



CATHOLIC DIOCESE OF CLEVELAND

Financial Policy & Procedure Statement B

FINANCIAL REPORTING



PARISH AND SCHOOL FINANCIAL REPORTS TO DIOCESE

The Diocese requires each parish and elementary school to submit an annual financial report to the Diocesan Finance Office. The prescribed financial reports are shown under the green tabs of this handbook.

REPORTING PERIOD

The annual parish and elementary school financial reports cover the fiscal year beginning July 1 and ending June 30. The completed reports are to be sent to the Diocesan Finance Office by August 15. After the reports are accepted by the Finance Office, a copy is returned to the parish. If not accepted, the Finance Office will ask the parish to correct or clarify its report. The Finance Office sends a copy of accepted school reports to the Office of Catholic Education.

WHAT IS INCLUDED IN THE FINANCIAL REPORT

The financial activities of programs and activities under the direct control of the parish and school should be included in the annual financial report to the Diocese. It is unnecessary to include in the report the financial activities of parish-affiliated organizations (such as PTU or St. Vincent De Paul Society). However, the June 30 bank account balances of these organizations (including all organizations using the parish Federal Tax Identification Number) must be listed in the designated part of the financial report.

The Financial Statements consist of: (1) a one-page financial and statistical summary; (2) a parish summary report supported by a listing of parish receipts and disbursements; (3) an elementary school report supported by a listing of school receipts and disbursements and (4) other financial data. The other data includes a reconciliation of the beginning and ending cash balances with parish and school receipts and disbursements and information relating to bank balances of "non-affiliated" parish organizations.

INTERNAL PARISH FINANCIAL REPORTING

The parish and elementary school accounting system was developed to help parishes better manage their resources. Without adequate budgeting, accounting and financial reporting, good management is difficult. Therefore, the Pastor, Parish Finance Council, Principal, Commission chairpersons and others must receive complete and accurate data to carry out their respective responsibilities.

Monthly or quarterly reports should be prepared for them so they will know how they are doing and enable them to identify and correct problem areas as quickly as possible.

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FINANCIAL REPORTS TO PARISHIONERS

Of equal importance to internal parish reporting, is the need to provide meaningful financial reports to all parishioners. They provide the principal financial support to the parish and should be informed on how their contributions are used. The parish should send a complete financial report to them at least annually. Parishes are also encouraged to provide periodic reports and to include collection and other financial data in the weekly parish bulletins.

(The Finance Office plans to request parishes to send them copies of the parish reports to parishioners and Finance Councils. In turn, the Finance Office will send samples of some of the better reports received to all parishes for their consideration.)

HOW TO PREPARE THE ANNUAL DIOCESAN REPORT

As mentioned above, the Diocesan Financial reports are included under the green tabs of the handbook. For simplicity, please omit cents from the reports.

The reports on the parish and school receipts and disbursements are fairly simple - merely enter the ending balances shown in the "control accounts" (with a few exceptions) on the reports and, in turn, transfer the totals shown (by line number) to the parish and school summary schedules.

The one-page summary includes overall data from the parish and school reports together with a variety of other data relating to the parish and school. The other schedules reconciling cash balances with the financial statements and listing bank balances are also fairly simple to complete. If you have difficulty reconciling cash balances or with any other part of the financial reports, please call the Finance Office for assistance.

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