



## **ARCHDIOCESE OF PHILADELPHIA FINANCIAL REPORTING & BUDGETING**

### **Financial Reporting**

1. For each fiscal year ending June 30<sup>th</sup>, the Office for Parish Service & Support (OPSS) will pull parish financial statements from the CathoNet system. For parishes that are still transitioning to CathoNet, an Annual Report, including both a balance sheet and statement of activities, will be required to be submitted to the OPSS within 45 days of fiscal year-end.
2. The OPSS will pull financial statements within a reasonable time period following the end of the fiscal year.
3. Parishes are required to submit the Supplemental Financial Schedule with important details of the financial information that are not readily available through CathoNet.
4. Parishes are also required to submit the Financial Statement Attestation following the review of the financial statements by the Parish Finance Council. This confirms that the council is in compliance with the specific obligations assigned to it in the by-laws governing finance councils. Additionally, pastors and business managers are required to confirm their roles in preparing and submitting the financial statements by signing the aforementioned attestation.
5. The OPSS will review the financial statements and work with parishes to resolve any issues.
6. Once the review is complete, parishes should close the fiscal year in QuickBooks.

### **Budgeting**

1. The budget is to describe, in financial terms, how the parish plans to allocate its resources during the coming fiscal year (July 1 to June 30). Revenue and expenses are to reflect the parish's mission and goals.
2. In creating the budget, previous years' financial records are to be reviewed to evaluate the parish's financial status and identify income and expense trends.
3. Income is to be considered prior to expenses for budgeting purposes, and goals are to be based on conservative, reliable and realistic expectations. It is best to rely on recent history, adjust for the current economic environment, and err on the side of conservative projections.
4. Expenses are to be reviewed based on the parish's mission and goals. Upon review, expenses that can be reduced or eliminated, potentially saving the parish money, will likely be identified.

5. The budget is to be detailed. A detailed budget will enable the parish's leaders – some of whom may lack a financial background – to analyze sources of revenue and expenditures and make informed decisions.
6. The final parish budget is to be submitted by March 15<sup>th</sup> and input into QuickBooks by June 30<sup>th</sup>.
7. A certification that the pastor, business manager, and finance council have met, reviewed, and discussed the parish's annual budget is to be submitted with the final budget by March 15<sup>th</sup>.
8. The parish business manager is to compare the budget-to-actual results on a monthly basis and distribute the budget-to-actual results to the pastor by the 15<sup>th</sup> of the month following the month-end.
9. The parish business manager is to review the budget-to-actual results with the pastor and finance council on a quarterly basis, at a minimum. Variations between the budget and actual results are to be researched, documented, and communicated to those responsible for the variations.
10. Finally, the OPSS will review budget-to-actual reports for the six months ending December 31<sup>st</sup> via the CathoNet system.