

THE ROMAN CATHOLIC
ARCHDIOCESE OF ATLANTA



Memo

Date: August 24, 2020

To: Pastors, principals, administrators, business managers and bookkeepers

From: Michael Warren, Director of Financial Services; Patrick Warner, Parish Accounting Manager; Office of Finance

Re: Fiscal Year-End Close in ParishSOFT Accounting for 2019-2020

REMINDERS BEFORE CLOSING FISCAL YEAR-END 2019-2020

IMPORTANT DATES:

Below is a reminder of the important dates concerning the 2019-2020 fiscal year-end.

August 31, 2020 – Close fiscal year 2019-2020.

Non-ParishSOFT Accounting users, please submit your June 30, 2020 financial reports to the Office of Finance by this date.

September 30, 2020 – Submit the Certification Letter for fiscal year 2019-2020 to the Office of Finance. Revised certification letter templates are posted on the Office of Finance webpage under *Policies, Procedures & Best Practices*.

October 31, 2020 – Submit a copy of the annual report, published for parishioners or school parents, to the archdiocesan Office of Finance.

CASH – DEPOSITS IN TRANSIT - Before closing Year-End, make sure there is a zero balance in account 1070, Cash - Deposits in Transit. Clear any balance in the account before closing the fiscal year. This account must be zero before closing.

OUTSTANDING CHECKS AND DEPOSITS - Clear any outstanding checks or deposits, from the Bank Reconciliation, that are over 60-90 days old.

LOANS - If the parish/school has a loan, be sure to reconcile the loan balance on the balance sheet to the loan balance on the June 30, 2020 D&L (Deposit and Loan) statement from the Archdiocese. Please reconcile to the amount shown on the line for “Ending Principal Balance”.

RECONCILE - Reconcile all non-checking/savings account balances on the balance sheet. 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;
- You have any other balances in the assets or liabilities (ex. petty cash, payroll deductions, mass stipends, prepaid items, etc.) that you cannot reconcile

ENDOWMENT ENTRIES:

Please do not close the fiscal year without recording the endowment entries, through June 30, for fiscal year 2019-20. The Catholic Foundation of North Georgia distributed the June 30th statements during the week of July 20nd. Please record the endowment activity for FY 19-20.

OLD PENSION ACCRUAL:

If there is a balance in GL 2070 – Accrued Lay Retirement - from prior pension accruals, please contact Patrick for assistance in removing the balance before closing fiscal year 2019-20.

ARCHDIOCESAN INVOICES:

As one of the last journal entries for the 2019/20 fiscal year, 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, 2020. In ParishSOFT Accounting, 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 Due to Archdiocese (we may need to add this GL# to your chart of Accounts). Please date the journal entry 6/30/2020. When these specific invoices are paid in the future, you will use the GL# 2990 on the bill/check to the archdiocese, instead of the actual expense account.

Please see the following pages for instructions on recording the PPP Loan and closing the fiscal year.

Instructions for Recording the Paycheck Protection Program (PPP) Loan in ParishSOFT Accounting

The archdiocesan Office of Finance has created new general ledger accounts for use in recording the Paycheck Protection Program (PPP) Loan at each parish, mission and school that received a loan. The new GL#s are listed below:

<u>For Parishes & Missions</u>	
1059.000.00.33.00P	Savings - PPP D&L
2530.000.00.33.00P	Other Loans - PPP Loan
<u>For Schools</u>	
1059.000.00.33.00S	Savings - PPP D&L
2530.000.00.33.00S	Other Loans - PPP Loan

The Office of Finance has already loaded these new accounts into your chart of accounts. You may add the D&L DA # to the 1059 GL# description. The new PPP D&L savings account is designated as a **bank account** and must be reconciled within the ParishSOFT bank reconciliation process. The reconciliation report from ParishSOFT for the PPP D&L will be one of the required reports for documenting the use of the PPP loan money.

We ask that you record the PPP loan via a journal entry. The Office of Finance will send each location an email with the location's loan amount, loan funded date and bank name.

To record the journal entry:

Debit: 1059.000.00.33.00 Savings - PPP D&L
 Credit: 2530.000.00.33.00 Other Loans - PPP Loan

Please use the loan's **funding date** as the date for the journal entry. In the Comment section of the journal entry, please use the description **PPP Loan Funded by Bank Name**. This comment description will make it easier to identify the journal entry. In the Project section, we added the Project **PPP Loan**. Please select this project, from the drop-down list, as part of the J/E.

The PPP Loan project will also be used when paying potentially eligible expense related to the PPP loan. More details to follow.

Below is a sample PPP Loan journal entry:

Journal Entry Information

Entry Number: 421 Date: 5/7/2020

Comment: PPP Loan Funded by Wells F

Insert Reversing Journal Entry Into Next Month

#	Account	Debit	Credit	Comment	Project
1	1059.000.00.33.00P: Savings - PPP D&L A-1-000	19364.00	0.00	PPP Loan Funded by Wells F	PPP:PPP Loan
2	2530.000.00.33.00P: Other Loans - PPP Loan L-	0.00	19364.00	PPP Loan Funded by Wells F	PPP:PPP Loan
Total:		19,364.00	19,364.00		

Buttons: Submit, Memorize, Delete

Once the journal entry is submitted, please print a copy of the J/E for your file. To print the J/E, go to: Reports – Transactions – Journal Entry List

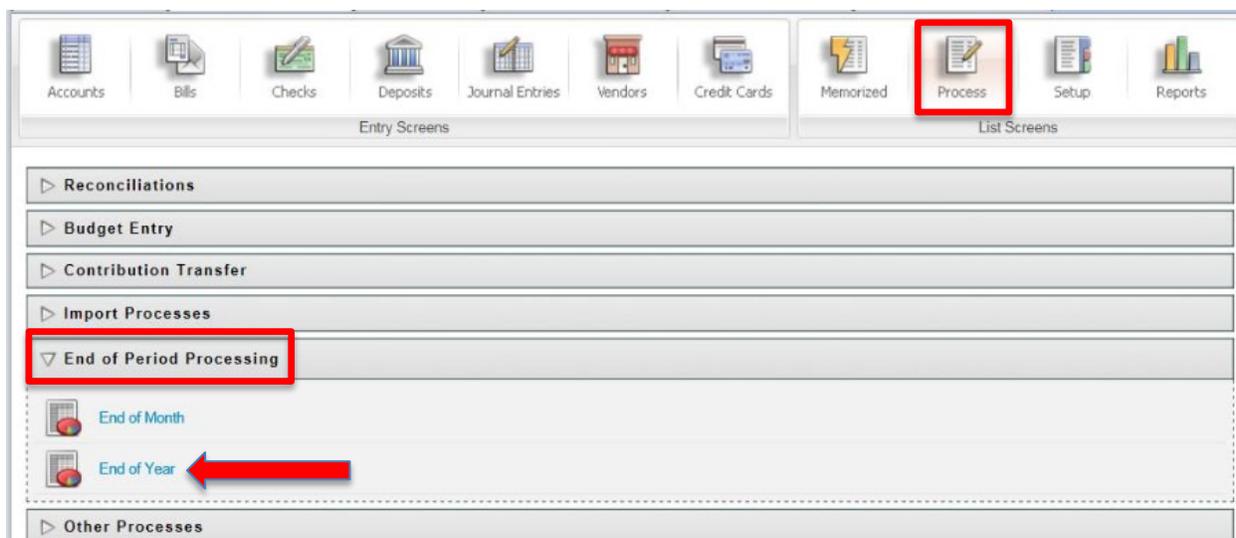
The Office of Finance will send additional instructions for tracking potential eligible expenses, such as utilities and employee benefits, related to the PPP loan.

Please contact Patrick Warner at pwarner@archatl.com or Susan Shirley at sshirley@archatl.com with any questions.

Instructions for Closing the Fiscal Year in ParishSOFT Accounting

As part of the fiscal year-end closing process in ParishSOFT, you do not close the “End of Month” process for June as you do with the other months. Instead, you close the fiscal year and the program will automatically close the month of June.

To close the fiscal year, go to the **Process** tab and select **End of Period Processing**. On the drop-down list select **End of Year**.



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You will see a screen that has three columns.

For a Parish:

End of Year

The current month is: June 2020 [Watch Help Video!](#)

Entity	Description	Net Asset Account
1	Parish	3920.000.00.00.00P: Retained Earnings N-1-000-00-00-3920-00

For a School:

End of Year

The current month is: June 2020 [Watch Help Video!](#)

Entity	Description	Net Asset Account
2	School	3920.000.00.00.00S: Retained Earnings N-2-000-00-00-3920-00

If the 3920.000.00.00 account is NOT the account in Net Asset Account column, click on the account that is displayed and a drop down menu will appear. From the list, select account 3920.000.00.00. Click the **Submit** button and the program will close your books for the year.

The program will return to the main screen. Please verify that the date, in the upper right corner of the ParishSOFT screen is now **July 2020**.

If you have any questions or would like assistance, please contact:

Patrick Warner at pwarner@archatl.com or 404-920-7410.