Diocese of Winona-Rochester

FINANCE TIMES

ISSUE 13

SPRING 2019

For Parishes, Schools and Cemeteries throughout the Diocese of Winona-Rochester

From the Desk of the Finance Officer

Andrew D. Brannon, CPA, Chief Finance & Administrative Officer ● abrannon@dowr.org

Hello Everyone,

It is hard to believe that our fiscal year will soon draw to a close in two short months. With that in mind, this edition of the *Finance Times* focuses on information to help with your year-end close. Look at the enclosed tips, which provide a jumpstart on cleaning up your year-end balances. For additional help, just get in touch with Cindy Olson, Parish Support Specialist for the Diocese, or sign up for the in-person training sessions coming up.

First up is the ParishSoft training session to be held on April 30 in Blue Earth. ParishSoft personnel will present three separate tracks that allow you to key in on the information you need the most. For parish staff, you can move back and forth between ParishSoft software sessions on Accounting tips/techniques or Family Suite techniques for processing parish member data pertinent to running your parish. For priests, we've also added a third track specifically for them. ParishSoft personnel will teach priests how to access key financial information to help them manage their parish. The sessions for priests aren't about data entry, but are sessions to teach them to access key financial reports from the data that you have already entered. Please encourage your priest to take advantage of this training specifically tailored for them.

Training sessions devoted to different topics will take place on June 25th in Fairmont or June 26th in Austin. You can choose to attend either session. These sessions are similar to last year's scenario based discussions which led you through many of the questions and challenges that you encounter on a daily basis. New Scenarios, new tips and new techniques!

Once again, thank you for all that each of you do for your parishes and for the greater good of the Diocese of Winona-Rochester. We hope to see you at one of our upcoming training sessions. See page 3 for more information.

Fiscal Year End Reminders

Ann Ringlien ● aringlien@dowr.org

A few reminders from Ann Ringlien in the Finance Office as we near the end of our fiscal year:

- Funds collected for any Special Collections should be submitted to the Diocesan Finance Office in a timely manner, usually within two months of the collection date. Our office is a pass-through, and getting the money to us in a timely fashion helps us in meeting the deadlines we have on our end to submit the monies to the organizations that depend on these collections.

- Invoices and monthly statements (both from the *Diocese of Winona-Rochester* and *Pension Plan for Priests*) are sent electronically via email on the 1st of each month. If there have been any changes to email addresses, be sure to let Ann Ringlien know. If you do not think you are receiving your statement electronically, please let Ann know as soon as possible so that she can get the information updated.

- The annual billings for Fiscal Year 2019-2020 will be emailed to you in of July. This will include invoices for Parish Assessment, Priest Pension Assessment, Self-Insurance, Clergy Ed, and Priest Health Insurance.

The 2019 Special Collections Remittance Form is shown on page 7.

Thank you!

Inside this Issue:

Contact Information

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Office of Finance: Parish Accounting Support

Cindy Olson • parishsupport@dowr.org

Cash versus Accrual Accounting

The difference between cash and accrual accounting can be confusing at times and difficult to explain to others. Cash basis accounting (or checkbook accounting) shows revenue and expenses as the money is deposited into the bank or checks are issued. If you don’t get the money, the income isn’t shown. If you don’t write the check, the expense is not shown. An example would be tuition paid to the school. Cash basis accounting would recognize the revenue when the parents pay the bills and the money is deposited. Bills for payment by the school would be put into the system and paid right away so the expense is shown only when the bill is paid.

Accrual accounting (which is what the Diocese and parishes use) shows revenue as it is earned and expenses as they are incurred. If a school bills a full year’s worth of tuition in August, accrual accounting would recommend that the revenue be spread over the months when school is in session recognizing that we don’t earn it until the students have been in class each month. When tuition is billed the deferred revenue liability account would be used to hold the unearned tuition revenue until it is transferred to an income account (usually spread out evenly over the school year). The revenue is recognized monthly regardless of the timing of the payments by the families. The payment of the tuition bills results in a credit to Accounts Receivable-Tuition and a debit to checking and has no effect on revenue. If a family does not pay their tuition, the account would be written off against an uncollectible accounts expense account.

Bills are entered into the system using the date of the invoice or the date the work was performed. The payment date has no bearing on the recognition of the expense.

Photo by Max Andrey

Cindy Olson • parishsupport@dowr.org

Office of Finance: Parish Accounting Support

Join parishes from the Diocese of Winona-Rochester. Registration due April 19. Please feel free to share this email invitation with anyone in your organization who uses ParishSOFT software.

Learn time-saving tips & tricks and network with parish staff from the Diocese of Winona-Rochester!

The Diocese of Winona-Rochester is honored to be partnering with ParishSOFT to offer an upcoming day of education and rejuvenation.

Register now to attend this exceptional day of learning and networking. At this event, you will learn how to effectively use your ParishSOFT software and will have the opportunity to network with other area parish staff. Then once you return to the mission field after the Roadshow, you will put what you learned into practice to increase stewardship and reach your parishioners more effectively than ever before! This is an opportunity you won't want to miss!

Registration deadline is Friday, April 19, 2019.
The price to attend this event is $50 per person. **Each parish with at least one paying registrant will have the option of having one priest from your parish attend the event at no charge**. You must register the free priest at the same time as the paid registrant. Lunch is included with your registration.

When you register, you will have the option of paying by credit card or by check and will be able to select the workshops that you wish to attend. You will be able to modify your existing registration until Friday, April 19, 2019 or print your schedule from the event website.

WHERE:
Saints Peter & Paul Catholic Church
214 S. Holland Street
Blue Earth, MN 56013
Map / Directions
WHEN:
Tues. April 30, 2019 from 9:00 a.m. – 4:00 p.m.
Register Now

Roadshow Questions

Contact the Diocese of Winona-Rochester and get your questions answered!

If you have some questions before the Roadshow, please contact Cindy Olson at 507-450-9164 or email parishsupport@dowr.org. We look forward to seeing you there!

If you've registered, you can review your session choices or see the description for each session by clicking on the event website. (Hold down the 'Ctrl' button on the keyboard, hover the mouse pointer over website and left click.)

Save the Date!

Benefits, Finance, and Parish Support will be 'hitting the road' again this summer. We hope to see you on June 25 in Fairmont or June 26 in Austin. More information will be coming! If you have specific topics you'd like covered, please email Beth Buswell at bbuswell@dowr.org.

Cindy Olson • parishsupport@dowr.org

Agenda for April 30, 2019 ParishSOFT Training

9:00 AM – 9:40 AM	Registration
9:40 AM – 9:55 AM	Opening Prayer & Welcome
10:00 AM – 10:50 AM	Accounting: Accounts Receivable Overview
10:00 AM – 10:50 AM	Family Suite: My Own Church
11:00 AM – 11:50 AM	Accounting: Ledger & Payables Standard Reports Overview
11:00 AM – 11:50 AM	Family Suite: Sacramental Recording & Reporting
11:00 AM – 11:50 AM	Priest: Key Insights for Pastors from Family Suite
12:00 PM – 12:55 PM	Lunch
1:00 PM – 1:50 PM	Accounting: Ledger Report Writer-Getting the Custom Statements You Need
1:00 PM – 1:50 PM	Family Suite: Ministry Management
1:00 PM – 1:50 PM	Priest: Scenario Based Workshop
2:00 PM – 2:50 PM	Accounting: What You Need to Know About Bank Reconciliations
2:00 PM – 2:50 PM	Family Suite: Getting the Data You Need
2:00 PM – 2:50 PM	Priest: Getting Key Financial Information for Your Parish
3:00 PM – 3:50 PM	Accounting: Family Suite Contribution Reporting for Accounting Staff
3:00 PM – 3:50 PM	Family Suite: Quality Data That Works for You

Office of Finance: Parish Accounting Support

Cindy Olson • parishsupport@dowr.org

Spring is Here (I hope)!

It was a very long winter and we are all ready for warmer temperatures! Let's take some time now to look at the accounting records to make sure they are all cleaned up so we can enjoy the warmer weather!! If you need help, please contact me!

Things to look for:

Make sure you are keeping up with closing out each month!!! Please, close out the month after you have given out the financial statements. It keeps your records matching the published financial statements.

Bank Accounts – I still occasionally see items that are over a year old on bank reconciliations. If you have some old amounts that just won't clear, it may be that you need a journal entry to correct an item. Look back to see where the entry came from and see if an entry was duplicated or there is some other error.

Accounts Receivable – One of the steps I take each month is to make sure that the receivables from clustered parishes matches the payables at the other parishes. It is a challenge to keep up with cluster billing but if you do it monthly and take the extra step to make sure things match it will make your life easier!!! If you are using the AR module, does your accounts receivable ledger account match the AR aging?

Investments – **Please do not close out your year until you have all your investment statements.** The monthly statements from the Catholic Foundation of Southern Minnesota are typically the last to be received and sometimes take a month to get out to us. Make sure your investment accounts show all June activity before closing out that year!

Deposit and Loan accounts – The 1150 accounts are no longer in use since the DOW Deposit and Loan was closed; do you still have balances in these accounts? If so, they should be moved to other savings or investment accounts.

Accounts Payable – Does your accounts payable account match the aging? When we first started with ParishSOFT, there were some incorrect journal entries for the outstanding checks in many locations. Print out an aging for your accounts payable (in the report menu under "Transactions"). This should match your ledger; if it doesn't the discrepancy needs to be tracked down!

Employee Withholding – ***Do a little extra house cleaning here.*** If you still have the "Priest Pension deduction" on your Priest's deduction/benefit tab, delete it! If someone has used flex in the past and is no longer participating, delete that deduction right away. When an employee is no longer eligible for benefits, remove those deductions/benefits from their employee record. Many of us have not done this and withheld pension (or flex) from an employee who is no longer receiving benefits by mistake.

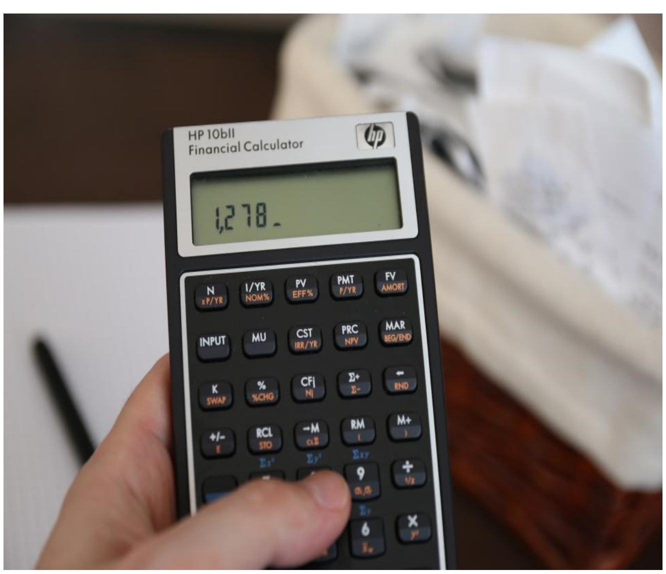
Pension Set-up – While we are at it, let's all get on the same page with the way we set up the pension. Set up three deduction/benefit lines: Deduction: 403(b) Employee Deduction, Benefit: 403(b) Employee Benefit Discretionary and Benefit: 403 (b) Employee Benefit Match. By using these three categories and exporting the **End of Period Retirement Accumulations** report, it gives you all the pieces needed for your pension remittance to the Diocese. Many of you have the discretionary and match together as one percentage but I believe that it is beneficial to split them up so you are seeing all the pieces.

Net Assets – Please make sure you are up to date with your net asset transfers!

Are your entities in balance? – Those of us with parishes, schools and cemeteries under one umbrella may find from time to time that we have entered a parish bill into a cemetery account and then the balance sheet will be out of balance. Look now and find those issues. Due to/Due From captures these transactions to make it easier to find and correct the entries.

Income and expenses – Look now for anything that doesn't look normal in your activity; make sure that you have categorized assessable versus non-assessable income correctly.

Chart of Accounts – While you are at it, now is a great time to look over your existing chart of accounts and make a list of accounts that you are no longer using. If you decide to archive accounts, please make sure that the "show inactive accounts" box is checked on your financial statements so that the history will show the correct balances.



Office of Finance: Parish Accounting Support

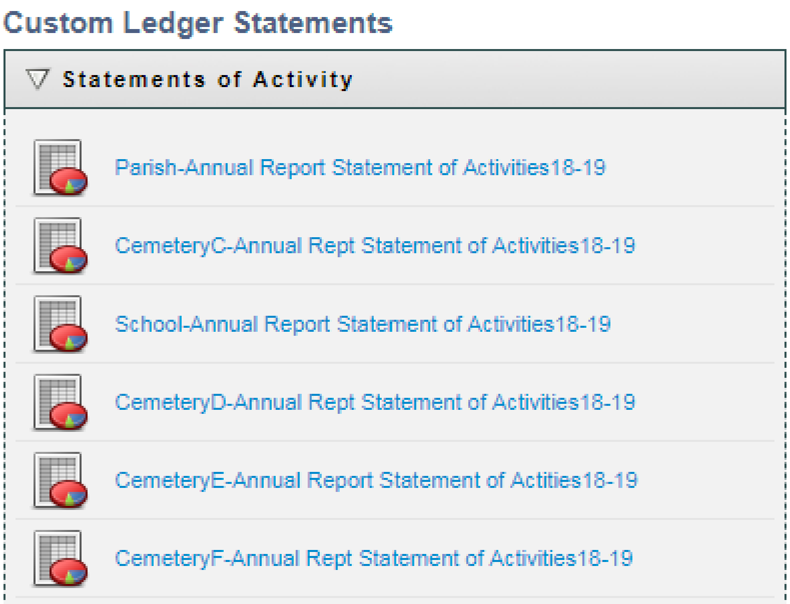
Cindy Olson • parishsupport@dowr.org

Annual Financial Reports to the Diocese

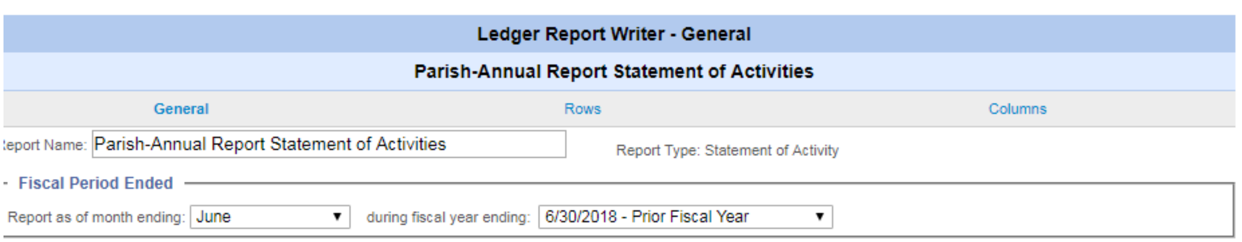
With the close of the fiscal year comes the reporting to the Diocese. Within ParishSOFT there are reports that are set up to make this process easy for you.

From the Ledger Report Writer tab, click on Statements of Activity. Select the report for the entity from the list.

CEMETERIES-THESE REPORTS REPLACE THE GREEN SHEETS!!!



Select the correct accounting period (for this year it will be fiscal year ending 6/30/2019).



Preview the report and make sure that the amount column is wide enough to display all the numbers (you will see the # sign when the column is too narrow)

Repeat the process with the Statement of Financial Position. Print the reports, get the signatures and send them off to Beth Buswell at the Diocese of Winona-Rochester! You are done!

New Remittance and Collection Forms for 2019

Ann Ringlien • aringlien@dowr.org

Please make sure you are using the correct remittance form when sending in checks for Special Collections.

A copy of the ‘2019 Special Collections Remittance Form’ that should be used throughout 2019 is shown below. (Remember, the calendar for Special Collections runs on a calendar year, not fiscal year.) This form and a listing of all the 2019 Special Collection dates can be found on the Diocese of Winona-Rochester website.

Please make sure you are using the correct remittance form (says ‘2019’ at the top) for any money sent in for Special Collections.

Other remittance forms (PDF & Excel formats) can be found on our website at www.dowr.org -> Offices -> Finance -> Frequently Requested Topics -> Remittance Forms.

Diocese of Winona-Rochester Special Collections

Remittance Form 2019

Parish: ________________
City: ________________
Date: ________________

Mail Check(s) to:
Diocese of Winona-Rochester Special Collections
PO Box 588 - Winona, MN 55987

Note: If you use this as a spreadsheet, totals are formulas.

2019 Special Collections**

Please make check payable to: Diocese of Winona-Rochester Special Collections

		Parish GL	
January	Latin America (50%)	*2201*	______
January	Catholic Communication (50%) (Communications Apostolate)	*2202*	______
Ash Wednesday	Aid to Church in Eastern/Central Europe	*2203*	______
During Lent	Rice Bowl	*2204*	______
March	Catholic Relief Services (Bishop's Overseas Appeal)	*2205*	______
April	Holy Land	*2206*	______
June	Peter's Pence (Holy Father)	*2208*	______
Summer	Missionary Coop *Organization:* ______	*2217*	______
August	Black & Native American (50%)	*2210*	______
August	Catholic Home Missions Appeal (50%)	*2209*	______
October	Propagation of Faith (Mission Sunday)	*2211*	______
November	Campaign for Human Development	*2212*	______
November	Archdiocese for the Military Service (2019)	*2215*	______
December	Retirement Fund for Religious (90%)	*2213*	______
December	Catholic University (10%)	*2226*	______

Other Special Collections (i.e. Middle East, Nepal earthquake, etc.)

____________ ______
____________ ______
____________ ______

Total Special Collections $ -

**Please remit special collections to 'Diocese of Winona-Rochester Special Collections' within one month of collection.

"Roth" Retirement Option soon to be available

David Fricke, Director, Human Resources dfricke@dowr.org

The Diocese of Winona-Rochester is pleased to announce that beginning in July 2019 the diocesan sponsored 403(b) retirement plan through Lincoln Financial will allow for "Roth" contributions.

For those employees not familiar with the term "Roth" contributions, below is a brief comparison of the current "Traditional" (pre-tax) contributions and "Roth" (post-tax) contributions:

Traditional: Pay taxes later	**Roth: Pay taxes now**
Take home **more pay today** in exchange for paying taxes on your account when you retire.	Take home **less pay today** in exchange for not having to pay taxes on your account when you retire.
Pretax: **Pay no taxes now** on the money you invest, which lowers your taxable income right away.	After-tax: **Pay taxes now** on the money you invest so you can enjoy a tax break later.
You may pay a penalty if you begin withdrawing money before age 59 ½.	You may pay a penalty if you begin withdrawing money before age 59 ½.
	You can't withdraw funds until they've been in your account for five years.
In retirement, you'll pay taxes on the money you invested – and on the earnings.	**In retirement, you won't pay taxes** on the money you invested – or on the earnings.
Required minimum distributions that start at age 70 ½ apply to these assets.	Required minimum distributions that start at age 70 ½ apply to these assets unless they're rolled into a Roth IRA.

The Diocesan sponsored 403(b) Retirement Plan has a 3% discretionary contribution as well as a matching contribution of dollar for dollar on the first 3% of compensation. Whether participating employees contribute to the traditional (pre-tax) or Roth (post-tax) option, both the discretionary and matching contributions made by your employer will be pre-tax, and are subject to taxes when withdrawn.

The Diocese of Winona-Rochester is pleased to make this enhancement to the Diocesan 403(b) Retirement Plan. Look for more information from both the Diocese and Lincoln Financial as July 2019 approaches.