**Confidential Financial Statement Preparation:**

**How to Avoid Common Pitfalls**

1. Read the instructions.
2. Call and ask.
* We are happy to answer any questions you have prior to submission of the CFS.
* If an extension is needed, please request in advance of the deadline.
1. Download the CFS from the Archmil website and return the file in excel format.
* Send only the signed transmittal as PDF.
* Do not send the file as .pdf; we can’t use it.
* Don’t “Cut and Paste” or “Drag and Drop”. You may create errors in locked cells that you can’t reset.
* If you get “locked out,” call or email us your file
1. Name your document according to the instructions, e.g., A17StJohnRubicon2022cfs
2. Fill out all of the applicable data points on the Data Entry Worksheet.
3. Make sure the CFS matches your internal financial statements (both Balance Sheet and P&L).
4. Take a look at your parish’s net surplus (deficit) on the P&L worksheet. Is this close to your parish budget? If not, provide an explanation to the Parish Finance Office when you submit your CFS.
5. Make sure there are no error messages on any of the worksheets.
6. Be sure of your classifications of Restricted v. Unrestricted and Parish Designated v. General Fund. Designated funds should be entered in the Unrestricted Net Assets section of the Data Entry worksheet, currently row 107.
7. Transactions in and out of restricted funds must be shown on the P&L, including unrealized gains and losses.
8. **Fundraising income is the only income account that should be reported as net.** Fundraisers that lose money should not be reported as negative income, but as expenses. All other income should be reported as gross.
9. Reimbursements are to be shown as a credit to the account originally charged, not revenue. E.g., insurance proceeds, shared ministry expenses. If it is unrealistic to credit individual accounts, parishes may use account 4770 – Shared Expense Reimbursement.
10. Special Collections for Others (Revenue Account 3070) received should be the same as the disbursements that are recorded (Expense Account 4690). If they do not equal each other, please provide an explanation to the Parish Finance Office when you submit your CFS.
11. Your first quarter Assessment payment is due September 1. Note this is before the due date to file your CFS and before we send out the first assessment billing. Do not wait to receive your first assessment bill. If your assessment per your calculation is different than the actual bill, you may adjust your future payments.
12. Submit your CFS on time (September 15th) and make sure we acknowledge receipt. If we do not email you back, your file was not received. If we don’t have a final (accepted) version by the final billing date, your parish may receive a 15% penalty.