

Part 3 –Financial Administration

The Church holds and administers temporal goods to serve the mission that the Lord has entrusted to the Church. Financial activities provide a process to properly record the life of the church and identify the assets given into its care. These activities can then be reported in a fair and consistent manner to show how the resources given into our care are used.

The Archdiocesan Chancellor/Chief Financial Officer and finance staff are resources and available to provide technical assistance or make recommendations of other resources that are available to meet your needs.

Policy 1. Finance Councils

The Archdiocese is required by Canon Law to have a finance council.

Each parish is required by Canon Law to have a parish finance council. The role of the finance council is fiscal stewardship. The finance council serves as an advisory body to the Bishop or pastor, in the administration and stewardship of finances, budget, facilities, fundraising, and long-range financial planning.

- **Formation** – The Archdiocese/parish finance council is appointed by the Bishop/pastor and is to include people with expertise in banking, finance, accounting, and property management.
- **Responsibilities:**
 - To advise the Bishop/pastor on all matters of financial concern
 - To discern, through prayer and study, the proper stewardship of the parish funds and assets
 - To monitor and help interpret the monthly financial statements and budget compliance
 - To ensure that reconciliation of bank statements occurs on a monthly basis
 - To recommend and monitor and annual budget process
 - To account to the Archdiocese/parish, at least annually, the financial condition of the Archdiocese/parish

The finance council does not:

- Establish priorities of the diocese or parish
 - Determine direction of programs of the diocese or parish
 - Hire, supervise or evaluate personnel
 - Determine what to cut or eliminate when trying to balance the budget
- **Responsibilities with regard to Alienation and Acts of Extraordinary Administration**
 - **For Alienation of Stable Patrimony and Acts of Extraordinary Administration** requires the permission of the Ordinary and in some cases the Holy See, if beyond the prescribed financial limits.
 - **Maximum and minimum sums for alienation and for acts of Extraordinary Administration for 2008 are as follows:**

- Maximum: \$5,699,000
 - The minimum limit for alienation and any transaction which, according to the norm of law, can worsen the patrimonial condition: \$570,000.
 - For **other juridic persons subject to the Diocesan Bishop** (*i.e. parishes/missions and agencies of the Archdiocese*) the new maximum sum for alienation is \$5,699,00 (raised from \$5,475,000) and the minimum is \$28,495 (raised from \$27,373) or 5% of prior year ordinary annual income, whichever is greater.
 - Parishes and agencies must seek the authorization of the Archbishop for any acts of Alienation or Extraordinary Administration which are greater than 5% of ordinary annual revenue.
- **Alienation** of property is when a juridic person divests itself of all or part of its stable patrimony.
 - A parish is a **juridic** person
 - **Stable patrimony** is defined in canon law as that property which is dedicated to the life of the church such as the church building and other property used in the daily course of life of the parish. This may not include land donated in a distant location which might be later sold.
 - **Acts of Extraordinary Administration**
 - Acts of Extraordinary Administration are:
 - Initiating a program of financing by the issuance of instruments such as bonds, annuities, mortgages or bank debt in excess of minimum set in accord with canon 1292.1
 - Resolving an individual or aggregate claim(s) by financial settlement in excess of the minimum amount set in accord with Canon 1292.1
 - Engaging in the regular management or operation of a trade or business that is not substantially related to the performance of the religious, spiritual, educational or charitable purposes of the Church, for the purpose of generating income to carry on such activities
 - Entering into any financial transaction or contractual agreement, the terms of which address matters involving an actual or potential conflict of interest for the diocesan bishop, vicar(s) general, Episcopal vicar(s), auxiliary bishops(s) or diocesan finance officer

- Filing a petition of relief under Title 11 of the United States Code (commonly referred to as the United States Bankruptcy Code).

Policy 2. Budgeting

Each juridic person (Archdiocese, parish and its missions, and agencies) will complete an annual budget.

- **Process**
 - The fiscal year runs from July 1- June 30. The annual budget will be compiled and completed by May 30th of each year.
 - A copy of parish and agency budgets shall be forwarded to the Archdiocesan Chief Financial Officer by June 30th of each year.
- **Accountability**
 - There shall be, at a minimum, year-to-date quarterly financial statements provided to the Finance Councils/ Committees of each entity within 30 days after the end of each quarter.
 - Quarterly Financial statements of year-to-date versus budget are to be sent within 45 days at the end of each quarter to the Archdiocesan Finance Office.
 - The annual financial statement is to be shared with the Finance Councils/Finance Committees within 60 days of the close of the fiscal year.
 - Each Parish and Mission will provide an Annual Financial Report (Report Requirements- **Appendix F-1**), to the Archdiocesan Finance Office within 60 days of the close of the fiscal year.

Policy 2 - Accounting shall be completed in accordance with Accounting Principles and Procedures for Church and Church -Related organizations and generally Accepted Accounting Procedures and the Archdiocesan procedures below.

Procedures:

- **Accounting systems**
 - The Archdiocesan Accounting System is LOGOS
 - For parishes of larger than 100 families, the LOGOS Accounting Software is required.
 - For parishes and mission of 100 families or less, Quick Books may be used. Each parish/mission will use the same chart of accounts (Appendix F-2) which can be amended to fit local need with the approval of the Archdiocesan Finance Office.
- **Financial reporting**
 - **Monthly-** Archdiocesan Assessment Cash Flow Report, along with payment, is to be sent to the Archdiocesan Finance Office no later than the 25th of the following month. (Appendix F-3)

- **Year- To - Date Financial statements** of Balance Sheet, income and expense statements are due within 45 days after the end of each quarter, to the parish and the Archdiocesan Finance Office.
- **Annual Financial Statements** are due within 60 days after the close of the fiscal year, to the parish and the Archdiocesan Finance Office
 - Annual Report Requirements provided in Appendix F-1

- **Archdiocesan Assessment**
 - The Archdiocesan Assessment (formerly called stewardship), is **14%** of the parish revenues.
 - **Exemptions** from the assessment are granted for the following:
 - **Revenue exemptions:**
 - **Building Funds** which have been approved by the Office of the Archbishop (**LOGOS code range- 4361-000-32 to 4371-000-32**)
 - **Investment and interest Income**
 - **USCCB Special Collections and Diocesan-wide approved special collections**(funds held for others)
 - **Parish Rebates** received from annual appeal efforts.
 - **Approved Subsidy** to parishes from the Archdiocese.
 - **Exemptions related to expenses:**
 - **Financial Support of Archdiocesan Schools** is granted for the **amount of subsidy or donation that a parish gives directly to an Archdiocesan School from current income** (volunteer hours, donation of supplies and other in-kind contributions are not part of the exemption.) Parishes are required to provide documentation in accordance with the procedure in the Archdiocesan Financial Administration Policy.
 - **Parish Special Event Fundraisers** are assessed **only on net of income and expense**

- **Procedures for reporting claim of exemption on the Archdiocesan Assessment Cash Flow Report (Appendix F-3)**
 - **Building Fund exemption** is granted by the Archbishop, usually in relation to a specific fundraising plan approval. (See Construction Guidelines for how to apply for this exemption.)
 - **Documentation** for initial claim of exemption includes copy of the Archbishops' approval letter. Future reports should the effective date the exemption begins and the date the exemption ends.

- **Parish Special Event Fund Raising-** income is reported as revenue and the expenses for the event are recorded in the “*adjustments to income*” section of the Archdiocesan Assessment Cash Flow Report. **Please identify the specific special event.**
- **Exemption for Archdiocesan Catholic School Support** requires the at least one of the following forms of documentation when claiming an exemption:
 - With the first claim of exemption in a fiscal year, provide documentation of the Pastor’s/ Parish Leader’s decision, including any minutes which reflect consultation and dialogue with the Parish Finance Council, to provide financial support to the parish’s school including an estimated dollar value of this support. This amount may be claimed 1/12th at a time, **but must be adjusted to actual in the final month of the fiscal year.** Please include documentation of any adjustments with the final month’s report. For questions regarding documentation please contact the Archdiocesan Chief Financial Officer.
 - Copy of minutes where a specific decision to donate is made, along with copies of the check written for the donation.
 - Documentation of a decision to take up a parish special collection along with copy of the check making the donation
- **Archdiocesan Subsidy** is automatically recorded in the adjustment section if using the new LOGOS custom report provided by the Archdiocese).
- **Interest and Investment Income-** is recorded in the adjustments section and should match line E in the Total Revenue section of the report (input automatically if using LOGOS custom report provided by the Archdiocese.)
- **Parish Rebates** - are recorded in revenue and automatically exempted if using the new LOGOS report form.

NOTE: No exemption will be honored if the documentation does not accompany the report.

Annual Financial Report

Name of Parish or Agency: _____ Date: _____

Name of Pastor or Agency Director: _____

Name of person preparing report: _____

Part 1:

- a. Please attach a copy of the LOGOS generated year –end financial statements including balance sheet, income and expense statement, and special collections report for fiscal year.
- b. Please attach a list of all bank and investment accounts including account number, address and approved signers
- c. Provide a summary of any significant changes in the parish financial situation that occurred during the year
- d. Complete the Workers’ Compensation Audit and include with this report. The form for this audit will be sent out as soon as it is received.

Part 2:

- a. Complete the internal control questionnaire

Section I

Control Objective: To ensure that all parish bank accounts are properly managed.

- | | | | |
|-------|---|-----|---|
| Y | N | 1.1 | Are all parish bank accounts reflected on the Annual Parish Financial Report? |
| Y | N | 1.2 | Is the pastor listed as an authorized signatory on all parish bank accounts? |
| Y | N | 1.3 | Are the financial transactions of all parish bank accounts reflected accurately the parish's financial records? |
| _____ | | 1.4 | Who receives the bank statements unopened and reviews the statements and cancelled checks? |
| Y | N | 1.5 | Does the Finance Council periodically review the bank statements? |
| Y | N | 1.6 | Are all bank balances reconciled monthly with the parish book balances?
How? _____ |

- Y N 1.7 Are all reconciling items substantiated by adequate supporting evidence?
- Y N 1.8 Who reviews and approves in writing, each reconciliation ?

- Y N 1.9 Are reconciling adjustments recorded in the parish financial records each month, as required?
- Y N 1.10 Are detailed records kept on all certificates of deposit and investments owned by the parish?
- Y N 1.11 Is interest income earned on parish bank accounts, savings instruments and certificates of deposit when they mature recorded as income in the parish financial records on a regular basis?
- Y N 1.12 Are all personal funds completely and totally segregated from parish funds?
- Y N 1.13 Are all checks restrictively endorsed "For Deposit Only" with the parish name and account number?
- Y N 1.14 Were any checking, savings or other accounts closed within the last year?

If yes, provide the following information as an addendum to the Representation letter.

Type of Account(s)_____

Account No: _____

When Opened? _____

When closed? _____

Amount(s) _____

Transferred to: _____

Account No: _____

Note: Does the Parish have a Portfolio, if YES; take copies of the latest Investment statement for the audit folder.

Section II

Control Objective: **To ensure that collection receipts are properly managed.**

- Y N 2.1 Is the offering of each Mass safeguarded, by the transfer of funds from Church to count room by more than one person?
- Y N 2.2 When is the collection counted? _____
- Y N 2.3 Are all undeposited funds safeguarded until they can be counted and deposited? Where? _____
- Y N 2.4 Are the Mass collection receipts counted by Lay volunteers? How many counters? _____
- Y N 2.5 Do the volunteer individuals operate on a rotating schedule?
- _____ 2.6 Who supervises the collection counting and bank deposit process? _____
- Y N 2.7 Is a Collection Summary Form completed each week?
- Y N 2.8 Does the Collection Summary Form provide the necessary breakdown of envelopes, currency, checks and coins?
- Y N 2.9 Does the Collection Summary Form provide adequate detail on the types and amounts of income to allow for proper coding of these items in the parish financial records?
- Y N 2.11 Are special collections and parish special collections such as building funds, accounted for separately?
- Y N 2.12 Are the collection receipts deposited intact into the bank on a timely basis?
When? _____ How? _____
- Y N 3.13 Does the parish maintain parishioner contribution cards (Manual or Automated)?
- Y N 3.14 Does the count team verify that the contents of the offering envelopes are identical to the amounts written on the envelopes by the parishioners?
- Y N 3.15 Are different individuals involved in recording contributions than those who count the collections?
- Y N 3.16 Does the parish maintain an automated or manual accounting system? (circle one)
- Y N 3.17 If automated, is system on computer properly backed up?
- Y N 3.18 Is backup data maintained away from computer in an offsite location or fireproof safe?

PARISH NAME

DATE

Dear Archbishop Schwietz,

Enclosed is a copy of the 200_ fiscal year annual report. As Pastor (Administrator) of _____, one of my primary functions is to be a good steward of the resources that have been entrusted with me to serve the people. The attached financial statement is an all-inclusive report except for the exceptions noted on the following page(s).

In making this report I personally attest the following:

- 1) The annual financial report, including the accompanying schedules, to the best of my knowledge and belief, is an accurate and complete accounting of our finances including all revenues, expenses, savings, investments, and loan balances. The Pastor/Parish Director/Pastoral Leader/Agency Director and the Archbishop, where he is sole member, is signatory on all accounts which use the parish EIN number.
- 2) I am responsible for implementing and maintaining programs and controls consistent with those in the Diocesan Administrative Manual to prevent and detect fraud. I am not aware of any instances of fraud or theft in the past year, except for those, if any, already reported to the Diocesan Attorney, Risk Manager or Fiscal Service Office. There are no current or potential claims or assessment against the parish.
- 3) There have been no communications from regulatory agencies (federal, state, or local authorities for example tax penalties or liens) concerning non-compliance or deficiencies that could have a financial impact on the parish. By virtue of its listing in the current edition of the *Official Catholic Directory* and given the USCCB Group Ruling, this parish is an exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize this parish's tax-exempt status or that of the Parish, the Archdiocese of Anchorage and all activities subject to tax on unrelated business income or excise or other tax have been disclosed to you. All required filings with tax authorities are up to date.
- 4) The parish has title in the name of the parish to all parish-owned real estate as well as appropriate ownership documentation regarding all other parish assets, including motor vehicles, computers, copy machines, etc.
- 5) There is no arrangement with any financial institution involving restriction of the parish's cash balances, and the parish has no outstanding debt or loans other than those that have not received the approval of the Archbishop.
- 6) There is no commingling of personal and parish funds.
- 7) I have a parish Finance Council in place, in accordance with the *Code of Canon Law* (canon 537) that meets regularly to discuss and review actual and budgeted financial results and the internal controls of the parish.
- 8) I have a Parish Pastoral Council, in accordance with the Mandate of Archbishop Schwietz.
- 9) The parish received an annual report of parish finances for the fiscal year ending on June 30, 2007 on _____.
- 10) By no later than November 30 of this calendar year I will make an annual report of the parish financial results for the fiscal year ending June 30, 2008, to the parish community.

11) I attest that to the best of my knowledge all financial management of parish temporal goods has been in conformity with the guidelines of the Archdiocese of Anchorage.

I acknowledge, as Pastor (Administrator), that I share with the Archbishop of Anchorage, the ultimate responsibility for both the spiritual welfare of the people of God in my care and the temporal welfare of all parish assets. I affirm, with respect to the care and use of parish funds that any and all material decisions have been and will be made in accordance with applicable universal Church as well as Diocesan laws, norms, and policies.

Any exceptions to the above are noted here:

Signed:

_____ Date: _____
(Pastor/Administrator)

Acknowledged by:

_____ Date: _____
(Chair: Parish Finance Council)

LOGOs CHART OF ACCOUNTS- GUIDELINES

1000'S - ASSET ACCOUNTS

ASSETS

	acct type	fund	
10XX - CASH ACCOUNTS	A		
11XX - SAVINGS ACCOUNTS	A		
12XX - INVESTMENT ACCOUNTS	A		
13XX - OTHER CURRENT ASSETS (Prepaid Expenses)	A		DEBIT (+)
Increases			
14XX -			CREDIT (-)
Decreases			
15XX - ACCOUNTS RECEIVABLE (DUE FROM)	A		
16XX - FIXED ASSETS	AO		
17XX - OTHER LONG TERM ASSETS	AO		

2000'S - LIABILITY ACCOUNTS

LIABILITIES

	acct type	fund	
20XX - Accounts Payable Accounts	L	▼	
27XX - Notes Payable	LL		DEBIT (-)
Decreases			
28XX - Building Funds (2802-000-32) specific	LT	32	CREDIT (+)
Increases			
29XX - Trust Liability – Diocesan Special Collections	LF	05	

3000'S - FUND BALANCES

FUNDS

	acct type	fund	
		▼	
3001 - Fund Balance – unrestricted	F	00	
3101 - Fund Balance – invested in fixed assets	F	01	
3201 - Fund Balance – temporary restricted	F	02	DEBIT (-)
Decreases			
3301 - Fund Balance - permanently restricted	F	03	CREDIT (+)
Increases			

4000's - INCOME/REVENUE ACCOUNTS

INCOME

	acct type	fund	
		▼	
4001-4059 - Weekly Collections/ Holy Days	I	whichever it applies to	
4060-4069 - Fee Income/Stipends	I	▼	
4070-4099 - Donations/Gifts	I		
4100-4199 - Interest & Investment Income	I		
4200-4299 - Miscellaneous/General Income	I		DEBIT (-)
Decreases			

4300-4320 - Special Events Income	I		CREDIT (+)
Increases			
4361 - Building Fund Income	I	32	
4400-4449 - Religious Ed. Program Income	I		
4450-4499 - Youth Program Income	I		
4500-4599 - Subsidy Income	I		
4600-4625 - Parish Specific Special Collections	I		

5000's – EXPENSE ACCOUNTS

EXPENSES

acct type fund

whichever it applies to



5001-5049 – Salary/Personnel Expense	E		
5050-5099 - Contract Services Expense	E		
5100-5149 - Insurances	E		
5150-5199 - Employee Benefits	E		
5200-5299 - Supplies	E		
5300-5349 - Repairs & Maintenance	E		
5350-5399 - Utilities Expense	E		
5400-5449 - Continuing Education/Travel	E		
5450-5499 - Plant & Equipment	E		DEBIT (+)
Increases			
5500-5509 - Subsidy Expense	E		CREDIT (-)
Decreases			
5510-5515 - Charity Disbursements	E		
5525-5549 - Vehicle Expense	E		
5550-5574 - Other Expenses/Miscellaneous	E		
5575-5599 - Cost of Goods Sold	E		
5600-5649 - Religious Ed Program Expenses	E		
5650-5699 - Other Programs Expenses	E		
5700-5799 - Assessments/Diocesan	E		
5800-5820 - Fund Raising Expenses	E		

DEPOSITS – DEBIT A CASH ACCOUNT (1000) and (+)
 CREDIT A REVENUE ACCOUNT (4000) (-)

ACCOUNTS PAYABLE – CREDITS A CASH ACCOUNT (1000) and (-)
 DEBITS AN EXPENSE ACCOUNT (5000) (+)
 (usually) unless Special Collection, or note payable-principle

PAYROLL – CREDITS A CASH ACCOUNT (1000) and (-)
 DEBITS AN EXPENSE ACCOUNT (5000) (+)

JOURNAL ENTRIES – Should only be done to reverse a transaction such as a Deposit done twice or to re-class an amount posted to wrong account. Example Below:

You made a deposit to checking account 1:		debit	credit
\$500 was posted to: Cash acct	1010-000-00	500.00	
Offeritory collections	4001-100-00		(500.00)

You decide it should have been a Donation:

Your Journal entry would be:

(+) takes out	Offeritory collections	4001-100-00	500.00	
(-) puts into	Donations	4071-100-00		(500.00)

Archdiocesan Assessment Calculation

PARISH /MISSION/CASH FLOW REPORT

PARISH: _____

FOR THE PERIOD:BEGINNING: _____ AND ENDING: _____

TOTAL REVENUE:

- a. Weekly Collections \$ _____
- b. Other Donations & Gifts _____
- c. Subsidy from Archdiocese _____
- d. Fee Income _____
- e. Interest & Investment Income _____
- f. Building Fund Income _____
- g. Parish Specific Special Collections (not Diocesan) _____
- h. Annual Appeal Parish Rebate Income _____
- i. Special Events Income _____
- j. Other Income _____
- k. Total Revenue:** \$ _____

Adjustments to Income:

- l. Special Approved Exempt **Income** (*provide backup*) (_____) (type _____) approved period Beginning: _____ & ending _____
- m. Automatic Exempt **Income** (AOA Subsidy/Interest/Appeal Rebates) (_____) _____
- n. Deductible **Expenses:** (Cath School Donation/Spec.Event Exp) (*provide backup*)(_____) _____
- o. Total Adjusted Revenue:** \$ _____ X 14% = \$ _____

Documentation Attached for lines:
 _____l (check)
 _____n

TOTAL EXPENSES:

- p. Personnel Expenses (salaries, stipends & benefits) _____
- q. Supply Expense _____
- r. Facility/Plant & Equipment Expense _____
- s. Archdiocesan Assessment Paid _____
- t. All Other Expenses _____
- u. Total Operating Expenses:** \$ _____
- v. Principal Payments on Loans & Other Major Capital Expenses** \$ _____
- w. Net Cash Flow** \$ _____

PREPARED BY: _____ DATE: _____

- Notes: 1. No school income or expenses should be reported here.
 2. All other funds should be reported here; i.e. operating funds, plant funds, other funds.

Instructions and Definitions:

Following are specific directions for each line on the Parish Financial Summary/Cash Flow report form

Revenue:

- a. **Weekly Collections:** Record on this line the total of all gifts (cash and checks - envelope use or not) received at the parish in the Saturday and Sunday and Holy Day Offertory Collections for the monthly period being reported.
- b. **Other Donations and Gifts:** Record here all other cash gifts to the parish not received in the Offertory Collection. Do not record non-cash gifts or gifts of real property here. Record these under J and add a note.
- c. **Subsidy from Archdiocese:** If your parish receives a monthly subsidy check from the Archdiocese, record the monthly total here.
- d. **Fee Income:** Record income for goods or services on this line. Fees for religious education programs, facility rental, use of equipment etc... should be included in this line.
- e. **Interest and Investment Income:** Earnings from investments and interest bearing accounts, for the monthly period should be recorded on this line. Do not record principal amounts, only earnings. Earnings on all operating and regular savings funds should be included here.
- f. **Building Fund Income:** Record on this line all income to the building fund, if your parish has an approved building fund. All income to the building fund, regardless of its source, should be reported here.
- g. **Parish Specific(not Archdiocesan) Special Collections** are subject to the Archdiocesan Assessment. These must use a revenue or income account code. Archdiocesan-wide Special collections are not recorded here. They are recorded in a liability account.
- h. **Annual Appeal Parish Rebate Income-** record here any amounts received as rebate from the Archdiocese as a result of your parishioners annual appeal contributions.
- i. **Special Events Income:** Record the gross income (all income, expenses may be deducted below) from special event fund raising held during this report period on this line. Generally, this line should be reserved for major events, however if your parish keeps details on smaller events, you may list them here.
- j. **Other Income:** Record any and all other income received during the period on this line. Cash Proceeds realized from Non-Cash Gifts: If the parish sold real property or goods which were donated either during the report period or previously, record the net proceeds on this line. Do not report the value of non-cash gifts on these quarterly reports until there is a cash realization of the gift. (examples of non-cash gifts are land, stock, art, personal items)
- k. **Total Revenue:** Add lines "a" through "j" and enter the total on this line. (This represents all revenue to the parish during the month beginning reported.)

Adjustments to Income:

l. Approved Building Fund Income(i.e. Building fund): If you have an approved building program, you may adjust the monthly revenue by deducting the amount reported above in item "f". Please list the type of special exemption and note the dates of the approved period. (See Parish Financial Administration Policy, July 2008). Approval for building programs comes directly from the Archbishop's Office and follows the Archdiocesan guidelines for building projects. If you cannot provide documentation for your building fund, please contact the Chief Financial Officer to determine next steps. Without documentation, no exemption will be allowed.

m. Automatic Exempt Income(AoA Subsidy/Interest/Appeal Rebates)- record on line "m", the total from lines "c", "e", and "h".

(Note: Parishes with schools are not required to report school income and expenses in this report. Thus, parish school revenue is not subject to the 14% Archdiocese Assessment)

n. Deductible Expenses - Archdiocesan Catholic School donations- Record the amount donated to Archdiocese Catholic Schools and attach documentation(See Parish Financial Administration Policy, July 2008). Special Events Expenses: Calculate the expenses of special events fundraising (related to the figure on line "i" above) for the report period, and enter that figure on this line. These expenses may be deducted from monthly income to arrive at the parishes' adjusted revenue **Total Adjusted Monthly Revenue**: Subtract lines "l, m, and n" from line "k" and enter that figure on line "o" to calculate the adjusted parish income for the month. Fourteen percent (14%) of the revenue listed on line "o" is the amount of parish revenue that is expected to be sent to the archdiocese.

o. Total Adjusted Revenue: Use this number as the base for calculating the Archdiocesan Assessment of 14%.

Expenses:

p. Personnel Expenses (salaries, stipends, benefits): Enter the total costs for the monthly period for all compensated employees of the parish on line "p".

q. Supply Expense- total of all supply expenses

r. Facility/Plant and Equipment Expense- total of all facilities expenses

s. Archdiocesan Assessment Paid to Archdiocese: Record Assessment payment made to the Archdiocese during the period on this line. Report only actual payments made on line "s", not calculated figures from line "o".

t. All other Expenses: Record all other parish operating expenses for the month on this line. This report is meant to be a summary, therefore all operating expenses except those noted in lines "p through s" should be combined for a total on line "t".

- u. **Total Operating Expenses:** Add the figures on lines "p" through "t" and enter on this line. This is the figure that represents all operating expenses for the period being reported.
- v. **Principal Payments on Loans and Other Major Capital Expenses:** If the parish made principal payments on outstanding loans during the period reported, record that figure here. Any other major expenses not recorded above should also be listed here so that an accurate cash flow calculation can be made in line "w".
- w. **Net Cash Flow:** Subtract lines "u" and "v" from line "k" to calculate the net cash flow of the parish for the period being reported. Do not use the number on line "o" in this calculation.

Please note that parish school revenues and expenses are excluded from this summary report. However, the annual financial report of the parish shall continue to include financial information for the school. (Only three parishes in the Archdiocese are affected.)

The person who prepares this report should sign and date it so that questions can be directed to the appropriate individual if necessary.