



ARCHDIOCESE OF BOSTON

MEMORANDUM

TO: Finance & Operations Managers and Business Managers
FROM: Yitao Ward – Sr Manager, Finance (Parish Accounting & FinPAX)
RE: Guidance on Accounting for your SBA Loan
DATE: April 15, 2020

This memo provides the journal entries to record your SBA loan in QuickBooks or Intacct. Since you will need to certify that the loan proceeds were used for payroll and utility costs under the program and the bulk of the proceeds relate to payroll, depositing the loan proceeds into the cash account where PrimePay typically draws your payroll from is the preferred practice. Depending on where the funds will be deposited and held, there are two entries that need to be made:

- 1. An entry needs to be made when the Parish/School receives the loan proceeds from the bank. The entry records the receipt of the funds in one of the following cash accounts and a corresponding liability is created as a Notes Payable.
2. An entry needs to be made when the payroll is paid.

Possible Cash Accounts:

- 1. The existing local operating account or existing payroll account
2. A NEW local operating account

QuickBooks:

- 1. EXISTING LOCAL OPERATING ACCOUNT or EXISTING PAYROLL ACCOUNT:

The loan proceeds should be deposited into the account that is already associated with PrimePay and BAS.

To properly record the loan proceeds:

Table with 2 columns: Account, and 2 rows: Dr. 1000 – Existing Local Operating Account or Existing Payroll Account, Cr. 2400 – Notes Payable

To properly record the associated salary expense:

No change – continue to download the DG1 report from PrimePay and upload your salary expense entry.

**2. NEW LOCAL ACCOUNT:**

Your lender may require you to open a new bank account with them to deposit the associated SBA loan proceeds. For this scenario, you will need to create a new cash account in QuickBooks.

**To properly record the loan proceeds:**

	<b>Account</b>
Dr.	1010– NEW Local Checking Account
Cr.	2400 – Notes Payable

**To properly record the associated salary expense:**

Step 1: Continue to download the DG1 report from PrimePay and upload your salary expense entry.

Step 2: Create an entry to reimburse the Cash account where the Payroll expense was paid out of (associated with Primepay).

	<b>Account</b>
Dr.	1000 - Existing Local Operating Account or Existing Payroll Account
Cr.	1010- NEW Local Operating Account - SBA

**Intacct:**

**1 . EXISTING LOCAL OPERATING ACCOUNT:**

The loan proceeds are being deposited into the account that is already associated with PrimePay.

**To properly record the loan proceeds:**

	<b>Account</b>	<b>Department</b>	<b>Fund</b>	<b>Project*</b>
Dr.	11XXXX – Local Operating Account or Existing Payroll Account	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration
Cr.	223000 – Notes Payable	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration

**To properly record the associated salary expense:**

1. Continue to download the D4G report from PrimePay and upload your salary expense entry into Intacct.
2. Go to General Ledger > Journal Entries> Payroll Journal > click “View Transactions”

## Journal Entries

All Manage views  Include inactive

	Title
<a href="#">View Transactions</a>	Accounts Payable Journal
<a href="#">View Transactions</a>	Accounts Receivable Journal
<a href="#">View Transactions</a>	Cash Disbursements Journal
<a href="#">View Transactions</a>	Cash Receipts Journal
<a href="#">View Transactions</a>	Employee Expenses Disbursements Journal
<a href="#">View Transactions</a>	Employee Expenses Journal
<a href="#">View Transactions</a>	FACTS Journal
<a href="#">View Transactions</a>	Fixed Assets Journal
<a href="#">View Transactions</a>	General Journal
<a href="#">View Transactions</a>	General Journal - Approval
<a href="#">View Transactions</a>	General Journal - Parishes
<a href="#">View Transactions</a>	History
<a href="#">View Transactions</a>	Inter-Entity Payables
<a href="#">View Transactions</a>	Inter-Entity Receivable
<a href="#">View Transactions</a>	Payroll Journal

3. Find the journal you imported and click “Edit”

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★ Home General Ledger

### ☰ PYRJ - Journal Transactions

All Manage views  Include private [Advanced filters](#) [Clear all fil](#)

Select	No	Reference number	Description
<input type="checkbox"/>			
<input type="checkbox"/> <a href="#">Edit</a> <a href="#">View</a>	1512		PR 05/01/20
<input type="checkbox"/> <a href="#">Edit</a> <a href="#">View</a>	1511		PR 05/01/20

- Identify the cash entries and edit the project dimension changing it from “Not Applicable” to **P-0000597 - Small Business Administration**
- Click “Save” in the upper right corner.

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General Ledger

**Payroll Journal - Journal Entries** Save

Transaction History

Transaction number: 1512

Book(s): ACCRUAL

Description: PR 05/01/20

Reference number: [ ]

State: Posted

Journal: PYRJ

Posting date: 05/01/2020

Comment: Add your comment to the transaction history

Source entity: [ ]

Attachment: [ ]

Entity	Department	Account *	Fund	Restriction	Elimination	Project	Vendor	Customer
[ ]	70001--Parish/Church	CASH ACCOUNT	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
[ ]	70001--Parish/Church	CASH ACCOUNT	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
[ ]	70001--Parish/Church	110400--Sacred Heart	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
[ ]	70001--Parish/Church	211203--401(k) Withhc	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
[ ]	70001--Parish/Church	211203--401(k) Withhc	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab

## 2. NEW LOCAL OPERATING ACCOUNT:

Your lender may require you to open a new bank account with them to deposit the associated SBA loan proceeds. For this scenario, you will need to complete the “New Bank Account” set up form on the Intacct Dashboard and send it to your PFS Consultant who will send it to RCAB Finance for GL account creation.

### To properly record the loan proceeds:

	Account	Department	Fund	Project*
Dr.	11XXXX – NEW Local Operating Account  (please fill out the “New Bank Account” set up form on the Intacct dashboard and send it to your PFS Consultant for the account to be created)	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration
Cr.	223000 – Notes Payable	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration

### To properly record the associated salary expense:

- Continue to download the D4G report from PrimePay and upload your salary expense entry into Intacct.
- Go to General Ledger > Journal Entries > Payroll Journal > click “View Transactions”

## Journal Entries

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<a href="#">View Transactions</a>	FACTS Journal
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<a href="#">View Transactions</a>	General Journal - Parishes
<a href="#">View Transactions</a>	History
<a href="#">View Transactions</a>	Inter-Entity Payables
<a href="#">View Transactions</a>	Inter-Entity Receivable
<a href="#">View Transactions</a>	Payroll Journal

3. Find the journal you imported and click “Edit”

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### ☰ PYRJ - Journal Transactions

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<input type="checkbox"/> <a href="#">Edit</a> <a href="#">View</a>	1512		PR 05/01/20
<input type="checkbox"/> <a href="#">Edit</a> <a href="#">View</a>	1511		PR 05/01/20

- Identify the cash entries and edit the project dimension changing it from “Not Applicable” to **P-0000597 - Small Business Administration**
- Click “Save” in the upper right corner.

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General Ledger

**Payroll Journal - Journal Entries** Save

Transaction History

Transaction number: 1512  
 Book(s): ACCRUAL  
 Description: PR 05/01/20  
 Reference number:   
 State: Posted

Journal: PYRJ  
 Posting date: 05/01/2020  
 Comment: Add your comment to the transaction history  
 Source entity:   
 Attachment:   
 State: Posted

Entity	Department	Account *	Fund	Restriction	Elimination	Project	Vendor	Customer
1	70001--Parish/Church	CASH ACCOUNT	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
2	70001--Parish/Church	CASH ACCOUNT	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
3	70001--Parish/Church	110400--Sacred Heart	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
4	70001--Parish/Church	211203--401(k) Withhc	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab
5	70001--Parish/Church	211203--401(k) Withhc	99999--Fund N/A	1 - Unrestricted	No	99999-9999--Not Appl	999999--Not Applicab	999999--Not Applicab

- Create an entry to reimburse the Cash account where the Payroll expense was paid out of (associated with Primepay).

	Account	Department	Fund	Project*
Dr.	11XXXX – Existing Local Operating Account or Existing Payroll Account	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration
Cr.	11XXXX – NEW Local Operating Account	70001 – Parish Church 70201 – School G&A	99999 – Fund N/A	P-0000597 - Small Business Administration

\*For the options above, you **must** ensure that you use the “Small Business Administration” project. It cannot be “Not Applicable”

*Please reach out to the Parish Accounting or FinPAX Team if you have any questions regarding how to account for your SBA loan.*

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