to conform all of your parish accounts to the Diocesan Issued Chart of Accounts. Only a CathoNet generated report or the **latest** excel financial reporting package available on our website will be accepted for the signed hard copy reports.

4. The Statement of Financial Position provides four accounts for the Parish's Net Asset:

2910	Unappropriated General Net Asset
2920	Appropriated General Net Asset
2930	Temporarily Restricted Net Asset
2940	Permanently Restricted Net Asset

Every effort should be made to accurately complete this section. If clarification is required, please refer to the Chart of Accounts or contact your Parish Support Manager or Associate.

5. Donations and Bequests and Restricted Donations and Bequests - Account 3468 or Account 3810. These accounts will need separate schedules to support the activity which lists the full details of the donor, intention of the specific donation and amount given. The parish will need to provide the account details from the general ledger.
6. Approved Campaign for Parish Development - Account 3820. Approved Campaigns have written permission from the Vicar General on behalf of the Bishop and a monthly reporting to the Finance Office occurs when campaigns are in place. Please make sure that the monthly campaign reports are up to date in the Finance Office
7. Please note that the summary page requires the signatures of the Pastor, Trustees as well as the Parish Finance Committee Chairperson. This must be signed and returned to our office by **October 13, 2017**. Parishes are asked to also electronically report these figures through the web portal after the package has been completed. If you have difficulty meeting this deadline, please contact your Parish Support Manager for guidance.
8. **Reports missing signatures, without prior approval, will be returned and considered not submitted.**

Note: Parish Cemeteries will report using the monthly reports that the Office of Parish Support has on their webpage. The web portal will not be used for Cemetery reporting. These reports are due **October 13, 2017**.

Annual Parish Corporate Governance Form

Under provisions of a Diocesan Statute promulgated on October 30, 1984, each parish is required to have a Finance Committee as required by Canon 537 of the *Code of Canon Law*. In addition, Article III of the Parish By-Laws requires a parish to have a Board of Trustees consisting of the Bishop as President, the Episcopal Vicar as Vice President, the Pastor as Secretary-Treasurer and two (2) lay members as Trustees. The roles of the lay trustees require that they work closely with the pastor to develop accurate and timely financial reporting. In order to comply with this requirement, please formalize your financial reporting oversight by the completion of the following forms:

Parish Finance Committee (Two Pages)

This form is for the reporting of your Finance Committee members, their terms and their professional titles, as well as the dates of the parish Finance Committee meetings for Fiscal Years 2016 and 2017. In addition, if your parish has shared their Fiscal Year 2016 financial statements with the parishioners, please provide us with a copy. If the parish discloses the annual parish budget in the bulletin, please inform us of the date that the information is shared with the parish.

Board of Trustee Meetings (One Page)

The Board of Trustees is required by New York State Corporate law to hold an annual meeting which is recorded with formal minutes. Please provide the dates of the Board of Trustees meetings for Fiscal Year 2016 and 2017 and attach Minutes of said meetings.

Financial Governance of the Parish (Two Pages)

This form underscores the importance of the role of the Trustee and the Finance Committee Chairperson by requesting the Pastor, Parish Trustees and the Finance Committee Chairperson to assess the practices and the internal control structure of the parish and to be aware of violations that we have uncovered as a result of our reviews. The verification statement requests that these four individuals state that the financial statements for Fiscal Year 2017 represent a complete accounting of parish finances and includes all bank account activity and other assets. It also asks if these four individuals meet periodically to review the finances and if they take steps to constantly improve the accuracy of the financial reporting. The questions are designed to help those individuals to become more familiar with the areas that may need additional oversight. If the Trustees or the Finance Committee Chairperson need further assistance with the completion of the affirmation statement, please contact the Office of Parish Support staff for further guidance.

Kindly complete the forms attached and submit these, along with your parish financial report, by October 13, 2017. The forms and the financial report should be sent to your Parish Support Manager at 379 Linden Street, Massapequa Park, NY 11762.

Parish Finance Committee
Fiscal Year ended _____

Parish Name _____

Address _____

PARISH FINANCE COMMITTEE MEMBERS

<u>Name, Professional Title, Address & Phone Number</u>	<u>Year Appointed</u>	<u># of Terms Served</u>	<u>Date Term Ends</u>
1) _____ _____ _____	_____	_____	_____
2) _____ _____ _____	_____	_____	_____
3) _____ _____ _____	_____	_____	_____
4) _____ _____ _____	_____	_____	_____
5) _____ _____ _____	_____	_____	_____
6) _____ _____ _____	_____	_____	_____

PARISH FINANCE COMMITTEE MEETINGS

Dates of Meetings held during the prior and current fiscal years:

September 1, 2015 through August 31, 2016

September 1, 2016 through August 31, 2017

If you shared your fiscal year August 31, 2016 financial statements with your parishioners, please provide a copy along with this form. If you also share your approved (i.e., by the Parish Finance Committee) parish budget with your parishioners, please indicate the date that the August 31, 2016 parish budget was presented to parishioners. The date was _____.

BOARD OF TRUSTEES MEETINGS

Parish Name _____

Address _____

Dates of annual Board of Trustees meetings:

Fiscal Year 2016 _____

Fiscal Year 2017 _____

GOVERNANCE OF THE PARISH

Parish Name: _____

Town: _____

The role of the Lay Trustee is critical to the parish governance. As a corporate member of the parish, the Lay Trustee has an important fiduciary responsibility to perform certain oversight activities as required by the Parish By-Laws. The Trustees have responsibility for the property and affairs of the Parish. The following areas are enumerated to highlight specific areas of importance that have come to light based on past audits and operational reviews of parishes. The list is not meant to be all-inclusive. You may be aware of others that fall under the responsibility of a Trustee. These should be considered in your overall assessment. Should you have any questions, please contact the Office of Parish Support.

- Are personnel policies and practices in place at the parish, and is proper documentation related to human resource issues retained in accordance with Diocesan recommended record retention policies?
- Is the annual budget for the Parish reviewed by the Trustees, and monitored as the year progresses?
- Does the parish comply with all applicable federal, state, and local statutes, laws and regulations?
- Are all bank accounts that are in the parish name or ministry name (e.g.: religious education, stipend, or CYO) and use the parish federal ID number included on the financial report?
- Have bank reconciliations been done by someone independent of the cash disbursement process and are they done on a regular basis throughout the year and at year-end for all accounts?
- Does the parish prohibit payments and or checks payable to "cash" for salaries and/or services or expenses that are beyond incidental expenses, such as postage?
- Are investments and other assets properly reflected on the financial statements?
- Is the parish in compliance with Diocesan investment guidelines?
- Have you received and understand the responsibilities of the position of Trustee as specified in the Parish By-Laws?
- Have restricted contributions been properly classified and accounted for and approved by the Bishop (i.e., endowments and trusts)?
- Has the parish obtained advance approval from the Bishop for Capital Expenditures greater than \$25,000?
- Has the parish obtained advance approval from the Bishop for Capital Campaign fundraising efforts?
- Are all employees paid on the books and do they receive a W-2 at the end of the year?
- Are all musicians/cantors classified as employees and receiving a W-2 annually?

- Are all independent contractors paid on the books and do they receive an IRS Form 1099-MISC for earnings over \$600 at the end of the year?
- Have you reviewed the results of any parish audits or reviews?
- If the parish and/or school sponsors any gaming activities (e.g.: raffles, Bingo), have you complied with all federal, state and local requirements related to reporting, withholding, etc.?

ANNUAL VERIFICATON STATEMENT

Please accept this statement as the annual verification concerning governance of the parish for the current fiscal year. This is to verify that:

- The Board has reviewed the above and attests that they are in compliance with the responsibilities as outlined in the parish by-laws.
- The Finance Committee regularly reviews and discusses the budget and periodic financial statements and has taken the steps necessary to improve the accuracy and completeness of the financial reports.
- The enclosed financial statements for August 31, 2017 represent, to the best of our knowledge and belief, an accurate and complete accounting of parish finances and include all activities of bank accounts and other assets.
- The Pastor and the Finance Committee Members have met, developed, and discussed the financial statement and budget of the parish.

The above is hereby affirmed by the Pastor the Parish Trustees and the Finance Committee Chairperson:

PRINT NAME

SIGNATURE

DATE

Pastor

Trustee

Trustee
