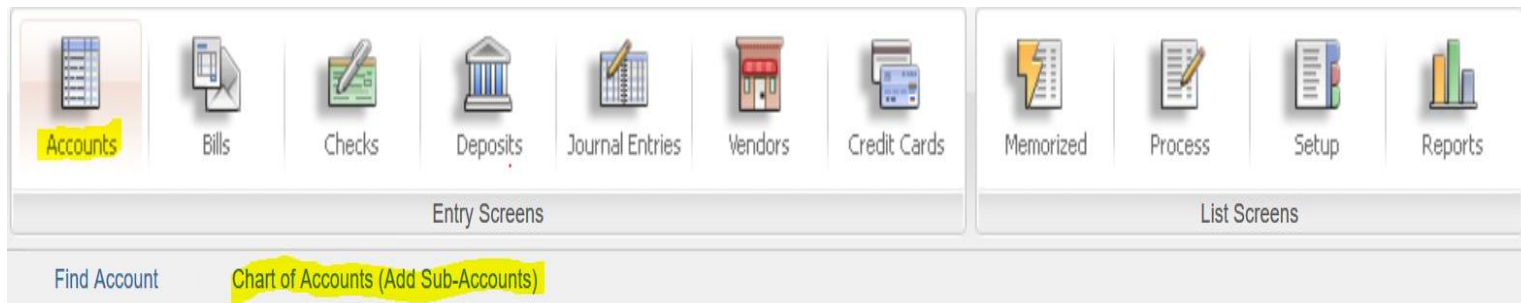# PPP Loan & Qualified Expense Bookkeeping

Changes to the Parishsoft General Ledger:

Step 1: New general ledger sub-accounts have been established for your use. Please follow the Parishsoft screen shots below to activate the following sub-accounts: FHIT: PPP Loan Proceeds (1250065); PPP Loan Funds Used (1260165); and Outside Grant: PPP Loan Forgiveness (100401965).

Step 1 (A)

Chart of Accounts

Account Type
Liability

Search   Show All

Entity
1: Parish

Class:
2500: Funds Held in Trust for Others

Description

☑   L-01-2500-65, FHIT: PPP Loan Proceeds, 1250065

Submit   Cancel

Step 1 (B)

Accounts	Bills	Checks	Deposits	Journal Entries	Vendors	Credit Cards		Memorized	Process	Setup	Reports
				Entry Screens						List Screens	

Find Account   Chart of Accounts (Add Sub-Accounts)

Chart of Accounts

Account Type
Liability   [Search]   [Show All]

Entity
1: Parish

Class:
2601: Notes Payable Bank Non Deductib

Description

4 records returned

Liability
Notes Payable Bank Non Deductible

- ☐ L-01-2601-00, Notes Payable (Bank) Non Deductible, 1260100
- ☐ L-01-2601-01, Notes Payable: SunTrust, 1260101
- ☐ L-01-2601-02, Notes Payable - Loan to School, 1260102
- ☑ L-01-2601-65, PPP Loan Funds Used, 1260165

[Submit] [Cancel]

Step 1 (C)

<table>
<tr><th colspan="2">Chart of Accounts</th></tr>
</table>

Account Type
Income   Search   Show All

Entity
1: Parish

Category:

Cost Center:

Account Code:
4019: Outside Grants Income

Description

2 records returned

Income
  Other Operating Revenue
    General Operating Revenue
      Outside Grants Income
          I-01-03-00-4019-00, Outside Grants, 100401900
      ☑ I-01-03-00-4019-65, Outside Grant PPP Loan Forgiveness, 100401965

Submit   Cancel

Step 2: To provide qualified expense reporting for your PPP lender to evaluate your request for PPP loan forgivness at the end of the 8 week period during which funds must be expended, it is recommended you use the Parishsoft **Project** feature.

Step 2 (A): Project Groups make searching for **Projects** easier using the drop down menu when entering qualified **Bills** and payroll **Journal Entries**
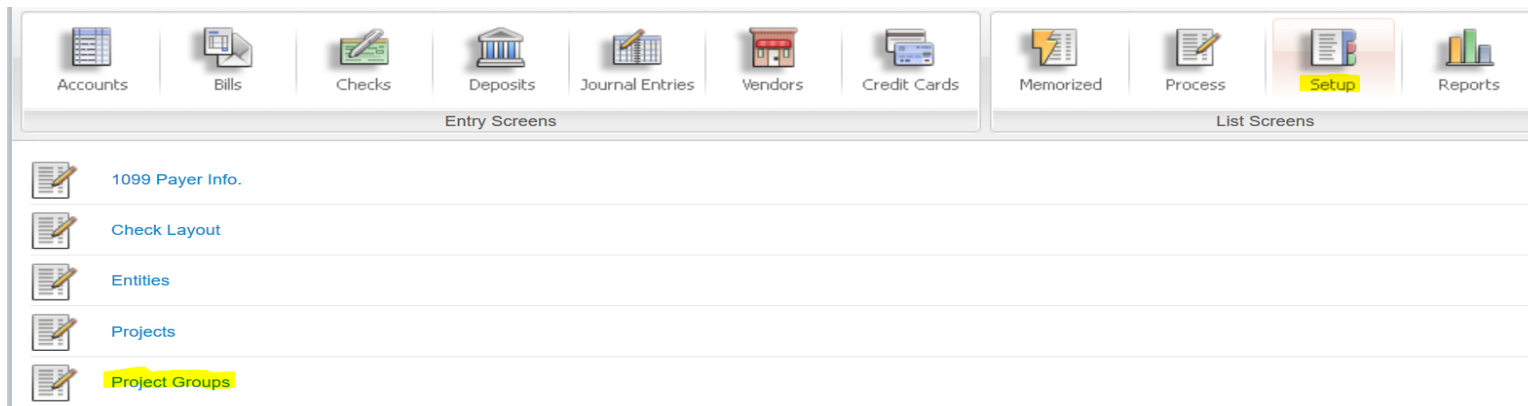
Step 2 (B): Enter the **Description** "Paycheck Protection Program Loan" and the **Project Group Code** **"PPP"** in the input boxes and **Submit**.

Step 2 (C): Select Setup and then Projects to create the following projects:
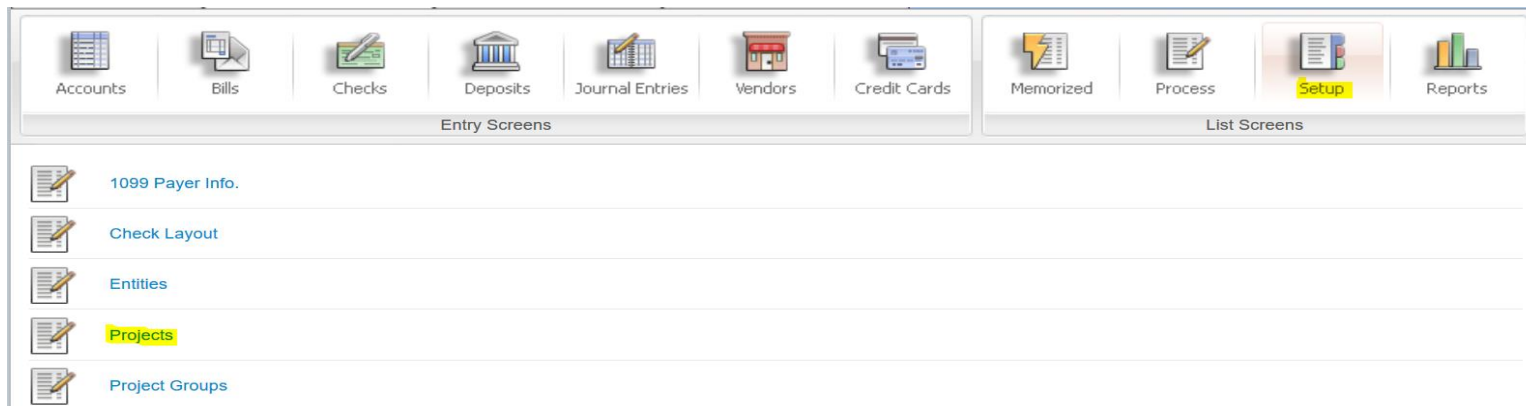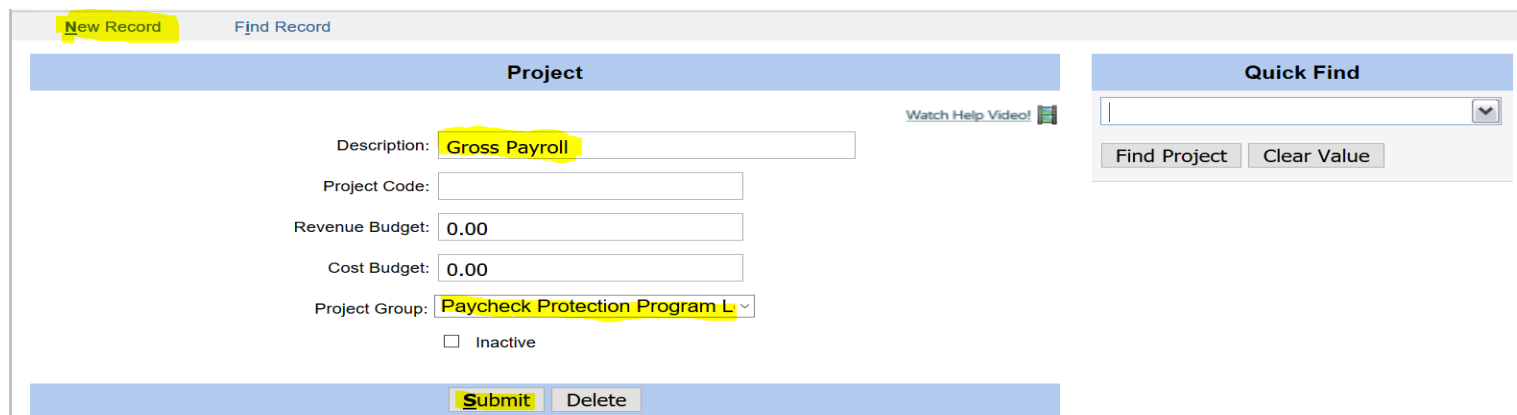
Create the following **PROJECTS** to track and report on qualified PPP expenditures:

- Gross Payroll
- Health Insurance
- Interest Expense
- Pension
- Rental Payments
- Utilities

Step 2 (D): Creating a Project

Steps to create the **Gross Payroll PROJECT**. Follow the **Step 2 (C)** instructions Enter the **Description** "Gross Payroll" in the box provided. Do not be concerned with entering a **Project code**. Note that you could consider adding a cost budget for each allowable PPP Expense for the 8 week PPP measurement period. For the **Project Group** select Paycheck Protection Program Loan from the dropdown menu and **Submit**.

Continue this process to enter the remaining projects from the above list.

Bookkeeping Example:

- Assumed PPP loan amount: $250,000
- Date of receipt of PPP loan proceeds: May 1, 2020
- The 8 week period based on current guidelines is from May 1, 2020 through June 25, 2020
- For instructional purposes, the screenshots below include recording the receipt of PPP funds and selected PPP qualified expenditures for wages, utilities, DOSP health insurance and pension fund payments.

Step 3 (A) - Recording Loan Proceeds

Option I: Deposit made to the operating cash account using the Journal Entry module:

Step 3 (A) - Continued

Option II: Deposit made to the operating cash account using the **Deposits** **module:**

| Bank Account: | Checking: Main Operating: A-01-1100-00 1110000 | | Total: | 250000.00 |

Deposit Information

Watch Help Video!

Bank Account:	Checking: Main Operating: A-01-1100-00 1110000	Total:	250000.00
Deposit Number:	2	Date:	05/01/2020
Comment:	PPP Funding		

#	Account	Amount	Comment	Project
1	1250065: FHIT: PPP Loan Proceeds L-01-2500-65	250000.00	PPP Advance	
2				
3				
	Total:	250,000.00		

More Lines

Submit   Memorize   Cancel

Step 3 (A) - Continued

Option III: Deposit made to the following temporarily restricted cash account using the **Deposits** **module:**

Activate the following general ledger account:

Funds would be transferred from this restricted account to Operating Cash (1110000) to reimburse the operating account for qualified PPP expenditures. The journal entry is the same as the Best Practice accounting journal entry used to reimburse the operating account for Mass Stipends paid to clergy.

Step 4 – Recording Payroll

Step 4 (A) - Journal Entry to record May 15, 2020 Payroll (1st payroll of the 8 week period – 4 payrolls during the 8 week period)

Use of the Project column drop down to assign Project Description to identify PPP qualified payroll expenditures.

| | New Journal Entry | Find Journal Entry | | | | Previous Record | Next Record |

| **Journal Entry Information** |

Watch Help Video!

| Entry Number: | 4 | | Date: | 5/15/2020 |
| Comment: | Pay Period May 15 2020 | | ☐ Insert Reversing Journal Entry Into Next Month |

	#	Account	Debit	Credit	Comment	Project	
✖	1	101510001: Salaries: Clergy Assigned E-01-10-0 ▾	3090.00	0.00		PPP:Gross Payroll	▾
✖	2	101510002: Salaries: Extra Clergy E-01-10-01-51 ▾	2000.00	0.00		PPP:Gross Payroll	▾
✖	3	101511000: Mass Stipends E-01-10-01-5110-00 ▾	300.00	0.00		PPP:Gross Payroll	▾
✖	4	101511500: Stole Fees: Clergy & Religious E-01- ▾	750.00	0.00		PPP:Gross Payroll	▾
✖	5	125510500: Wages: Lay Gen Admin Parish E-01- ▾	22500.00	0.00		PPP:Gross Payroll	▾
✖	6	110510500: Wages: Lay Religious Ed E-01-12-10 ▾	3000.00	0.00		PPP:Gross Payroll	▾
✖	7	104510500: Wages: Lay Music Parish E-01-11-04 ▾	2500.00	0.00		PPP:Gross Payroll	▾
✖	8	1231001: Federal Withholding Tax L-01-2310-01 ▾	0.00	2731.00			▾
✖	9	1110000: Checking: Main Operating A-01-1100-00 ▾	0.00	31409.00			▾
		Total:	34,140.00	34,140.00			

More Lines

| Submit | Memorize | Delete |

Qualified PPP expenditures included in this entry total $34,140.00

Step 4 (B) Journal Entry to record the use of PPP funding for Wages

New Journal Entry   Find Journal Entry

Journal Entry Information

Watch Help Video!

Entry Number: 9   Date: 05/15/2020

Comment: PPP Loan-May 15, 2020 Payroll   ☐ Insert Reversing Journal Entry Into Next Month

#	Account	Debit	Credit	Comment	Project
✖ 1	1250065: FHIT: PPP Loan Proceeds L-01-2500-6 ⌄	34140.00	0.00		⌄
✖ 2	1260165: PPP Loan Funds Used L-01-2601-65 ⌄	0.00	34140.00		⌄
✖ 3	⌄				⌄
	Total:	34,140.00	34,140.00		

More Lines

Submit   Memorize   Cancel

The Journal Entry reduces the PPP Funds Held in Trust amount by $34,140.00 and records the amount as PPP funds used. At the end of the 8 week period the account balance in PPP Loan Funds Used (1260165) represents the amount of the PPP funds advanced for which you will seek forgiveness through your lender. The credit balance, if any, in general ledger account FHIT: PPP Loan Proceeds (1250065) is the amount of PPP funds advanced which must be repaid as soon as possible to the lender.

Step 5: Recording other PPP qualified expenditures

Bill Information

Watch Help Video!

Bank Account:	Checking: Main Operating: A-01-1100-00 1110000		Balance:	50,000.00
Bill Number:	5		Invoice Number:	
Vendor:	Duke Energy		Invoice Date:	5/15/2020
	New Vendor		Due Date:	5/26/2020
	Duke Energy PO Box 1004 Charlotte, NC 28201-1004		Discount Date:	
			Terms:	
Comment:				

Assign Check Number

	#	Account	Amount	Comment	Paid	Project	1099
✖	1	130540001: Electric: Facilities E-01-32-30-5400-0	4600.00		N	PPP:Utilities	☐
✖	2						☐
✖	3						☐
		Total:	4,600.00				

More Lines

Submit   **Memorize**   Delete

Journal Entry to record the use of PPP funding for payment of Utilities

New Journal Entry   Find Journal Entry   Previous Record   Next Record

Journal Entry Information

Watch Help Video!

Entry Number:	5	Date:	5/15/2020
Comment:	PPP Loan-Duke Energy		☐ Insert Reversing Journal Entry Into Next Month

	#	Account	Debit	Credit	Comment	Project
✖	1	1250065: FHIT: PPP Loan Proceeds L-01-2500-6	4600.00	0.00		
✖	2	1260165: PPP Loan Funds Used L-01-2601-65	0.00	4600.00		
✖	3					
		Total:	4,600.00	4,600.00		

More Lines

Bill Information

Watch Help Video!

Bank Account: Checking: Main Operating: A-01-1100-00 1110000	Balance: 50,000.00
Bill Number: 6	Invoice Number:
Vendor: Diocese of St. Petersburg Pension Fund	Invoice Date: 5/11/2020
New Vendor	Due Date: 5/20/2020
Diocese of St. Petersburg Pension Fund P.O. Box 674471 Detroit, MI 48267	Discount Date:
	Terms:
Comment:	

Assign Check Number

#	Account	Amount	Comment	Paid	Project	1099
✖ 1	125513000: Pension: Lay General Admin Parish E	9800.00		N	PPP:Pension	☐
✖ 2						☐
✖ 3						☐
	Total:	9,800.00				

More Lines

[Submit]   [Memorize]   [Delete]

Journal Entry to record the use of PPP funding for payment of the monthly Pension invoice

New Journal Entry   Find Journal Entry

Journal Entry Information

Watch Help Video!

Entry Number: 8	Date: 05/15/2020
Comment: PPP Loan-Pension Fund	☐ Insert Reversing Journal Entry Into Next Month

#	Account	Debit	Credit	Comment	Project
✖ 1	1250065: FHIT: PPP Loan Proceeds L-01-2500-6	9800.00	0.00		
✖ 2	1260165: PPP Loan Funds Used L-01-2601-65	0.00	9800.00		
✖ 3					
	Total:	9,800.00	9,800.00		

More Lines

[Submit]   [Memorize]   [Cancel]

Bill Entry Form

Field	Value	Field	Value
Bank Account:	Checking: Main Operating: A-01-1100-00 1110000	Balance:	50,000.00
Bill Number:	9	Invoice Number:	May 2020
Vendor:	Diocese of St. Petersburg Insurance Fu	Invoice Date:	5/1/2020
	New Vendor	Due Date:	5/31/2020
	Diocese of St. Petersburg Insurance Funds Trust PO Box 40200 St. Petersburg, FL 33743	Discount Date:	
		Terms:	
Comment:	May		

Assign Check Number

#	Account	Amount	Comment	Paid	Project	1099
1	125513200: Group Life Insurance: Gen Admin Pa	308.94	May	N		☐
2	125513300: Disability Insurance: Gen Admin Paris	333.86	May	N		☐
3	125513100: Health Benefits: Lay Gen Admin Paris	9720.00	May	N	PPP:Health Insurance	☐
4	1232002: Health Insurance Plan Premiums L-01-2	1280.00	May	N		☐
5	125513300: Disability Insurance: Gen Admin Paris	83.10	May	N		☐
6	1232004: Other Employee Benefit Plan Withholdin	171.21	May	N		☐
	Total:	11,897.11				

More Lines

Submit   Memorize   Delete

The only portion of employer provided benefits that is a qualified use of PPP funds is employer provided Health Insurance.

Journal Entry

New Journal Entry   Find Journal Entry   Previous Record

Journal Entry Information

Watch Help Video!

Field	Value	Field	Value
Entry Number:	8	Date:	5/15/2020
Comment:	PPP Loan-Health Bill		☐ Insert Reversing Journal Entry Into Next Month

#	Account	Debit	Credit	Comment	Project
1	1250065: FHIT: PPP Loan Proceeds L-01-2500-6	9720.00	0.00		
2	1260165: PPP Loan Funds Used L-01-2601-65	0.00	9720.00		
3					
	Total:	9,720.00	9,720.00		

More Lines

Submit   Memorize   Delete

Account Balances 8 weeks ended June 25, 2020:

		May-Jun, 2020: 8 Weeks
PPP Qualified Expenditures:		
Gross Wages		
101510001	Salaries: Clergy Assigned	12,360.00
101510002	Salaries: Extra Clergy	8,000.00
101511000	Mass Stipends	1,700.00
101511500	Stole Fees: Clergy & Religious	3,250.00
104510500	Wages: Lay Music Parish	10,000.00
110510500	Wages: Lay Religious Ed	12,000.00
125510500	Wages: Lay Gen Admin Parish	90,250.00
		137,560.00
Pension:		
125513000	Pension: Lay General Admin Parish	19,600.00
Health Insurance:		
125513100	Health Benefits: Lay Gen Admin Parish	19,440.00
		176,600.00
Utilities:		
125540501	Telephone: General Admin	2,200.00
130540001	Electric: Facilities	9,200.00
130540002	Water & Sewer: Facilities	2,500.00
		13,900.00
		190,500.00
G/L Liabilities:		
1250065	FHIT: PPP Loan Proceeds	59,500.00
1260165	PPP Loan Funds Used	190,500.00
		250,000.00

Documentation for qualified expenditures is a must as is the accracy of the parish's General Ledger. Project reports will be most helpful as supporting documentation. A Paylocity report such as the Labor Distribution Report should be approved and signed by the Pastor. Maintain a separate file with all documentation.

To generate a **Project Report** using the **Reports** module:

Standard Reports

▽ **Transactions**

Select Project Report from the drop down menu:

Project Report

Transactions > Project Report :: Configure Report

Date Range: Transaction Date

○ Last Month   ○ Last Quarter   ○ Current Fiscal Year   ○ Last Fiscal Year to Date   Start Date: 05/01/2020   End Date: 06/25/2020
○ This Month   ○ This Quarter   ○ Current Fiscal Year to Date   ○ Next Fiscal Year
○ Next Month   ○ Next Quarter   ○ Last Fiscal Year   ● Custom Date Range Specified

Entity

1: Parish   ✕
2: ECC/Elementary School
3: High School
4: Morning Star

Project Group

Courageously Living the Gospel   ✕
Payroll Protection Program Loan

Project

Good Counsel Camp Donations   ✕
Gross Payroll
Health Insurance
Interest Expense

**** Report Format**

● Detail
○ Summary

| Preview Report | View PDF | Memorize Report | Reset Criteria | Cancel |

5

Project Report

May 1, 2020 - June 25, 2020

Date	Type	Tr #	Amount	Account	Vendor	Comment
Project:	**Health Insurance**					
Cost						
5/30/2020	Paid Bill	5	9,720.00	125513100 Health Benefits: Lay Gen Admin Parish	Diocese of St. Petersburg Insurance Funds Trust	May / May
6/25/2020	Paid Bill	10	9,720.00	125513100 Health Benefits: Lay Gen Admin Parish	Diocese of St. Petersburg Insurance Funds Trust	May / May

Health Insurance Project Totals

Total Revenue: -
Total Cost: 19,440.00
       (19,440.00)

Additional information:

- For your parish, the 8 week period during which the PPP funds must be spent commences on the date of receipt of the loan proceeds. Using the form provided, please email the date of funding of the loan, bank name and amount to:
  - Cares@dosp.org
  - Tom Heironimus (tlh@dosp.org)
- It is important that you determine when the 8 week period (56 days) begins and ends:
  - Include the date that PPP funds were deposited in your bank account
  - In the example, the 8 week period for PPP funds received May 1 would be May 1, 2020 through June 25, 2020
  - Based on current SBA guidance, for PPP qualified expenditures to be forgiven, all qualified expenditures must be made during the 8 week period
- Funds expended for qualified expenses during the 8 week time period will be the amount that will be used in the forgivness calculation. Final guidance for loan forgiveness has not been issued by the SBA. Banks, just like us, are waiting for forgivness guidance. Our lenders do expect that guidance will more than likely include the following:
  - Payments for past due amounts and prepayment of expenses after the end of the 8 week will not be allowed
  - During the 8 week period you should pay health insurance, pension, all utilities, rent and interest payments twice.
  - Make certain check and payroll dates are within the 8 week period.
  - Since payroll is the largest component of PPP funding we must be careful during the 8 weeks that all payrolls paid fall within the 8 week period:
    - If your payroll cycle is 2 times per month or bi-weekly you will need 4 payrolls to be paid within the 8 week period.
- **Further guidance will be issued by DOSP when received.**