

Financial Review Checklist

1.) REPORTS PROVIDED BEFORE MEETING (at least three days)

- Comparative Balance Sheet
- Comparative Income Statement
- Budget vs. Actual
- Commentary on significant variances

2.) STATEMENT OF FINANCIAL POSITION - BALANCE SHEET

ASSETS:

- Are current assets sufficient to cover current liabilities?
- Are cash transfers to/from savings needed?
It is recommended that the parish hold four to six weeks of operating expenses in their checking account; excess funds deposited in DIAL savings.
- Are there any past due tuition receivable accounts?
- Are there any loans or cash advances to employees?
- Has prior prepaid expense been realized, or recognized on the income statement as the expense is incurred?

LIABILITIES:

- Are there past due vendor and diocese obligations?
- Are second collections being forwarded in a timely manner? *Second collections should be forwarded within 30 - 45 days of taking up the collection.*
- Does stipends payable look reasonable?
On a quarterly basis, recalculate the number of unpaid Masses requested multiplied by the average intention donation to verify if the liability balance is reasonable.
- Has deferred revenue been recognized on the income statement as the revenue is earned/services provided (*tuition and fees*)?
- Is the parish current in its debt service?
- Are there any new lease or loan agreements?
- Are accrued employee vacation balances reasonable and being recorded?

OTHER:

- Are there any account balances that don't make sense?
- Are there any dormant accounts? If an item on the balance sheet hasn't changed in 2 years, it deserves a look.
- Are capital campaign funds being used to fund operating expenses?

3.) **OTHER ITEMS**

INCOME

- Is offertory income on track with budget?
- Is tuition-related income on track with budget?
- Any changes in school enrollment?
- Is total operating income on track with budget?

EXPENSES

- Are salaries and benefits close to budgeted amounts?
- Were there any new hires or terminations? Over or understaffing?
- Any pay or employee benefit changes?
- Were there any large purchases related to facilities (HVAC)?
- Is the number of parish ministries and programs according to expectation and within budget?
- Is total operating expense on track with budget?
- Are there any new capital expenditure needs?
- Are there new or renewing lease or service contracts?

PARISH METRICS (as a percentage of offertory income)

- What expenses are significantly over diocesan average?
- What expenses are significantly under diocesan average?

CAPITAL CAMPAIGN STATUS *If applicable.*

- Status of pledges and payments
- Total expenditures by project
- Have funds been moved into a restricted DIAL account?

INTERNAL AUDIT REPORT

- Have all the audit recommendations by internal audit been appropriately addressed?