



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

203.7 - Chart of Accounts – Parishes – Accrual Basis

Parish accounting is performed on a modified accrual basis of accounting. This enables proper matching of income and expense, and proper reporting of assets and liabilities of each parish. This section outlines the standard chart of accounts for parishes, including accounts to be used when the parish has a school. To facilitate control over income and expense, the parish should establish sub-accounts where segregation is of value.

The following is the list of standard accounts to be used.

Income

Income is to be recorded based on the instructions below. Cash receipts are to be deposited in the entity checking account before any disbursements are made. Funds received from sale of non-cash gifts (i.e. stock gifts) are also to be deposited in the entity checking account before any disbursements are made.

Parish Income

Account 10 – Offertory

Includes all receipts for standard offertory, including those identifiable as to the giver and loose cash receipts. Also includes occasional or one-time special offerings not identified under Fund Drive (account 60 – Fund Drives) or Designated Collections (accounts 31 through 41).

Account 20 – Gifts, Bequests, Societies

Includes special gifts, bequests and donations from any source including parish societies. Includes grants to the Parish from an outside organization or from a Foundation, including the Catholic Foundation (excluding Challenge in Changing Times grants). Grants, specifically for the associated elementary school, may be recorded in account 540 – Other School Income, provided advanced approval is obtained from the Diocesan Finance Office. All gifts to the parish whether cash or other (stocks, bonds, land, improved property, equipment, etc.) with a real value and whether temporarily restricted or non-restricted (based on expressed donor intent) in use are to be credited here at fair market value. Fair market value is established based on **Policy 456.0 – Establishing Values**. Classification of the donation in this account versus other accounts should be based on stated donor intent (i.e. general use of the Parish, donated for a specific purpose, donated as an offertory gift, etc.). Donations for a specific Parish activity, such as an auction or festival, would be credited to account 50 – Parish Activities Gross Receipts. Donations in support of a specific Parish expenditure, such as Altar Flowers, Votive Candles, etc. would be recorded in account 70 – Other Parish Income. Donations to an Endowment are to be recorded in account 110 – Permanently Restricted Revenue.

Account 60 – Fund Drives

Includes building fund drives, debt reduction drives, major improvement drives and all other solicitations for a specific purpose and limited in time. Does not include drives to increase offertory. Expenses incurred in



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support of a fund drive (i.e. printing costs for brochures, reception costs, outside consultant expenses, etc.) are to be recorded in account 371 – Fund Drive Expenses. Fund drives for the express purpose of funding an endowment are recorded in account 110 – Permanently Restricted Revenue.

Account 70 – Other Parish Income

Includes receipts of interest, dividends, facility rental, and other types of income not covered in other accounts. Includes interest on funds deposited in the Parish Aid Fund. Includes net income from votive candles (i.e. receipts less cost of candles). Includes receipt of funds for Altar Flowers (cost recorded in account 280 – Church Supply and Expense). Includes net income from bank accounts (i.e. interest earned less fees).

Account 50 – Parish Activities Gross Receipts

Parish activities gross receipts includes gross revenue from bazaars, dances, picnics, socials, raffles, bingo, lotteries, parish bulletin advertising, and all other general fund raisers. Includes donations made in support of an activity (i.e. cash donations towards a silent auction). Expenses for these activities are recorded separately in Account 260 – Parish Activity Costs. Includes income from a Latchkey program (associated expenses are recorded in account 260 – Parish Activity Costs). Includes income from a Pre-school program in a Parish which does not have a school (associated expenses are recorded in account 260 – Parish Activity Costs). If the Pre-school program is run in a Parish with a school, the income and expense are recorded in account 530 – Net Student Services Activities, Gain or (Loss).

Account 75 – Fees, Other Religious Education Income

Includes program fees, contributions, support from participating parishes, tuition and other income specifically applicable to religious education. Also includes fees for retreats and receipts from fundraisers, if restricted for use with Religious Education programs. Account includes receipt for both youth and adult education programs. The income for religious education and youth ministry programs that span the school year should be recognized ratably over the year. See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the accounting entries necessary for properly recognizing this income.

Account 80 – Diocesan Support Received

Includes all grants, allocations, subsidies, and refunds from Diocesan fundraising programs, such as Bishop's Annual Appeal, Challenge in Changing Times, etc., and other funds received directly from the diocese, except for loans (recorded as a liability in account 5900 – Loans) and student grant-in-aid (account 501 – Student Receipts). Includes grants from Challenge in Changing Times.

Account 81 – Net Assets Released From Restrictions

Includes distributions from endowments or separate Foundations established prior to 1992, for the benefit of the Parish. See Policy 203.4 – Accounting Entries – Parishes for details on recording transactions to this account. If the annual distribution from an endowment account held at the Catholic Foundation has not been received by



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June 30, then a general journal entry is required to record a receivable from the Catholic Foundation (account 4350 - *Endowment Distribution Receivable*) with the offsetting credit made to this account.

Account 90 – Sale of Assets

Includes the net gain or loss from sale of any asset owned by the parish. If the asset was recorded in account 4410 – Leasehold Improvements, then the amount recorded is cash received less net book value. If the asset was not recorded in account 4410 – Leasehold Improvements, then the amount recorded is equal to the cash received.

Account 92 – Insurance Recoveries

Includes cash receipts from insurance carriers or individuals for insured losses or damages. Does not include repairs or replacement paid directly by the insurance carriers or individuals.

Account 110 – Permanently Restricted Revenue

Includes all funds donated for an endowment account. This includes proceeds of a fund drive specifically for the endowment, as well as gifts or bequests restricted to the endowment. See Policy 203.4 – Accounting Entries – Parishes for details on recording transactions to this account.

Account 111 – Permanently Restricted Investment Income

Used to record the investment income (generally interest or dividends) for an endowment. See Policy 203.4 – Accounting Entries – Parishes for details on recording transactions to this account. Fees paid would be recorded as a debit to this account.

Account 112 – Permanently Restricted Realized/Unrealized Gain(Loss)

Used to record the change in market value of an endowment from both realized gain or loss, or unrealized gain or loss. See Policy 203.4 – Accounting Entries – Parishes for details on recording transactions to this account.

Account 113 – Net Assets Released from Restrictions – Permanently Restricted

Includes all funds distributed to the Parish from an endowment or separate Foundation established prior to 1992, whether earnings or principal. See Policy 203.4 – Accounting Entries – Parishes for details on recording transactions to this account.

Catholic Times Receipts

Funds received directly by the parish for payment of contributions to the Catholic Times are recorded as a credit to expense account 301 – Catholic Times.

Elementary School Income

Account 501 – Student Receipts



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Includes all monies received from students, including tuition (current, delinquent, advance), book fees, registration fees, student offertory, diocesan or other grant-in-aid support and tuition collected by another parish or parishes and forwarded to you. This account is used only for receipts for students in grades K through 8. See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the accounting entries necessary for properly recognizing tuition income. Note: student transportation receipts are not posted here but deducted from expense account 760 – Student Transportation Costs (Net).

Account 530 – Net Student Services Activities, Gain or (Loss)

Includes all monies received by a student service activity such as athletics, band, chorus, cafeteria, drama, etc. All expenditures incurred for student service activities will be debited to this account to arrive at a net gain or (loss). Sub-accounts should be used if required or desired. Also to be included in this account are:

- Pre-school program receipts and expenses in Parishes with an elementary school. Receipts and expenses are recorded in this account to arrive at a net gain or loss from the program. Expenses include salaries and benefits of staff and expenses directly related to the running of the program. If the Pre-school program is run by a Parish without a school, the receipts are to be recorded in account 50 – Parish Activities Gross Receipts and expenses are to be recorded in account 260 – Parish Activity Costs

Latchkey program receipts are to be recorded in account 50 – Parish Activities Gross Receipts and expenses are to be recorded in account 260 – Parish Activity Costs

Account 540 – Other School Income

Includes facility rents, receipts from candy sales, special events, and other income specifically applicable to the elementary school, such as interest on a PAF or bank account held specifically for the school. Includes Administrative Cost Reimbursement. Other receipts for which this account might be used include:

- Special and major fund raising events or programs in support of the elementary school must be discussed with the Finance Office for determining proper posting to account 540 – Other School Income or account 50 – Parish Activities Gross Receipts. Unless such events are entirely school-related, sponsored and run by school parents (includes grandparents) only, they will be treated as parish activities and posted to account 50 - Parish Activities Gross Receipts.
- Special gifts, specifically restricted to benefit the elementary school (i.e. tuition assistance), may also qualify to be recorded here. This should be discussed with the Finance Office to determine proper posting. Please note that gifts to fund tuition for a specific student are to be recorded in account 501 – Student Receipts. The donor should be advised that because the gift is related to a specific student (and not for general scholarship usage) it is probable that the gift will not be tax deductible.

Please note, bingo receipts and expenses, are to be recorded as a Parish activity (receipts in account 50 – Parish Activities Gross Receipts and expenses in account 260 – Parish Activity Costs) even if all proceeds are used to support the parish school.

Account 563 – Interparochial School Support Received



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Includes direct parish subsidy received from another parish or parishes but does not include student tuition or other fees which may be paid to the students' own parish for transmittal to another parish school or consolidated school. See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the accounting entries to be used to record this income.

Expenses

Parish and elementary school expenses, if paid when due, are recorded when the associated disbursement is made and will appear as appropriate in the Statement of Activity. If the expenses are not paid when due, then for certain categories of expenses, an accounts payable will be established so that the expense can be recorded in the proper month. The categories are identified below.

Parish Expenses

Income Accounts

Account 260 – Parish Activity Costs

This account is set up in the Parish accounting system as an income account and appears in the income section of the Statement of Activity. Generally, the amounts reported will appear as a negative on the Statement of Activity. Includes total expenses from bazaars, dances, picnics, socials, raffles, bingo, lotteries, parish bulletin advertising, and other general fundraisers. There should be a corresponding account for receipts in account 50 – Parish Activities Gross Receipts. Includes expenses from a Latchkey program (associated income is recorded in account 50 – Parish Activity Gross Receipts). Includes expenses from a Pre-school program in a Parish which does not have a school (associated income is recorded in account 50 – Parish Activity Gross Receipts). If the Pre-school program is run in a Parish with a school, the income and expense are recorded in account 530 – Net Student Services Activities, Gain or (Loss). Expenses for Pre-School and Latchkey would include salaries and benefits of staff and expenses directly related to the running of the program.

Expense Accounts

Account 200 – Clergy & Religious Salaries

Includes gross salaries (but not benefit or allowance costs) of the pastor, co-pastor or associate pastors. Also includes stipends paid for extra services of all clergy. Gross salaries (but not benefit or allowance costs) of religious are also posted here unless specifically assigned to religious education (account 290 – Clergy & Religious Salaries). If an individual is a Permanent Deacon and is serving in a position that by Church Law can only be filled by an ordained clergy, then their salary would be recorded in this account. If they are serving in a



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position that may also be filled by a lay person, then their salary would be recorded in one of the other salary accounts. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 200 – Clergy & Religious Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 210 – Office Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel such as clerks, typists, receptionists, secretaries, bookkeepers, etc., not assigned to religious education (account 291 – Other Religious Education Salaries) or to school (account 605 – Office Salaries). If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 210 – Office Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 211 – Household Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel engaged in housekeeping, cooking, cleaning or other household duties. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 211 – Household Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 212 – Other Parish Salaries

Includes gross salaries (but not benefit or allowance costs) of other parish personnel not listed elsewhere, such as organist, music director, sacristan, pastoral personnel not recorded in another Salary account. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 212 – Other Parish Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 305 – Maintenance Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel engaged in maintenance, repair, groundkeeping or custodial services. If personnel efforts also involve service to the school, costs may be shared between this account and school maintenance salaries (account 800 – Maintenance Salaries). If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 305 – Maintenance Salaries

CR 5410 – Compensation Payable



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At the time the salary is paid, the offset would be against the payable account.

Account 240 – Employee Benefits and Allowances, Lay

All benefits and allowances for lay personnel are reported in this account (generally corresponds to employees paid through accounts 210 – Office Salaries, 211 – Household Salaries, 212 – Other Parish Salaries and 305 – Maintenance Salaries). This includes employer's share of social security, pension plans, life and health costs, worker's compensation, unemployment payments, continuing education and retreat costs. Also reported here are payments for housing allowances and/or transportation allowances which are based on a pre-arranged agreement for a set amount. Costs may be shared between Parish (account 240 – Employee Benefits and Allowances, Lay), school (account 620 - Employee Benefits and Allowances, Lay) and religious education (account 292 - Employee Benefits and Allowances, Lay) based on the allocation of the employee's salary.

If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 240 – Employee Benefits and Allowances, Lay

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or

CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.

Account 241 – Employee Benefits & Allowances, Clergy and Religious

All benefits and allowances for clergy and religious personnel are reported in this account (generally corresponds to employees paid through account 200 – Clergy and Religious Salaries). This includes employer's share of social security, pension plans, life and health costs, worker's compensation, unemployment payments, continuing education, retreat costs and the professional allowance. Also reported here are payments for housing allowances and/or transportation allowances which are based on a pre-arranged agreement for a set amount. Payments may be made directly to an employee or to a religious community. Costs may be shared between Parish (account 241 - Employee Benefits and Allowances, Clergy and Religious), school (account 625 – Employee Benefits and Allowances, Clergy and Religious) and religious education (account 293 – Employee Benefits & Allowances, Clergy and Religious) based on the allocation of the employee's salary. If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 241 – Employee Benefits and Allowances, Clergy and Religious

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or

CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.



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Account 220 – Rectory & Household Supply and Expense

Includes food, kitchen supplies, household supplies, laundry and any other expense directly connected with the rectory. Does not include maintenance or repair. These items are reported in account 320 - Maintenance Supply and Repair.

Account 230 – Office Supply and Expense

Includes office supplies for the parish. Also includes dues and general parish use subscriptions (items of a spiritual nature are recorded in account 280 – Church Supply and Expense), parish printing, postage, collection envelope costs and parish council expenses. Does not include religious education program costs, provided these can be easily separated from general office expenditures. Includes purchase and replacement of equipment provided the net cost does not exceed \$5,000 (see account 4410 - Leasehold Improvements).

Account 250 – Transportation & Travel Costs

Includes vehicle expense on parish-owned or leased vehicles for parish use such as fuel and maintenance. Includes vehicles purchased by the parish provided that the net cost (after trade-in) does not exceed \$5,000 (see account 4410 - Leasehold Improvements). Also includes authorized travel expenditures to a convention, seminar, or meeting. If related to Religious Education, use account 294 – Transportation and Travel Costs. If related to parish elementary school, use account 610 – Office Supply & Expense.

Account 280 – Church Supply and Expense

Includes altar, sanctuary, choir, missalettes, hymnals, vestments, altar flowers and any other supply or expense directly connected with church, other than maintenance and utility costs. Includes stipends paid to non-Clergy (i.e. accompanist, sacristan, servers, etc.).

Account 300 – Parish Charities

Includes all parish charitable and civic projects, either for individuals or for organized groups. Also includes voluntary aid to needy parishes or institutions of the diocese, except receipts recorded in Designated Collections. Would also include cash donations from the Parish to other Diocesan or charitable entities (i.e. Pontifical College Josephinum).

Account 301 – Catholic Times (net cost)

Includes all payments made by the parish after deducting individual contributions subscriptions received.

Account 310 – Utilities

Includes fuel, electric, water, trash and telephone costs incurred at owned or rented property. Charges for internet connectivity should be included here. If the connectivity is just for the school or school office, the charge should be to account 811 - Utilities. If applicable, amounts may be allocated to Religious Education



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(account 297 – Share of Plant & Program Costs) and/or school (account 811 - Utilities or 840 – Faculty Residence Costs)

Account 320 – Maintenance Supply & Repair

Includes janitorial and maintenance supplies and cost of decorating and repairs to parish buildings, furnishing and equipment. Includes cost of janitorial services, landscaping, snow removal and security equipment and services. Also includes capital repairs, improvements or replacements to above, provided the total cost of each job or contract does not exceed \$5,000 (see account 4410 - Leasehold Improvements). When determining use of this account or account 4410, and using the same vendor who supplies inspection services (i.e. for HVAC), the cost of repair/replacement contract should be considered separately from the cost of the inspection contract. If applicable, amounts may be allocated to Religious Education (account 297 – Share of Plant & Program Costs) and/or school (account 810 – Maintenance Supply & Repair or 840 – Faculty Residence Costs)

Account 330 – Insurance

Includes cost of fire, property damage, comprehensive and liability premiums. Also includes premiums on parish-owned vehicles. If applicable, amounts may be allocated to Religious Education (account 297 – Share of Plant & Program Costs) and/or school (account 815 - Insurance or 840 – Faculty Residence Costs). Does not include cost of worker's compensation insurance or employee benefit insurance. If the general liability insurance premiums are not paid when due, a Payable will be established. The following general journal is required:

DR 330 – Insurance

CR 5510 - General Liability Premiums Payable

At the time the general liability insurance premiums are paid, the offset would be against the payable account.

Account 331 – Property Taxes

Includes real estate taxes paid on all or part of an owned property which does not qualify for total tax exemption. If property taxes are not paid when due, a Payable will be established. The following general journal is required:

DR 331 – Property Taxes

CR 5530 - Property Taxes Payable

At the time the property taxes are paid, the offset would be against the payable account.

Account 350 – Diocesan Assessment

Diocesan assessment is paid for support of diocesan programs and services. If Diocesan Assessment is not paid when due, a Payable will be established. The following general journal is required:

DR 350 – Diocesan Assessment

CR 5520 - Diocesan Assessment Payable

At the time the Diocesan Assessment is paid, the offset would be against the payable account.



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Account 360 – Interest Expense

Includes interest paid on parish debt. If interest is not paid when due, a Payable will be established. The following general journal is required:

DR 360 – Interest Expense

CR 5610 – Accrued Interest

At the time the interest is paid, the offset would be against the payable account.

Account 371 – Fund Drive Expenses

Includes expenses associated with major fund drive activity. Would include the cost of receptions, marketing, communication, etc.

Account 372 – Depreciation Expense

Includes recognition over time of the cost of major capital projects, including repairs and renovations.

Account 375 – Insurance Losses

Includes direct payments by the parish for repairs or replacement of losses covered by insurance. Receipts from insurance companies are posted to account 92 – Insurance Recoveries. Note: payments made directly by the insurance carrier for repair or replacement of insured losses are not posted. If the repair or replacement extends the life of the asset, then the cost may be capitalizable. Parishes should consult with the Finance Office to assure proper classification.

Account 340 – Secondary School Support Paid (Net)

Includes the parish share of tuition, additional assessments and guaranteed delinquent tuition, paid to secondary schools. All funds received by the parish toward secondary school support will be credited to this account.

If school support is not paid when due, a Payable will be established. The following general journal is required:

DR 340 – Secondary School Support Paid

CR 5540 – Interparochial & Secondary School Support Payable

At the time the support is paid, the offset would be against the payable account.

Account 341 – Interparochial School Support Paid

Includes direct parish subsidy paid to another parish or parishes or consolidated school but does not include payment of student tuition or fees paid by parents to their own parish for transmittal to another parish or consolidated school. If school support is not paid when due, a Payable will be established. The following general journal is required:

DR 341 – Interparochial School Support Paid

CR 5540 – Interparochial & Secondary School Support Payable

At the time the support is paid, the offset would be against the payable account.

Account 290 – Clergy & Religious Salaries



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Includes gross salaries (but not benefit or allowance costs) of those clergy and religious employed solely in religious education, and/or the proportionate shared time allocated to religious education. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 290 – Clergy & Religious Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 291 – Other Religious Education Salaries

Includes gross salaries (but not benefit or allowance costs) of lay personnel who are engaged solely in religious education, and/or the proportionate shared time allocated to religious education. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 291 – Other Religious Education Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 292 – Employee Benefits & Allowances, Lay

Includes all benefits and allowances for lay personnel engaged in religious education work. See account 240 – Employee Benefits & Allowances, Lay for specific definition and shared cost. If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 292 – Employee Benefits and Allowances, Lay

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or

CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.

Account 293 – Employee Benefits & Allowances, Clergy and Religious

Includes all benefits and allowances for clergy and religious specifically assigned to religious education work. See account 241 – Employee Benefits & Allowances, Clergy and Religious for specific definition and shared cost. If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 293 – Employee Benefits and Allowances, Clergy and Religious

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or

CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.



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Account 294 – Transportation and Travel Costs

Includes vehicle expense directly connected with religious education work such as fuel, maintenance or mileage reimbursement. Also includes authorized travel expenditures to a convention, seminar or meeting.

Account 295 – Youth Programs Supply & Expense

Includes all costs, not listed elsewhere, which apply to youth religious education programs such as CCD expense, supplies, stipends, a/v materials, curriculum, books, pamphlets, seminars, retreats, etc. The cost associated with celebrating a sacrament (i.e. 1st Communion, 1st Reconciliation, Confirmation) for youth is to be recorded here, even if children attending the Parish school are part of the celebration. Costs associated with Sacramental preparation would be recorded either here or in account 644 – Religion Instruction Supply & Expense (if the preparation is done as part of the school curriculum).

Account 296 – Adult Programs Supply & Expense

Includes all costs, not listed elsewhere, which apply to adult religious education programs such as supplies, stipends, a/v materials, curriculum, books, pamphlets, seminars, retreats, etc.

Account 297 – Share of Plant and Program Costs

Includes the religious education share of, or specific costs of: utilities; maintenance supply and repair; and insurance incurred for partial use of a parish or school building. May include a portion of salaries, benefits, supplies and materials when they are incurred in support of both Religious Education and other Parish activities. Does not include shared cost of maintenance salaries, unless personnel hired to directly support only religious education in which case the direct cost would be posted here.

Account 298 – Bad Debt Expense – Religious Education

Includes amount of current year religious education fees deemed uncollectible. See account **4300 – Accounts Receivable** for entries.

Elementary School Expenses

Account 600 – Administrative Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel with management responsibilities such as principal and assistant principal. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 600 – Administrative Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.



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Account 605 – Office Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel such as clerks, typists, receptionists, secretaries, bookkeepers, etc. or shared services between parish (account 210 – Office Salaries) and/or religious education (account 291 – Other Religious Education Salaries). If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 605 – Office Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 631 – Clergy & Religious Salaries

Includes gross salaries (but not benefit or allowance costs) of clergy and religious teachers whether on a part-time or full-time basis. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 631 – Clergy & Religious Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 632 – Lay Teacher Salaries

Includes gross salaries (but not benefit or allowance costs) of lay teachers. Amounts expended for Supplementals (i.e. safety patrol, science fair, etc.) and Substitutes are recorded in account 635 – Other School Salaries). If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 632 – Lay Teacher Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 635 – Other School Salaries

Includes gross salaries (but not benefit or allowance costs) of school personnel not listed elsewhere, such as nurse, music teachers, guidance counselor, etc. Includes salaries for Substitute teachers. Includes amounts paid for Supplemental activities (i.e. safety patrol, science fair, power of the pen, etc.). Includes salaries for Teacher Aides. Includes payments under VESI. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 635 – Other School Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 670 – Library and A/V Salaries



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Includes gross salaries (but not benefit or allowance costs) of personnel engaged in Library or Audio Visual services. If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 670 – Library and A/V Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 800 – Maintenance Salaries

Includes gross salaries (but not benefit or allowance costs) of personnel engaged in maintenance, repair, groundskeeping or custodial services (see account 305 – Maintenance Salaries for shared costs). If Salaries are not paid when due, a Payable will be established. The following general journal is required:

DR 800 – Maintenance Salaries

CR 5410 – Compensation Payable

At the time the salary is paid, the offset would be against the payable account.

Account 620 – Employee Benefits & Allowances, Lay

Includes all benefits and allowances for lay personnel engaged in elementary school work. See account 240 – Employee Benefits & Allowances, Lay for specific definition and shared costs. This would include Continuing Education expenses paid on behalf of the employee, by the school. If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 620 – Employee Benefits and Allowances, Lay

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or

CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.

Account 625 – Employee Benefits & Allowances, Clergy & Religious

Includes all benefits and allowances for clergy and religious engaged in elementary school work. See account 241 – Employee Benefits & Allowances, Clergy & Religious for specific definition and shared cost. If the employer cost of benefits are not paid when due, a Payable will be established. The following general journal is required:

DR 625 – Employee Benefits and Allowances, Clergy & Religious

CR 5420 – Employee Insurance Benefit Premiums Payable – Employer Portion

or

CR 5430 – FICA Payable – Employer Portion

or



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CR 5440 – Pension Payable – Employer Portion

At the time the employer cost of benefits is paid, the offset would be against the payable account.

Account 626 – Staff Development

Includes cost of group staff development, including speaker fees, OCSAA improvement plans, workshops, OCEA costs.

Account 840 – Faculty Residence Costs

Includes the faculty residence share of, or specific cost of: utilities; maintenance supply and repair; and insurance. Does not include a partial share of maintenance salary.

Account 610 – Office Supply & Expense

Includes office supplies for the school, dues and subscriptions, school printing, postage, equipment rentals and general fees. Includes cost of duplicating, copying, and faxing. Includes cost of technology purchased by use in the school office or for non-classroom use. Also includes employee reimbursement for authorized mileage or travel to a convention, seminar or meeting. Costs related to marketing the school are recorded in account 760 – Marketing Costs.

Account 615 – Central Administration Fees

includes payments made to the Office of Catholic Schools for services provided to the school, such as Student Assessment; Principal In-Service fee; Principal meeting fee; consumable materials fee; OCSAA Fees; etc.

Account 640 – Secular Instruction Supply & Expense

Includes any expenditure for instructional materials, supplies, books, manuals or other instruction expense directly used in the teaching of secular subjects.

Account 644 – Religion Instruction Supply & Expense

Includes any expenditure for instructional materials, supplies, books, manuals or other instruction expense, directly used in religion class instruction.

Account 680 – Library & A/V Supply & Expense

Includes library expenses such as books, periodicals, library supplies, audio visual material, film strips, records, etc.

Account 690 – School Technology Costs

Includes the cost of both hardware and software acquired for classroom use. Includes PC's, monitors, laptops, projectors, etc. Technology acquired for office or non-classroom use is recorded in account 610 – Office Supply & Expense. Internet connectivity charges for the school are recorded in account 811 – Utilities. Security technology, whether acquired only for the school facility or more generally for the Parish, is to be recorded in



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account 320 – Maintenance Supply & Repair or account 4410 - Leasehold Improvements, depending on the amount expended.

Account 760 – Marketing Costs

Includes the costs incurred in promoting the school to local parishes and community. Includes costs of brochures, ads, mailing, postage, etc.

Account 810 – Maintenance Supply & Repair

Includes janitorial and maintenance supplies, cost of decorating and repairs to school buildings, furnishings and general equipment. Also includes capital repairs, improvements and replacements to the above provided that the total cost of each project does not exceed \$5,000 (see account 4410 - Leasehold Improvements). For shared cost with the parish see account 320 – Maintenance Supply & Repair, faculty residence see account 840 – Faculty Residence Costs or religious education see account 297 – Share of Plant & Program Costs.

Account 811 – Utilities

Includes fuel, electric, water, cable TV, and telephone costs incurred at school facilities. Charges for internet connectivity should be included here if specific to the school. If the connectivity is just for the parish office, the charge should be to account 310 - Utilities. For shared costs, see account 310 - Utilities (parish), 840 – Faculty Residence Costs (faculty residence) or 297 – Share of Plant & Program Costs (religious education)

Account 815 – Insurance

Includes cost of fire, property damage, comprehensive and liability premiums covering school facilities. Includes cost of Student Accident Insurance. Also includes premiums on vehicles for student transportation. Does not include worker's compensation premium. For shared costs, see account 330 - Insurance (parish), 840 – Faculty Residence Costs (faculty residence) or 297 – Share of Plant & Program Costs (religious education) If the general liability insurance or student accident insurance premiums are not paid when due, a Payable will be established. The following general journal is required:

DR 815 – Insurance

CR 5510 - General Liability Premiums Payable

At the time the insurance premiums are paid, the offset would be against the payable account.

Account 816 – Bad Debt Expense - School

Includes amount of current year tuition and subsidy deemed uncollectible. See account **4300 – Accounts Receivable** for entries.

Student Services Activities

Expenses incurred for student services, such as athletics, band, chorus, cafeteria, drama, etc. are charged against account 530 – Net Student Activities, Gain or (Loss) to arrive at a net gain or loss.



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Auxiliary Services Funds

Receipt of Auxiliary Services funds and the associated expenditures are not reported in the accounts of the Parish. On at least an annual basis, a report should be prepared identifying the funds received and funds disbursed, and this information shared with the Pastor and Parish Finance Council.

Assets

Assets are items of value held in trust for the benefit of the parish or school. Earnings on Asset accounts are posted as an increase in asset value, with a corresponding entry to an income account. Accounts are to be grouped according to the major accounts shown in bold.

4000 – Checking & Savings

A separate account is to be established for each checking, savings and PAF savings account used by the parish or school. This would include a checking, savings or PAF account used to hold mass stipend receipts. If funds are held for a restricted use (i.e. Capital Campaign receipts), a separate account should be established, clearly titled to show the purpose of the fund and the fact that it is restricted. This allows proper segregation of the funds as well as proper financial analysis of restricted versus non-restricted funds. This would also include a checking, savings or PAF account used to hold funds for operation of a cemetery.

Diocesan policy states that investment type accounts (i.e. CD's, Mutual Funds, etc.) are not a valid place to hold parish or school funds. If one exists, the investment is to be liquidated at the earliest possible date. Until it is liquidated, the investment is to be shown at market value. Realized gain or loss as well as unrealized gain or loss on the investment is to be recorded as income in the appropriate account (i.e. account 70 – Other Parish Income for Parish assets, account 540 – Other School Income for school assets).

4100 – Auxiliary Organization Checking & Savings

For Auxiliary Groups, such as Women's Group, Men's Club, Athletic Association, Home and School Association, etc., the fund balance held in checking or savings accounts must be shown in a separate account. At least quarterly, the parish is to receive a statement showing receipts and disbursements from each so that entries can be properly recorded on the Statement of Activity – Non-Operating.

4300 – Accounts Receivable

Accounts Receivable accounts represent amounts owed to the parish or school. For parishes with an elementary school, policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** identifies the entries required to establish receivables for school tuition and school subsidy. This procedure also outlines the entries necessary for proper recognition of tuition and subsidy income.



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For those parishes with significant Religious Education programs, policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** also outlines how to establish a receivable for these fees and also the entries necessary for proper recognition of fee income.

Account 4310 - School Tuition Receivable

Includes the amounts due from families for tuition for current and prior years.

Account 4315 - Allowance for Doubtful Accounts – School Tuition

Reflects an estimate of the amount in account **4310 – School Tuition Receivable** that will not be collectible.

Account 4320 - School Subsidy Receivable

Includes the amounts due from other parishes for subsidy for current and prior years.

Account 4325 - Allowance for Doubtful Accounts – School Subsidy

Reflects an estimate of the amount in account **4320 – School Subsidy Receivable** that will not be collectible.

Account 4330 - School Tuition Assistance Receivable

Includes the amounts due from the Diocese for Tuition Assistance for the current year.

Account 4332 - Other School Tuition Credits Receivable

Includes the amounts due to you from sources outside of the parish for other types of tuition credit that you granted for the current school year. This could include state funds for Ed choice, scholarship funds, etc .

Account 4335 - Allowance for Doubtful Accounts – Tuition Credits

Reflects an estimate of the amount in account **4332 – Other School Tuition Credits Receivable** that will not be collectible.

Account 4340 - Religious Education Fees Receivable

Includes the amounts due from families for Religious Education fees for current and prior years.

Account 4345 - Allowance for Doubtful Accounts – Religious Education Fees

Reflects an estimate of the amount in account **4340 – Religious Education Fees Receivable** that will not be collectible.

Account 4350 - Endowment Distribution Receivable

Includes the amount of your annual distribution from the Catholic Foundation that was not received by June 30.

The following entries will be made at year-end:

DR 4350 – Endowment Distribution Receivable

CR 81 – Net Assets Released From Restrictions



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DR 113 – Net Assets Released from Restrictions – Permanently Restricted
CR 4500 – Permanently Restricted Assets

When the funds are received from the Catholic Foundation and deposited, the offset for the deposit will be account 4350 – Endowment Distribution Receivable.

4400 – Fixed Assets

Under accrual accounting, any significant improvements made to parish buildings will be recorded as Leasehold Improvements. Based on the useful life of the asset, depreciation expense will be recorded on a monthly basis. The following accounts will be used:

Account 4410 - Leasehold Improvements

Account 4420 - Accumulated Depreciation

Entries to record the value of Leasehold Improvements are as follows:

DR 4410 - Leasehold Improvements

CR 1500 – Operating Cash

The monthly entry to record depreciation on the Leasehold Improvements is:

DR 372 – Depreciation Expense

CR 4420 – Accumulated Depreciation

Depreciation should begin in the year the improvement project is completed. Policy **210.0 – Capitalization Policy** provides recommendations on useful life. If questions arise in establishing useful life, the Diocesan Finance Office should be contacted.

4500 – Permanently Restricted Assets

For Endowments and Foundations, the Statement of Financial Position is to contain an account for each endowment or foundation that is irrevocably established solely for the benefit of the parish or school (per FASB 136). The exception would be donor designated endowments where the donor can modify the beneficiary of the endowment at their discretion. This includes endowments held at the Catholic Foundation as well as endowments held elsewhere.

Liability Accounts

The Liability section of the Statement of Financial Position, includes two types of accounts: liabilities and deferred income. Liabilities represent obligations to pay. Deferred Income represents amounts that will be released to income over an extended number of months.



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5000 – Payables – Designated Collections

Account 31 to 46 – Designated Collections

The USCCB and Diocese request that certain collections be made in support of the universal church and certain diocesan programs. The amounts collected are held in trust by the Parish and remitted, in total, to the Diocese at the prescribed time, so that the Diocese can remit one amount from the entire Diocese to the beneficiary of the collection. Cash received from Designated Collections is credited to the designated account. When the funds are remitted to the Diocese, the account is debited.

- 31 – Latin America
- 32 – Other Designated Collections (use sub-accounts for each Designated Collection recorded here)
- 33 – Mission Sunday
- 34 – Campaign for Human Development
- 35 – Christmas, Diocesan Charities
- 36 – Propagation of the Faith Memberships
- 37 – Catholic Home Missions
- 38 – Catholic Overseas Aid
- 39 – Holy Land
- 40 – Holy Father
- 41 – Missionary Co-op Plan

5100 – Contra

Account 47 – Contra Items

Used for receipts not belonging to the parish but deposited in the parish accounts and held in trust by the parish, temporarily, for the convenience of writing one check. Not to be used for any receipt for which the parish exercises discretion in the disbursement of the receipt. Activity in this account should be minimal. Activity will be audited as part of the tri-annual audit process for Parishes. Examples of the use of this account would be:

Example 1: Charitable Collections not recorded in accounts 31-41

Parish holds a monthly collection for a food pantry (excluding a food pantry run by the Parish). The amounts collected are recorded in account 47 - Contra and a single check is written from the account to the food pantry.

Example 2: Parish invites a speaker to the parish and takes up a goodwill offering

Receipts are recorded as a credit to this account. When the parish writes a check to the speaker or the speaker's organization, the amount of the check is debited to this account.

If questions arise as to the proper classification of receipts as income or liability, the Finance Office should be contacted.

5200 – Mass Stipend Liability



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Account 49 – Stipend Income & Expense

Funds received and disbursed for the payment of Mass stipends are summarized in this account. Income includes receipts held for this purpose. Expense includes disbursements to clergy for Masses said for which a stipend has been paid. This account should always balance to the Mass Intention book.

5300 – Payroll Withholdings

Account 392 – Payroll Taxes Withheld

All withholding taxes and social security withheld, from employee's salary, as posted in the Payroll Journal, are recorded as a credit in this account. When the taxes are paid to the appropriate governmental agency, this account is debited for the employee's portion of the payroll tax.

Account 393 – Pension Costs Withheld

All pension costs withheld from employee's salary, as posted in the Payroll Journal, are recorded as a credit in this account. When the withheld amounts are paid to the Plan Trustee, this account is debited for the employee's portion of the pension cost. This account includes amounts withheld for Lay Employee's Plan, Lay Teachers Plan, Priests Retirement Plan and 403(b) Plan.

Account 394 – Life & Health Costs Withheld

All life and health costs withheld from employee's salary (i.e. medical, dental, vision, life insurance, long-term disability, long-term care) as posted in the Payroll Journal, are reported as a credit in this account. When the withheld amounts are paid to the appropriate insurance carrier, this account is debited for the employee's portion of the insurance.

Account 395 – Other Payroll Withholdings

Includes amounts withheld from employee's salary not recorded in account 392 – Payroll Taxes Withheld to 394 – Life & Health Costs Withheld. Examples include: COACE dues; garnishments; etc. When the withheld amounts are paid, this account is debited.

5400 – Payables – Payroll

Under certain circumstances, certain payroll obligations of a parish are not paid when due. Under those circumstances, a payable must be recorded in order to reflect the amount due.

Account 5410 – Compensation Payable

Includes gross payroll for employees which was not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5420 – Employee Insurance Benefit Premiums Payable - Employer



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Includes the employer portion of the cost of employee insurance benefit premiums (i.e. medical, dental, life, LTD, etc) which was not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5430 – FICA Payable – Employer –

Includes the employer portion of FICA which was not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5440 – Pension Payable – Employer –

Includes the employer portion of pension costs which were not paid when due. See the Expense section of this policy for entries for recording this payable.

5500 – Payables – Other

Under certain circumstances, certain significant obligations of a parish are not paid when due. Under those circumstances, a payable must be recorded in order to reflect the amount due.

Account 5510 - General Liability Premiums Payable

Includes the cost of general liability insurance premiums which were not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5520 - Diocesan Assessment Payable

Includes the cost of Diocesan Assessment which was not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5530 - Property Taxes Payable

Includes the cost of property taxes which were not paid when due. See the Expense section of this policy for entries for recording this payable.

Account 5540 – Interparochial & Secondary School Support Payable

Includes the cost of school support due to another parish or school which were not paid when due. See the Expense section of this policy for entries for recording this payable.

5600 – Accrued Expenses

Under certain circumstances, interest on a loan to the Diocese is not paid when due. When that occurs, it is appropriate to reflect the amount due on the Statement of Financial Position. The following account will be used:

Account 5610 – Accrued Interest



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Includes the amount of interest due but not paid. See the Expense section of this policy for the entries for recording these amounts.

5700 – Prepaid Income

When funds are received in one fiscal year for Tuition or Religious Education fees, but they are for a future school year, the amount of funds received are to be reflected on the Statement of Financial Position using one of the following two accounts.

Account 5710 - Prepaid School Tuition –

Includes the amount of school tuition received from families in one fiscal year that apply to a future school year. See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the entries for recording these funds.

Account 5720 - Prepaid Religious Education Fees –

Includes the amount of religious education fees received from families in one fiscal year that apply to a future school year. See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the entries for recording these funds.

5800 – Deferred Income

Under accrual accounting, Tuition income, Religious Education income and subsidy paid to you from other parishes, will be reflected in income as earned, not as received. Three accounts will be used to reflect the amount of income still to be earned:

Account 5810 - Deferred School Tuition –

Account 5820 - Deferred Religious Education Fees –

Account 5830 - Deferred School Subsidy –

See policy **203.6 – Chart of Accounts – Parishes – Other Accounting Procedures** for the entries for updating these accounts.

5900 – Loans

Loans from the Parish Aid Fund will be reflected in the Statement of Financial Position as a liability using the following account:

5910 – Loans Due to Parish Aid Fund

The initial setup of this account is typically associated with the Parish Aid Fund paying construction invoices related to a major capital project. When this occurs, the following entry would be made:

DR 4410 - Leasehold Improvements



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CR 5910 – Loans Due to Parish Aid Fund

When principal is paid on the loan, the following entry would occur:

DR 5910 – Loans Due to Parish Aid Fund

CR 4XX – Operating Cash

PLEASE NOTE:

Account 46 – Auxiliary Organization Offset

This account will no longer be used. For each auxiliary organization, a minimum of one income and one expense account will be established which will be reported on the Statement of Activity – Non-Operating.

Account 48 – Cemetery Income & Expense

This account will no longer be used. For recording receipts and disbursements for a parish cemetery, a minimum of one income and one expense account will be established which will be reported on the Statement of Activity – Non-Operating.