



# Memo

**Date:** July 24, 2017

**To:** Pastors, Principals, Administrators, Business Managers  
and Bookkeepers

**From:** Michael Warren, Controller; Patrick Warner, Parish Accounting  
Manager, Office of Finance

**Re:** Fiscal Year-End Close in ConnectNow for 2016-2017

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Please see below for a few reminders before closing the 2016-2017 fiscal year in ConnectNow:

## **Cash – Deposits in Transit**

Before closing year-end, please make sure there is a zero balance in account 1070, Cash - Deposits in Transit. Please clear any balance in the account before closing the fiscal year. This account must be zero before closing.

## **Outstanding Checks and Deposits**

Please clear any outstanding checks or deposits from bank reconciliation that are over 60-90 days old.

## **Loans**

If the parish/school has a loan, please be sure to reconcile the loan balance on the balance sheet to the loan balance on the June 30, 2017 D&L (Deposit and Loan) statement from the archdiocese. Please reconcile to the amount shown on the line for “Ending Principal Balance.”

## **Reconcile**

Please reconcile all non-checking/savings account balances on the balance sheet. Please contact Patrick Warner if:

- You have remitted all the 2nd collections, but still have 2nd collection balances on the balance sheet;
- You have any tax withholding accounts (federal, FICA, state) with balances; or

- You have any other balances in the assets or liabilities (ex. petty cash, payroll deductions, mass stipends, prepaid tuition, etc.) that you cannot reconcile or identify.

### **Endowment Entries**

Please do not close the fiscal year without recording the endowment entries through June 30th for fiscal year 2016-2017. The Catholic Foundation of North Georgia anticipates distributing the June 30th statements during the last week of July. At the end of July, the detailed instructions for recording endowment entries in ConnectNow, including how to account for the 10% of a parish's annual appeal refund that was applied to its endowment will be distributed.

### **Pension Allocation for the 2016-2017 Fiscal Year**

Before closing the year, please accrue the employee pension benefits for the 2016-2017 fiscal year. The new monthly billing process for the pension expense beginning in July 2018 is for the new fiscal year 2017-2018. You still must accrue the pension expense for fiscal year 2016-2017 as of June 30, 2017, since the archdiocese will bill the parish in October 2017 for the prior year. To calculate the expense, multiply the gross pay of only those employees eligible for pension by six percent (6%).

To accrue these pension expenses, record a journal entry dated 06/30/2017. You will debit the various retirement accounts and credit the Accrued Lay Retirement account.

Example:

|  |            |
|--|------------|
| DEBIT  |            |
| 5060.003 Benefits - Retirement (Religious Ed.)   | \$1,000.00 |
| 5060.007 Benefits - Retirement (Admin & General) | \$2,000.00 |
| CREDIT   |            |
| 2070 Accrued Lay Retirement                      | \$3,000.00 |

When you pay the invoice to the archdiocese for the pension, on the "Bills" screen, use account number 2070 in the G/L account field. This will remove the liability from the balance sheet.

### **Old Pension Accrual**

If there is still a balance in GL 2070 from Fiscal Year 2015-2016 pension accrual, please contact Patrick Warner for assistance in removing the balance before posting the pension entry for Fiscal Year 2016-2017.

### **Archdiocesan Invoices**

As one of the last journal entries for the 2016-2017 fiscal year, the Office of Finance requires all parishes and schools to record on the balance sheet any unpaid archdiocesan invoices (more than 60 days old) as of June 30, 2017. In

ConnectNow, these unpaid invoices will be recorded as journal entries. You will debit the appropriate expense - assessment, annual appeal shortfall, employee benefits, etc. – and credit the balance sheet account 2990 as due to archdiocese (we may need to add this GL number to your chart of accounts). Please date the journal entry as June 30, 2017.

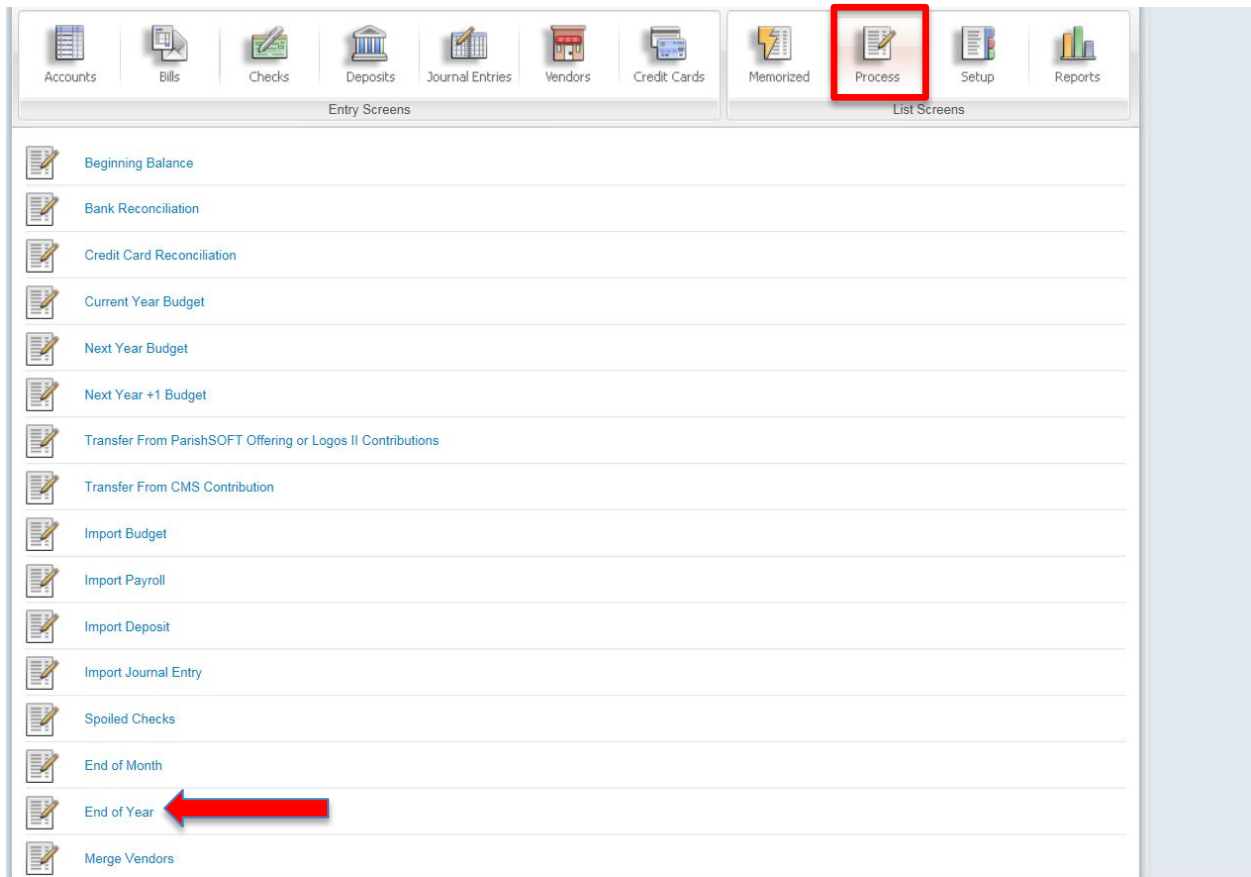
Please review the attachment for instructions on closing the Fiscal Year in ConnectNow. For questions or additional information, please contact Patrick Warner at [pwarner@archatl.com](mailto:pwarner@archatl.com) or 404-920-7410.

# Instructions for Closing the Fiscal Year in ConnectNow

On the following pages are detailed examples of how to record the various line items on the CFNGA statement. For parishes that received an annual appeal refund during the year, the proper method for recording the 10% portion of the refund that was deposited into the parish's endowment account during fiscal year 2016-2017 is shown below.

As part of the fiscal year-end closing process in ConnectNow, you do not close the month of June as you do with the other months. Instead, when you close the fiscal year, the program will automatically close the month of June.

To close the fiscal year, go to the **Process** tab and select the line item, **End of Year**.



You will see a screen that has three columns.

For a Parish:

The current month is: June 2017 [Watch Help Video!](#)

| Entity | Description            | Net Asset Account   |
|--------|------------------------|---|
| 1      | <a href="#">Parish</a> | <a href="#">3920.000.00.00.00P: Retained Earnings N-1-000-00-00-3920-00</a> |

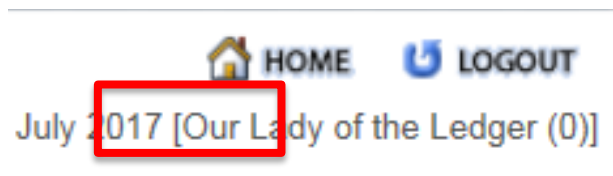
For a School:

The current month is: June 2017 [Watch Help Video!](#)

| Entity | Description            | Net Asset Account   |
|--------|------------------------|---|
| 2      | <a href="#">School</a> | <a href="#">3920.000.00.00.00S: Retained Earnings N-2-000-00-00-3920-00</a> |

If the net asset account is NOT the 3920.000.00.00 account in the Net Asset Account column, then click on the account that is in there and at the drop down menu, select account 3920.000.00.00. Once that is done, you can hit the **Submit** button and it will close your books for the year.

The program will then return to the main screen. Please verify that the date, in the upper right corner of the screen, is now **July 2017**.



If you have any questions or would like assistance in making these entries please contact:

Patrick Warner, [pwarner@archatl.com](mailto:pwarner@archatl.com) 404-920-7410

Sherri Dahlheim, [sdahlheim@archatl.com](mailto:sdahlheim@archatl.com) 404-920-7409