

DIOCESE OF SAINT PETERSBURG

Savings & Loan



COURAGEOUSLY
Living the Gospel

Presented by:
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Purpose of the Savings and Loan Trust

Question 1

What is the Diocesan Savings & Loan Trust?

Answer

The Diocesan Savings & Loan Trust is a savings and loan institution administered by the Diocese of Saint Petersburg, established to assist parishes, schools, and diocesan entities by providing loans at lower-than-market interest rates, with substantially less paperwork and increased efficiency than external financial institutions.

[Low-interest loans with less paperwork for parishes and schools.](#)

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Purpose of the Savings and Loan Trust (continued)

Question 2

What is the purpose of the Trust?

Answer

The purpose of the Trust is to enable diocesan entities to assist one another by pooling savings and making funds available for borrowing, all for the mutual benefit of conducting the ministries and mission of the Church.

[Shared savings, mutual support, mission-driven funding.](#)

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Purpose of the Savings and Loan Trust (continued)

Question 3 Who administers the Trust?

Answer

The Trust is administered by the Diocesan Savings & Loan Trust Board, which has the authority to receive, invest, and loan funds for the benefit of the Diocese.

[Administered by the Trust Board: Receives, invests, and loans funds for the Diocese.](#)

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Depositor requirements

Question 4 Who must deposit funds into the Trust?

Answer

All parishes, parochial and diocesan schools, and other diocesan entities must deposit Operational Surplus Funds, capital and maintenance funds, and special gifts or bequests into the Trust (excluding funds invested in the Catholic Foundation)

[All Diocesan entities must deposit surplus, capital, and gifts into the Trust \(excluding funds invested in the Catholic Foundation\).](#)

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Depositor requirements (continued)

Question 5 What are Operational Surplus Funds?

Answer

Operational Surplus Funds are funds exceeding what is necessary to meet 60 days of operating expenses.

[Operational Surplus: Funds exceeding 60 days' expenses.](#)

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Depositor requirements (continued)

Question 6 May diocesan entities invest in other financial institutions?

Answer

No, diocesan entities may not invest in other financial institutions, except for deposits made through the Catholic Foundation of the Diocese of Saint Petersburg or borrowing facilitated and approved by the Savings & Loan Trustees.

[No outside investments, except via the Catholic Foundation or approved borrowing.](#)

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Depositor requirements (continued)

Question 7

What must be done with donor-restricted funds?

Answer

Funds subject to donor-imposed restrictions must be separated from unrestricted funds and used solely for their intended purpose.

[Restricted funds must be separated and used as intended.](#)

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Deposits, withdrawals, and interest

Question 8

How are Savings and Loan activities reported?

Answer

Monthly statements detailing deposits, withdrawals, interest, and balances are issued no later than 20 days after the end of each month.

[Monthly statements issued within 20 days, detailing all transactions.](#)

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Deposits, withdrawals, and interest (continued)

Question 9 How are funds deposited into the Trust

Answer

To deposit funds, a parish or entity must submit a completed Deposit Form along with the funds. Deposits should be sent to P.O. Box 40200, St. Petersburg, FL 33743-0200. The Savings & Loan Account Number must be included on the memo line of the check to ensure proper allocation.

[Submit Deposit Form with funds; include account number on check memo.](#)

We are evaluating the option of accepting deposits via wire transfer. If implemented, depositors will be required to submit the same deposit form via email. Further details will be provided as they become available.

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Deposits, withdrawals, and interest (continued)

Question 10 How are funds withdrawn from the Trust?

Answer

To withdraw funds, a parish or entity must submit a Withdrawal Form signed by the pastor or an authorized signer. Signed forms should be emailed to SandL@dosp.org."

[Submit signed Withdrawal Form via email to SandL@dosp.org.](#)

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Deposits, withdrawals, and interest (continued)

Question 11 How is interest managed in the Trust?

Answer

Interest is accrued monthly and credited to each respective account. Savings and Loans interest rates are reviewed quarterly and may be adjusted by the Trustees.

[Interest accrues monthly; Savings and Loans rates reviewed quarterly.](#)

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Deposits, withdrawals, and interest (continued)

Question 12 Who do I contact for questions?

Answer

For any questions, please email SandL@dosp.org.

[For any questions, please email SandL@dosp.org.](mailto:SandL@dosp.org)

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Deposits, withdrawals, and interest (continued)

Example A Deposit into Unrestricted Savings

Transaction: A parish deposits \$50,000 from its main operating checking account into its unrestricted S&L account.

Accounting Entries:

1112000 DOSP S&L Unrestricted	\$50,000	
1110000 Checking: Operating		\$50,000

Explanation: The parish moves general funds from its checking account into the unrestricted savings account, where it can be used for any parish needs without restrictions.

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Deposits, withdrawals, and interest (continued)

Example B Deposit into Restricted Savings

Transaction: A parish receives \$25,000 in restricted donations for a building project and deposits it into the S&L restricted account.

Accounting Entries:

1115000 DOSP S&L Restricted	\$25,000	
3250000 Funds Held in Trust		\$25,000

Explanation: The funds received are restricted for a specific purpose (e.g., a new church building). They are deposited into the S&L restricted account to ensure they are used only for their designated purpose.

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Deposits, withdrawals, and interest (continued)

Example C Withdrawal from Unrestricted Savings

Transaction: A parish withdraws \$5,000 from its unrestricted savings in the Diocesan Savings & Loan (S&L) account and deposits it into the main operating checking account.

Accounting Entries:

1110000 Checking: Operating	\$5,000	
1112000 DOSP S&L Unrestricted		\$5,000

Explanation: The funds are withdrawn from the unrestricted savings account (DOSP S&L Unrestricted Parish) and transferred into the main operating checking account for general use.

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Deposits, withdrawals, and interest (continued)

Example D Withdrawal from Restricted Savings

Transaction: A parish withdraws \$2,000 from its restricted savings in the Diocesan Savings & Loan (S&L) account for use on the designated charity project.

Accounting Entries:

1110000 Checking: Operating	\$2,000	
1115000 DOSP S&L Restricted		\$2,000

Explanation: The funds are withdrawn from the restricted savings account (DOSP S&L Restricted) and transferred into the main operating checking account for use on the charity project, as per the restricted purpose.

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Deposits, withdrawals, and interest (continued)

Example E Interest Earned on Unrestricted Savings

Transaction: A parish (S&L) savings account earns \$1,200 in interest on the unrestricted savings.

Accounting Entries:

1112000 DOSP S&L Unrestricted	\$1,200	
100460000 Interest Income		\$1,200

Explanation: The interest earned on the parish's unrestricted savings is credited to the S&L unrestricted account and recognized as income through the "Interest Income: Parish" revenue code.

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Deposits, withdrawals, and interest (continued)

Example F Interest Earned on Restricted Savings

Transaction: A parish restricted (S&L) savings account earns \$500 in interest on the restricted savings.

Accounting Entries:

1115000 DOSP S&L Restricted	\$500	
100460000 Interest Income		\$500

Explanation: The interest earned on the parish's restricted savings is credited to the S&L restricted account and recognized as income under the "Restricted Savings Interest" revenue code, ensuring that it remains allocated for restricted purposes.

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Loan provisions

Question 13 Who grants loans from the Trust?

Answer

Loans are granted by the Bishop after review and approval by the Savings & Loan Trustees.

[Loans are approved by the Bishop, following Trustee review.](#)

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Loan provisions (continued)

Question 14 What are the types of loans available?

Answer

The Trust offers the following loan programs:

- Special Purpose Bridge Loans
- Minor Construction and Term Loans
- Major Construction and Term Loans
- Property Purchase Loans
- Custom Loans

[See above](#)

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Loan provisions (continued)

Question 15 How are loan applications evaluated?

Answer

The primary evaluation criterion is the applicant's ability to meet debt obligations. Other considerations include offertory trends, participation in diocesan appeals, and overall financial management practices

[Ability to repay the loan, debt service, offertory, appeal participation, and financial practices.](#)

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Loan provisions (continued)

Example G Loan for Capital Project

Transaction: A parish obtains a \$50,000, 5-year loan for a capital project and deposits the funds into the unrestricted savings and loan cash account.

Accounting Entries:

1112000 DOSP S&L Unrestricted	\$50,000
1270001 Notes Payable DSL Loan	\$50,000

Explanation: The parish receives a loan for a capital project and deposits the loan proceeds into the unrestricted savings and loan cash account. The loan payable is recorded in the "Notes Payable DSL Loan" account, indicating the liability for repayment of the loan.

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Loan provisions (continued)

Example H Loan Payment

Transaction: The parish makes the first payment of \$943.56 on the capital project loan, with \$735.23 applied to principal and \$208.33 applied to interest.

Accounting Entries:

1270001 Notes Payable DSL Loan	\$735.23
325566100 Interest Expense	\$208.33
1110000 Checking: Operating	\$943.56

Explanation: The parish makes the loan payment of \$943.56. Of this, \$735.23 is applied to reduce the principal, and \$208.33 is applied to interest expense.

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Financial reporting

Question 16 What financial reports must be submitted with a loan application?

Answer

With each loan application, the requesting entity must submit a full set of financial statements and select payables statements. The required reports include:

- A Statement of Activity for the past three years (year-to-date and prior two fiscal years).
- A Statement of Financial Position for the past three years (month prior to submission and prior two fiscal years).
- Any additional statements, including recent Diocesan Statements for Loan Activity, Savings and Loan Statements, and billings such as property insurance, health insurance, or other benefits.

[Financial statements \(3 years\), statements for loans and receivables](#)

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Financial reporting (continued)

Question 17

What should be included in the Statement of Activity?

Answer

The Statement of Activity should include the following columns:

- Column 1: Year-to-Date (YTD) Actual
- Column 2: Annual Budget
- Column 3: YTD Last Year
- Column 4: Last Year Total Actual
- The report should cover the most recently completed month and the two most recently completed fiscal years (as of June 30).

[YTD Actual, Annual Budget, YTD Last Year, and Last Year Total](#)

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Financial reporting (continued)

Question 18

What should be included in the Statement of Financial Position?

Answer

The Statement of Financial Position presents the entity's financial standing, including assets, liabilities, and net assets, at the specified dates. The criteria for your report should reflect:

- Closed financials within 60 days of loan request.
- The two most recently completed fiscal years (as of June 30).

[Recent month, last two fiscal years \(as of June 30\)](#)

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Financial reporting (continued)

Question 19

What other statements must be submitted?

Answer

In addition to the Statement of Activity and Statement of Financial Position, entities must submit:

- The most recent Diocesan Statements for Loan Activity.
- The most recent Savings and Loan Statements.
- Any other relevant billings such as:
 - Property insurance statements
 - Health insurance statements
 - Other benefits-related documentation

[Savings and Loan Statements, Billings \(e.g., property insurance, health insurance, benefits\).](#)

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Financial reporting (continued)

Question 20

Why is it necessary to submit these reports?

Answer

These financial reports provide the Savings & Loan Trustees with a complete picture of the financial health of the entity seeking a loan. They help assess the entity's ability to repay the loan, its financial stability, and its capacity for future borrowing.

[Reports assess financial health, repayment ability, and borrowing capacity.](#)

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Financial reporting (continued)

Example I Generating Statement of Activities

The screenshot shows the ParishSOFT Accounting interface. At the top, there is a navigation bar with "Ledger Report Writer" and "Consolidation Manager" tabs. Below this is a menu of icons for various functions: Organizations, Setup, Accounts, Options, Users, Permissions, Email, Communication, Process, and Reports. The user is identified as "Diocesan Admin".

Below the navigation bar, there are two main sections:

- Standard Reports:** A list of report categories with expandable arrows:
 - Statements (highlighted in yellow)
 - Lists
 - Analytic Reports
 - Payroll Reports
- Memorized Report Groups:** A list of pre-defined report groups:
 - DOSP Elementary Schools
 - DOSP Parishes
 - Parish Assesment Parishes
 - Operating Cash Balance

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Financial reporting (continued)

Example I (continued) Generating Statement of Activities

This screenshot is a zoomed-in view of the "Standard Reports" section from the previous slide. The "Statements" category is expanded, showing a list of specific reports:

- Consolidated Statement of Financial Position
- Consolidated Statement of Activities (highlighted in yellow)

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Financial reporting (continued)

Example I (continued) Generating Statement of Activities

 Statements > Consolidated Statement of Activities :: Configure Report

Fiscal Period Ended _____

Report as of month ending: during fiscal year ending:

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Financial reporting (continued)

Example I (continued) Generating Statement of Activities

** Statement of Activity Print Columns

Column 1:	<input type="text" value="YTD Actual"/>	▼
Column 2:	<input type="text" value="Annual Budget"/>	▼
Column 3:	<input type="text" value="YTD Last Year"/>	▼
Column 4:	<input type="text" value="Last Year Total Actual"/>	▼
Column 5:	<input type="text" value="Blank Column"/>	▼
Column 6:	<input type="text" value="Blank Column"/>	▼
----Including more than 6 columns will produce a Landscape report----		
Column 7:	<input type="text" value="Blank Column"/>	▼
Column 8:	<input type="text" value="Blank Column"/>	▼
Column 9:	<input type="text" value="Blank Column"/>	▼

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Financial reporting (continued)

Example I (continued) Generating Statement of Activities

** Report Format

Detail

Summary

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Financial reporting (continued)

Example J Generating Statement of Financial Position

The screenshot displays the ParishSOFT Accounting software interface. At the top, the logo "ParishSOFT Accounting" is visible on the left, and "Home Aaron Daniels Diocese of St Petersburg" is on the right. Below the header, there are two tabs: "Ledger Report Writer" and "Consolidation Manager". A navigation bar contains icons for Organizations, Setup, Accounts, Options, Users, Permissions, Email, Communication, Process, and Reports. Below this, the "Diocesan Admin" section is shown, divided into "Standard Reports" and "Memorized Report Groups".

Standard Reports

- Statements
- Lists
- Analytic Reports
- Payroll Reports

Memorized Report Groups

- DOSP Elementary Schools
- DOSP Parishes
- Parish Assessment Parishes
- Operating Cash Balance

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Financial reporting (continued)

Example J (continued) Generating Statement of Financial Position



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Financial reporting (continued)

Example J (continued) Generating Statement of Financial Position

The screenshot shows the "Fiscal Period Ended" selection screen. The "Report as of month ending:" dropdown is set to "July", and the "during fiscal year ending:" dropdown is set to "6/30/2024 - Current Fiscal Year". The "Entity" section lists four options: "1: Parish", "2: ECC/Elementary Sch", "3: High School", and "4: Morning Star". The "Organization" section lists four options: "All Saints Parish, Clear", "Bishop Larkin Cath-INA", "Blessed Sacrament Cath", and "Blessed Sacrament Cath". The "Statement of Financial" section is partially visible. A dropdown menu is open, showing the months from "July" to "June". The "Class" field is set to "X".

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Financial reporting (continued)

Example J (continued) Generating Statement of Financial Position

** Statement of Financial Position Print Columns —

Column 1:	Year to Date Balance	▼
Column 2:	Blank Column	▼
Column 3:	Blank Column	▼
Column 4:	Balance Last Month	▼
Column 5:	Blank Column	▼

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Financial reporting (continued)

Example J (continued) Generating Statement of Financial Position

** Report Format —

Detail

Summary

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Debt Service Ratio (DSR)

Question 21

What is the Debt Service Ratio?

Answer

The Debt Ratio is a financial assessment used to determine whether a parish, school, or diocesan entity can afford to take on new debt. It ensures that loan obligations remain manageable relative to the entity's available resources.

[Assesses an entity's ability to manage new debt relative to available resources.](#)

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Debt Service Ratio (DSR) (continued)

Question 22

How is the Debt Service Ratio calculated?

Answer

The calculation follows these steps:

1. Net income + depreciation + interest expense on S&L = adjusted net income (A)
2. Current S&L principal and interest payments + projected S&L principal and interest payments = debt service obligation (B)
3. Adjusted net income (A) / debt service obligation (B) = Debt Service Ratio (DSR)

[Adjusted net income / debt service obligation](#)

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Debt Service Ratio (DSR) (continued)

Question 23

What is the required Debt Service Ratio?

Answer

Generally, a diocesan entity must maintain a minimum DSR of 120% to qualify for additional borrowing. This ensures that there is sufficient financial margin to cover debt obligations.

120%

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Debt Service Ratio (DSR) (continued)

Question 24

Is there an example calculation?

Answer

Yes. See next slide.

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Debt Service Ratio (DSR) (continued)

Example K Debt Service Ratio (DSR) Calculation

1. Net Income \$500,000 + Depreciation \$50,000 + Interest Expense on Savings & Loan Borrowings \$25,000 = Adjusted Net Income (A): \$575,000
2. Current & Projected Savings & Loan Debt Payments (B): \$450,000
3. $\$575,000 \div \$450,000 = 127.8\%$

Explanation: Since $127.8\% > 120\%$, the entity has an acceptable DRS.

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Debt Service Ratio (DSR) (continued)

Question 25 Who must complete the Debt Service Ratio Calculation?

Answer

The Debt Service Ratio Calculation must be completed by the Pastor/Principal:

- For all loan requests submitted to the Savings & Loan Trust.
- Quarterly for any approved loan exceeding \$250,000.
- Quarterly for any approved loan with a DSR below 120% to ensure ongoing financial stability.

[For all loan requests, Quarterly for loans >\\$250,000, Quarterly for loans with DSR <120%, completed by Pastor/Principal](#)

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Debt Service Ratio (DSR) (continued)

Question 26

Why is the Debt Service Calculation important?

Answer

This calculation ensures responsible financial stewardship and protects parishes, schools, and the Diocese from excessive debt that could hinder their ability to fulfill their mission.

[Ensures financial stewardship, prevents excessive debt hindering the mission](#)

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Compliance and Risk Management

Question 27

What is the deadline for compliance with deposit requirements?

Answer

Excess funds must be transferred to the Trust or the Catholic Foundation by June 15, 2025.

[June 15, 2025](#)

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Compliance and Risk Management

Question 28

What are the consequences for non-compliance?

Answer

Failure to comply without written permission from the Bishop is considered a fraudulent act and may result in penalties, disciplinary action, or termination of employment.

[Non-compliance without Bishop's permission is fraudulent and may lead to penalties, discipline, or termination.](#)

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Compliance and Risk Management

Question 29

How is risk managed within the Trust?

Answer

Loan exposure per parish is capped at 10% of the total deposits held by the Diocesan Savings and Loan Trust, and the total loan portfolio cannot exceed 75% of total deposits. Parishes with significant debt must submit quarterly Debt Service Ratio calculations to demonstrate cash flow capacity.

[Entity capped at 10% of S&L deposits, total portfolio capped at 75%. Entities required to submit quarterly Debt Service Ratio calculations.](#)

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Compliance and Risk Management

Question 30

What should a parish do if it anticipates difficulty repaying a loan?

Answer

The parish must notify the Controller's office immediately to discuss possible solutions. Non-performing loans will accrue simple interest, with payments applied first to interest, then to principal.

[Notify the Controller's office immediately.](#)

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The End

Thank you, any final questions?

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