DIOCESE OF OGDENSBURG

Parish Administrative Services Office

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Frequently Asked Questions

Listed below are questions frequently asked of this office by parishes, schools, and other diocesan entities. Should you have a question not listed here, please contact this office either by email (vthouin@dioogdensburg.org), by telephone (315) 393-2920 ext. 214, or by cell (315) 528-1302.

1. Q: I need a new Chart of Account Number. Can I create a number on my own?

   A: No. You can only add sub-accounts to the main accounts. Please contact the Parish Administrative Services Office for more information.

2. Q: The Development Office sent us a letter stating the total of our Bishop Fund collection. How do I record the Bishop Fund figure per the Development Office?

   A: You would make a journal entry adjustment to your books by debiting account 766 Bishop's Fund Expenditure and crediting account 666 Bishop's Fund Receipt by the amount of the Bishop Fund that is listed in the Development Office letter.

3. Q: Our parish has a Deposit & Loan Fund account that earns interest, but it stays in the loan account. How do I record this interest earned in our parish books?

   A: You would make a journal entry adjustment dated the same date the interest was earned each time you receive a statement from the Diocese of Ogdensburg. In the journal entry you would debit account 710 Amounts Loaned to the Diocese and credit the interest account either 258 for the parish or 418 for a school. Remember, the interest earned for the Mass Stipend Account should be recorded to the Parish Checking Account interest.

4. Q: Our parish has a savings/money market/CD that earns interest, but it stays in this bank account. How do I record this interest earned in our parish books?

   A: You would make a journal entry adjustment dated the same date the interest was earned each time you receive a statement from the bank. Since all bank accounts are listed on the Balance Sheet as an asset, you would then debit the savings account and credit either interest account 258 or 418. Remember, the interest earned for the Mass Stipend Account should be transferred to the Parish Checking Account and recorded to the parish interest account 258.

5. Q: Our parish is planning to pay Christmas Bonuses this year. Do we have to record this type of payment in payroll?

   A: Yes. You must, at a minimum, withhold Social Security and Medicare taxes from all employees paid as well as remitting the employer portion of the same. If Christmas bonuses are to be paid by cash, then it should still go through the payroll system for each employee, so the proper taxes can be deducted. Each employee should sign for his or her receipt of cash, and this list of signatures is then filed for backup with the check. Also, bonuses should be run as a separate check from the regular payroll check.

   IRS publication 15 states, "Wages subject to Federal employment taxes include all pay you give an employee for services performed. The pay may be in cash **or in other forms**. It includes salaries, vacation pay, **bonuses**, commissions, and fringe benefits. **It does not matter how you measure or make the payments.**"

   IRS publication 525 Employee Compensation states, "If your employer gives you a turkey, ham, or other item of nominal values at Christmas or other holidays, you do **not** have to include the value of the gift in your income. However, if your employer gives you **cash, a gift certificate, or a similar item that you can easily exchange for cash**, you include the value of that gift as extra salary or wages regardless of the amount involved.

6. Q: Should I keep all of the forms that each employee fills out?

   A: Yes. All employees (including priests) should have a separate folder containing W-4s, IT-2104s and I-9s. Lay employees should also have a copy of his/her Lay Employee Retirement form (if eligible), Disability and Health Insurance, and all other forms an employee signs for you (including time cards). The parish should separate the employees' folders by active and terminated employees.

7. Q: Do all of the lay employees (hourly and salaried) have to complete a time card, or do just the hourly employees?

   A: Federal and New York State labor laws state, "All lay employees (hourly and salaried) must turn in a signed time card as a condition of employment." The employee must sign these time cards, and their immediate supervisor signs and/or initials to verify hours worked. These time cards must be submitted to the supervisor the next business day after the pay period ends. Payroll should not be processed until the payroll clerk receives all signed time cards.

   Too properly document hours worked for hourly employees and to form the basis for preparation of the hourly payroll, it is suggested that hours worked by each employee be recorded on a daily basis. (Time in at start of work day, time out for lunch, time in from lunch and time out at the end of work day.) Time cards should also be retained for 3 years for future reference. Any hourly wage employee working over 40 hours in a pay period must be paid at time and a half. Note: vacation time and sick time don't count towards the 40 hours worked in a pay period. Salaried employees only need to indicate days worked on their time card, and a calendar could be used for this purpose by marking it with a (W) for days worked, (V) for vacation days and (S) for sick days. The salaried employee should print their name at the top of the calendar and a photocopy of the calendar time card needs to be signed at the end of each pay period. This photocopy needs to be turned into their supervisor for approval.

8. Q: Can the parish/institution pay volunteers and/or give them a cash gift?

   A: No. Volunteers do not receive pay or other compensation for their service to the parish. Volunteers may receive gifts of nominal value (i.e. turkey, ham, etc.) at Christmas or other holidays, but they may not receive any form of compensation (i.e. cash, bonuses, a gift certificate, etc.) for their services. If an individual is going to be paid for their service, then they must be treated as an employee.

9. Q: Who should be covered on Unemployment, NYS-45, 941 and census forms?

   A: First, for the unemployment and census forms, they cover all your organizations lay employees' and not the priests. This is also true for the Diocesan Lay Employees' Pension Plan except the lay employee must be there one year, work 500 hours per year and must be 25 years of age. The Diocesan Disability Plan covers all lay employees except there may be exemptions like a part-time employee may have DBL through another employer, or employee in "casual employment" - (this means an employee who normally works in a different occupation, who may be hired for a day or less). Forms 941 and NYS-45 include all Diocesan priests (regular or weekend help) and lay employees. Those not reported on form 941 and NYS-45 are priests that belong to a religious community since their check is always made payable to the community. Also, not covered are independent contractors, since they are paid as a vendor and are reported on form 1099.

10. Q: I'm the bookkeeper or treasurer for a particular bank account. Can I be a signer on this account?

    A: No. The functions of the bookkeeper and duly authorized signer of checks shall not be performed by the same person. The function of signing the checks is the pastor's responsibility. To assure the pastor's access to these banking records, diocesan policy requires that this signature be authorized for all parish/institution accounts. Also, his signature should be on all licenses and agreements.

11. Q: Can the pastor's signature stamp be used to sign checks? Can the pastor sign blank checks?

A: No. Any signing of checks before completely filling in the date, the payee and the dollar amount is dangerous and presents unfair temptation to others. To reduce the possibility of unauthorized use, checks should not be signed by a signature stamp or in advance. The use of either practice increases the risk of theft and decreases the pastor's ability to monitor the account's activity. The pastor should review all prepared checks and invoices before signing the checks.

12. Q: What reports should I run on a monthly basis?

A: Since QuickBooks Pro software is date driven, you should complete the bank reconciliation and print it in detail for the period ending before running any financial reports. Monthly financial statements should be prepared and reviewed by the pastor, the Parish Pastoral Council and/or the Pastoral Finance Council on a regular basis. The financial statements will help with future financial planning and decision-making for the parish. The following is a list of monthly financial statements that should be run: Year-to-date Trial Balance, Balance Sheet for the period ending, Year-to-date Profit and Loss (Income) Statement, Year-to-date Budget vs. Actuals and Year-to-date Detail General Ledger. Since the Detail General Ledger report is a long report, it may be better for the parish to run this report on a monthly basis only. If an archive of data is performed, the above reports must be produced for the period being archived along with a data backup of the software before the archive is performed. The backup disk(s) should be labeled as follows: The parish name, software name and version, date of backup and marked as archive of data for the following dates: XX/XX/19XX to XX/XX/20XX. Note: there is no need to archive the QuickBooks data, since most media back-ups can handle large file sizes.

13. Q: Do I have to wait until fiscal year end to see if I balance or can I do this on a monthly basis?

A: You can use your monthly financial statements (see previous question) to see if your parish is in balance. You will first need your Balance Sheet for June 30, 20XX from the previous fiscal year. The bank account balance minus any liabilities (payroll and accounts payable) will give you an adjusted bank balance (Cash on Hand), and then this adjusted bank balance will be added to your Profit and Loss Statement's Total Income. Then take the period ending Balance Sheet bank account balance and subtract the liabilities (payroll and accounts payable), then add this adjusted bank balance (Cash on Hand) to your Profit & Loss Statements Total Expenses. These two new totals should agree with one another. Please see the following example:

Balance Sheet dated June 30, 2004 lists the following balances:

Parish Checking:	$1,200.00
Payroll Liabilities:	$300.00
Accounts Payable:	$100.00

Balance Sheet dated October 31, 2004 lists the following balances:

Parish Checking:	$1,700.00
Payroll Liabilities:	$100.00

Accounts Payable: $0.00

The parishes Profit and Loss (Income) Statement for the period of July 1, 2004 to October 31, 2004 list the following totals:

Total Revenue (Income): $30,100.00
Total Expenditures: $29,300.00

Using the above three reports, the following calculation would be performed to show the period of July 1, 2004 to October 31, 2004 is in balance:

1. Taking the parish checking account balance from the June 30, 2004 Balance Sheet and subtract the payroll liabilities and accounts payable from parish checking which will result in a total of $800.00 cash on hand.
2. Taking the parish checking account balance from the October 31, 2004 Balance Sheet and subtract the payroll liabilities and accounts payable from parish checking which will result in a total of $1,600.00 cash on hand.
3. Add the June 30, 2004 cash on hand of $800.00 to the total revenue of $30,100.00, which will result in $30,900.00 total cash receipts.
4. Add the October 31, 2004 cash on hand of $1,600.00 to the total expenditures of $29,300.00, which will result in $30,900.00 total cash expenditures.
5. See numbers 3 and 4 above results of the totals agree, which mean that the parish is in balance for the period. Now do the same for your Mass Stipend Account and Cemetery Account.

I have created an Excel spreadsheet that is located on the Pastoral Documentation site that would help you in calculating these totals. Select Offices, then select Parish Administrative Services, then select Spreadsheet for Monthly Balancing of QuickBooks Parish, Cemetery, and Mass Account Reports. Note: there are two versions of the spreadsheet 1) Excel 97-2003 and 2) Excel 2007, so just select the Microsoft Excel version that is on your computer.