

November 17, 2006

**Guidelines for Our Faith Our Legacy (OFOL) Deposits:**

The diocese will deposit the parish rebate (the parish share of the OFOL collections) on a two month lag (i.e. July deposits were posted on Sep 1<sup>st</sup>; Aug deposits were posted on Oct 1<sup>st</sup>). Once the deposit has been made into your OFOL deposit account with the Diocese Savings and Loan (DLS) a statement is generated and sent to the parish along with a letter and a withdrawal form. These guidelines will help you record these deposits:

1. Set up a savings account in the assets section of your chart of accounts and title it DIAL Savings OFOL.
2. Set up a revenue account under non-assessable revenue called OF/OL Collections.
3. Record the deposit with a debit to cash (OFOL account) and a credit to revenue (OFOL collections)
4. Each month when you receive your OFOL statement from the Diocese, compare the balance from the statement to the amount in your records. If different prepare a General Journal entry to adjust accordingly. If you need to increase the amount on your books then you will debit the Dial OFOL asset account and credit the OF/OL income account.
5. In the quarterly report, you will include the amount in the bank account into your "Interest bearing" accounts under assets and enter the income on the OFOL collections line.
6. Initial payments collected by the parish and sent to the diocese should be treated as "funds held for transmittal" and not treated as income on the profit and loss statement. Your entry will be to debit your operating account and credit "Funds held for Transmittal". When you write the check to the Diocese your entry will be to debit "Funds held for transmittal".

If you have any questions concerning the correct procedure for accounting for OF/OL collections please contact either myself at 512 697-2033 or Kelly Bigler at 512 697-2024.

Rick Virgne  
Director of Parish Business Services  
Austin Diocese