

# 3 Financial Reporting and Analysis

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### 3.1 Archdiocesan Accounting Policies

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In this document, you will find accounting policies for both general and specific matters. Parish Finance Councils are asked to review these policies and to work with the pastor and bookkeeper to see that policies are implemented and followed.

Archdiocesan policies have been established in compliance with rules and regulations of the Federal, State, and Local Governments.

While the parishes are not required to be fully compliant with GAAP (Generally Accepted Accounting Principles) as set forth by the Financial Accounting Standards Board, parishes are expected to implement Archdiocesan accounting procedures.

Parishes should maintain accounting records by using the *QuickBooks* accounting system to capture all financial transactions of the parish including parish organization activity. The Parish Support Office provides accounting support and guidance to parish bookkeepers and business managers.

Preparing, implementing and monitoring an annual budget for the parish is required. When reviewing budgets, Parish Finance Councils should satisfy themselves that the budgets are reasonable, realistic, and reachable. The budget must be balanced, meaning that receipts are sufficient to cover all disbursements. If the budget is not balanced, then other sources of funds (e.g., existing cash reserves) should be identified to the extent of the projected deficit or expenses reduced to achieve a balanced budget.

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#### Financial Reporting

Parishes operate on a fiscal year basis that begins July 1 and ends June 30. The Pastor and Parish Finance Council should review financial reports at least once every calendar quarter.

#### Accrual Accounting

Parishes are required to report financial information on a modified accrual basis. Tuition revenue should be recognized as it is earned, not as it is received. Expenses should be recorded as they are incurred, not when they are paid.

#### Cash Accounts

Parishes should limit the number of cash accounts kept at local banks. All cash accounts, including those of all parish organizations, must be reported on the parish's general ledger (see Section 3.1.2) and be reconciled monthly. By Canon Law a Mass Stipend account is not a parish asset and is the only cash account that is not reported on a parish's general ledger. (See Statutes 37 and 38 and Section 5.8.)

All bank accounts, including those of all parish organizations (see Section 4), are the legal property of the parish and must use the parish's unique tax identification number (usually stated in the format: 43-xxxxxxx). The pastor must be an authorized signer on all bank accounts.

NOTE: No rubber stamps or other methods of facsimile signatures may be used.

#### Loans and Financial Investments

Any parish having excess cash shall invest the cash with The St. Louis Archdiocesan Fund. Excess cash is generally defined as the amount exceeding the equivalent of one month's operating expenses. Parishes are prohibited from borrowing money from outside lenders. Parishes needing loans must seek the approval of the Archbishop. All such loans are made by The St. Louis Archdiocesan Fund after approval by the Archdiocesan Property and Financing Committee.

#### Archdiocesan Annual Assessments

Each parish is notified of its assessments in July. These assessments are then divided by 12 and invoiced monthly. Each monthly invoice is expected to be paid via automatic debit unless an exemption is granted in writing.

#### Special Collections

Archdiocesan Special Collections are not parish revenue. Record the collection to the specific liability account when it is collected. This is a credit entry (deposit). When payment is remitted, the liability account is debited (check or transfer).

Special Collections are to be remitted within 30 days of the date of the collection. ACH is the preferred payment method. Donations received more than 30 days after the collection date should remain posted to the liability account until the amount is remitted. If the amount is less than \$100, it may be remitted with the following year's collections.

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#### **ACH Transfers and Remittances**

The Automated Clearing House (ACH) is the Federal Reserve Bank's system of transferring funds among commercial banks. The St. Louis Archdiocesan Fund (SLAF) provides access to the ACH system to its depositors. ACH is the primary method used by SLAF to transfer funds between SLAF accounts and commercial bank accounts owned by parishes. The receiving account will be credited the business day following the effective date of the ACH entry.

For those parishes with Internet access, the ability to transfer funds through the ACH is available through SLAF's Web-based system, NetTeller. Transfers entered before 4 p.m., with a current day effective date, are credited the following business day. Transfers may be entered with an effective date up to fourteen days in advance. If a parish requires SLAF assistance in transferring funds through the ACH, they may send an encrypted email request through NetTeller, and SLAF will affect the transfer. Requests for ACH transfers that require the intervention of SLAF personnel should be submitted by 2 p.m. for same day submission.

For parishes without Internet access, SLAF personnel will also affect the transfer of funds upon receipt of a request through fax sent to 314.792.7867. A fax request must be received by 2 p.m. for same day submission.

#### **Payments via Check to Archdiocese**

All check remittances to the Archdiocese should be accompanied by a completed remittance slip indicating the purpose of the remittance. See Section 4.1.1

#### **Restricted Gifts**

Parishes must honor the wishes of a donor's intended gift. A bookkeeper has the ability to set aside the donor's gift in a Restricted Cash account on the General Ledger. The money does not have to be deposited into a separate bank account. The restriction is released when the gift is used for its intended purpose.

#### **Designated Funds**

A parish can exercise the right to set aside ordinary revenue for a specified purpose. The designation of funds can be reversed if the need arises.

**For example:** The parish wants to designate revenues generated from a sausage supper for expansion of the parish center. Two years later, the school boiler needs replacing and the only funds available are those designated for the parish center expansion. The parish can undesignate the funds and use them to replace the school boiler.

#### **Endowed Gifts**

If possible, before a parish receives an endowed gift or other type of special planned gift from an individual, it should contact the Office of Stewardship and the Annual Catholic Appeal. The Office of Stewardship and the Annual Catholic Appeal will work with the parish to consider the most appropriate way to steward these funds. If appropriate, the Office of Stewardship and the Annual Catholic Appeal will work with the Finance Office to coordinate the creation of an appropriate account in the Investment Fund of The St. Louis Archdiocesan Fund. Please review the policies of The St. Louis Archdiocesan Fund for further information.

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#### Capital Campaigns

Parishes conducting capital campaign drives have the ability to track individual pledges in either their contribution software or accounting software. Regardless of which application is used, parishes must account for the capital campaign correctly on the parish's general ledger.

When pledges are received-GL:

Debit	161100	Pledges Receivable
Credit	271750	Uncollected Pledges

When payments are received-Deposit:

Debit	111100	Checking Account (or whichever cash account is being used)
Credit	161100	Pledges Receivable

Recognize revenue when payments are deposited-GL:

Debit	271750	Uncollected Pledges
Credit	602200	Capital Campaign Revenue

#### Payroll

Taxable compensation to employees includes salaries, wages, bonuses, supplemental payments, etc. Christmas bonuses are to be included in taxable income, whether these bonuses are paid by the parish or by a parish organization, whether paid by cash or check, direct deposit, or in the form of scrip or gift certificates. Payments are made through the payroll process and taxes are withheld according to government regulations.

Employees include individuals such as: Archdiocesan priests, employed permanent deacons, transitional deacons, all teaching personnel, paid musicians and cantors, administrative and maintenance personnel, PSR teachers, religious education coordinators and directors. All such personnel receive a Wage and Tax Statement (W-2 form) annually no later than January 31 following the end of the calendar year. Archdiocesan priests' compensation letters are sent each year before July 1. These letters indicate the amount of compensation to which they are entitled. The letter also indicates the dollar limits of both the Accountable Plan and Continuing Formation Benefit. (See Section 14 for more information.)

The Accountable Plan for Priests and the Continuing Formation Benefit for Priests are not to be included in taxable income except for health club memberships and unless a priest has not substantiated all or a portion of the payment. The Accountable Plan and Continuing Formation Benefits are given to priests as reimbursement for expenses incurred that are covered through either plan. Each priest should submit receipts or documentation attached to an expense reimbursement request form.

Religious order priests, religious brothers and sisters do not receive W-2's or 1099 forms. They are generally exempt from income taxes. These disbursements should be made payable directly to the religious order with the name of the individual appearing on the second line of the disbursement for reference purposes.

Parishes must remit withholdings of taxes designated by the various government agencies. The reporting of wages and taxes to the federal, state and local governments is mandatory. Any parish receiving notice of reporting and/or payment discrepancies should call the Parish Support Office 314.792.7716 for assistance. Before filing the quarterly Federal 941 Form, all parishes

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must submit the form and a Payroll Summary report to the Parish Support Office via fax 314.792.7149 for review and approval.

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#### **Mass Stipends (See Section 5.8)**

When a priest has celebrated Mass, he receives a \$5 stipend from the Mass Stipend Account. When a visiting priest is paid for celebrating Mass, he often receives an amount greater than this in consideration for his traveling time. The parish should pay the additional amount of compensation from parish funds, but only the \$5 stipend comes from the Stipend Account.

#### **Other Payments**

Some other types of payments to individuals are also considered taxable income. If these payments are made to employees, they must be reported on the employee's W-2. If payments are made to non-employees, they must be reported on Form 1099-MISC when they exceed the \$600 threshold per calendar year.

#### **Employee Reimbursements**

If an employee incurs an expense on behalf of the parish, the employee is entitled to a reimbursement. A request for reimbursement should be written and supported by receipts. Such a reimbursement is not considered taxable to the employee.

Reimbursement for personal use of vehicles should be made at a rate less than or equal to the IRS approved rate, which is published periodically. Reimbursement for actual expenses incurred for personal use are prohibited.

#### **Classes**

In QuickBooks "classes" are the equivalent of "funds". There are three required classes or funds: 100 Parish, 200 Elementary School, and 300 High School (only 2 parishes have a need for the latter). Other classes may be added at the option of the parish (Cemeteries, etc.).

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#### **Parish Chart of Accounts**

The official Archdiocesan Chart of Accounts shall be used by each parish. The Parish Support Office is responsible for maintaining a High Level Chart of Accounts. Parishes can make additions to accounts but not to header accounts.

#### **Identifying Header Accounts and Posting Accounts**

Header accounts are two-digit account numbers that specify an account category. Do not add, change, delete, or post to header accounts. Posting accounts are six-digit numbers that identify the accounts involved in a transaction. All posting accounts must be sub-accounts of the existing two-digit header accounts or existing six-digit accounts.

#### **Adding Accounts and Sub-Accounts**

The bold-faced account numbers are mandatory, assuming the parish has balances in the category covered by the account description.

Sub-accounts may be established for the bold-faced accounts, within the established account number ranges.

**For example:**        121100 SLAF Demand Deposit

If you have money on deposit in a demand account, you would use the demand account as shown above.



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If you have multiple demand accounts, the account referenced above should be used as a Header Account. You can add sub-accounts for each demand account using 121101-121499. You cannot have a SLAF Demand Deposit with an account number higher than 121499.

**For example:**        121100 SLAF Demand Deposit  
                               121110 SLAF Parish 11201  
                               121120 SLAF Special Needs 11202

**Note:** The number at the end is a sample account number assigned by SLAF to your actual deposit account.

You must use the accounts established for employee compensation as indicated in the Chart of Accounts. Following the Chart of Accounts is a document that describes the type of personnel that should be allocated to each classification. You may create sub-accounts under a particular classification; however, it is not recommended.

**For example:**        511300 Salary Professional  
                               511310 Musicians  
                               511320 Teachers  
                               511321 Substitute Teachers

You cannot add accounts that do not properly classify expenses.

**For example:** Youth Ministry Expenses. Youth Ministry is a cost center that will incur various types of expenses including; salary, payroll taxes, benefits, supplies, postage, dues and subscriptions, etc. For the correct accounting of expenses incurred for Cost Centers, please refer to the section titled Classes and Sub-Classes.

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#### **Fixed Assets**

Parishes should not record and depreciate fixed assets on the balance sheet. When a new asset is acquired, it should be recorded in an account number between 611100-611800. These account numbers identify the type of fixed asset purchased.

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### 3.1.1 Archdiocesan Finance Office ACH/Remittance Form

Fax to 314.792.7867  
or Email to [ach@archstl.org](mailto:ach@archstl.org)

#### ACH TRANSACTION

DATE: \_\_\_\_\_

FROM (27)

PARISH/AGENCY

ROUTING #

NAME:

FOR EXTERNAL ACCTS ONLY

PARISH/AGENCY

ACCOUNT

I.D. # \_\_\_\_\_

# \_\_\_\_\_

AMOUNT: \_\_\_\_\_

TO (22)

PARISH/AGENCY

ROUTING #

NAME:

FOR EXTERNAL ACCTS ONLY

PARISH/AGENCY

ACCOUNT

I.D. # \_\_\_\_\_

# \_\_\_\_\_

DESCRIPTION

PREPARED BY \_\_\_\_\_

APPROVED BY \_\_\_\_\_

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### **3.1.2 “Off the Books” Bank Accounts**

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To All Pastors:

My purpose in writing is two-fold: to remind you of the supportive assistance available to you and your staff which our Parish Support Office provides, and to emphasize the danger present when parish funds are not recorded “on the books.”

The issue of not recording funds has been discussed at length in meetings of the Archdiocesan audit committee and the priests’ council. The members of the audit committee strongly recommended that I write you about this issue. The priests at the council meeting concurred.

Parish bookkeepers, business managers, and pastors are always welcome at the support meetings sponsored by the Parish Support Office. These meetings can assist you in showing practical ways to track all financial transactions, without increasing staff.

It is essential in this day and age that we have financial transparency. Our people expect and deserve accountability in our stewardship of parish goods. The likelihood of stealing parish funds increases when there are monies “off the books.”

Sincerely yours in Christ,

Archbishop of St. Louis

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## 3.2 Examples of Typical Financial Reports

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For most parishes and households, perhaps the single most important measure of their financial health is how much cash they have on deposit. But the financial statements that are most commonly used, the balance sheet and statement of activities, are difficult for ordinary people (i.e., non-accountants) to understand. The balance sheet shows how much cash is on hand at a particular date; the income statement shows how much revenue and how much expense has been recorded for a period of time in the past.

There is a third financial statement that can provide more meaningful information: the cash flow statement. It is derived from both of the other two statements. The Archdiocese has developed a format that has proven to be very useful for reviewing the financial situation of parishes.

Starting with the net surplus or net deficit reported at the bottom of the statement of activities, it adds back non-cash charges like depreciation and charged off tuition receivables and subtracts out accrued income, pledges receivable, etc. The result is the net change in the cash account.

Like most households that are saving money for a new house or new car, parishes that are collecting cash and pledges for a capital campaign or debt retirement don't want to confuse these funds with their normal operating funds. Parishes that receive financial aid from or pay financial aid to other entities might want to segregate these "discretionary" funds from normal operations. That's why the cash flow statement for parishes is divided into three sections: operating, capital, and discretionary cash flows.

Near the top of this report, the cash balance is measured in terms of how many months' operating expenses are available. Typically, a parish with at least three months' expenses in cash reserves is in decent shape. A parish with less than one month's worth of expenses in cash reserves is basically living hand-to-mouth. Such a parish may have difficulty meeting its next payroll.

Operating Cash Flow shows the net cash inflow or outflow from the typical parish operating budget, including Sunday collections, school tuition, payroll costs, utilities, supplies, etc. This number is instrumental in determining, among other things, how much debt service a parish can afford. By setting side-by-side several years or periods of financial information, a longer time horizon is established and enables what we call "trend analysis". It helps to address questions such as:

- Is the parish's budget growing or shrinking? By how much in dollars? As a percentage?
- Is the cost of elementary education outpacing the tuition that's being charged?
- Are parish expenses growing at a reasonable rate or are they rising faster than inflation?

The section on Capital Cash Flow attempts to illustrate the results from capital campaigns, new construction or major renovation projects, new or additional borrowing, debt retirement, etc. When the parish accounting is done properly, funds that are restricted by the donors for such purposes are matched properly with their uses. For example, one can identify from this information if capital campaign proceeds are being used to fund operations. This would be a violation of donor intentions and is never permissible.

The next section, Financial Aid from/(to) Others reflects cash flows coming from outside benefactors and cash flows going out to beneficiaries.

A summary at the bottom recaps the totals from the various cash flow categories.

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### 3.2 Examples of Typical Financial Reports

#### Sample Cash Flow Statement

##### Cash Basis Changes in Balance Sheet

	FY10 (42,614)	FY09 69,621	FY08 (463,063)	FY07 (236,401)
Total Cash				
Total Cash	262,194	304,808	235,187	698,251
Less: Capital Campaign Funds	0	(1,550)	(27,014)	0
Operating Cash	262,194	303,258	208,173	698,251
Total Mo Operating Expenses (exc CapEx, CapCampExp)	112,116	113,324	118,814	114,849
# Months Reserves	2.3	2.7	1.8	6.1

##### Internal Operating Cash Flow

###### Non-School

Net Surplus/(Deficit)	48,433	29,254	(1,012,501)	(177,569)
Less: Capital Campaign Revenue	(72,373)	(118,684)	(224,690)	(119,606)
Less: Grant Revenue	(6,998)	(5,570)	(26,000)	86
Less: Earnings on Restricted Fund	(8,207)	13,464	2,102	(10,249)
Plus: RF Management Fees	606	370	565	556
Plus: Grant Expense	0	2,772	0	0
Plus: Capital Campaign Expenses	0	0	52,104	42,742
Plus: Debt Service Interest	24,201	32,566	0	0
Plus: Capital Expenditures	25,253	66,953	1,227,229	319,392
Less: Elem School Operating Cash Flow	366,831	333,558	341,316	308,790
Less: Changes in Other Assets/Liabilities	(28,358)	12,185	22,634	(49,625)
Cash Flow from Non-School Operations	349,388	366,868	382,759	314,517

###### Elementary School

Net Surplus/(Deficit)	(371,254)	(335,196)	(347,768)	(325,309)
Less: Grant Revenue	(4,923)	(4,820)	0	86
Plus: Capital Expenditures	9,346	6,458	6,452	16,682
Cash Flow from Elem School Operations	(366,831)	(333,558)	(341,316)	(308,540)

##### Internal Capital Cash Flow

(In)Decrease in Restricted Fund Deposits	(7,488)	18,675	7,985	(9,457)
Earnings on Restricted Fund	8,207	(13,464)	(2,102)	10,249
RF Management Fees	(606)	(370)	(565)	(556)
Capital Campaign Receipts	72,373	118,684	224,690	119,606
Capital Campaign Expenses	0	0	(52,104)	(42,742)
Debt Service: Interest	(24,201)	(32,566)	0	0
Debt Service: Principal	(55,202)	0	0	0
Borrowings from SLAF, net	0	9,626	518,819	0
Capital Expenditures	(25,253)	(66,953)	(1,227,229)	(319,392)
	(32,169)	33,632	(530,506)	(242,291)

##### Financial Aid from/(to) Others

Grants from Archdiocese	6,998	5,450	26,000	(86)
Grants/Tuition to Other Parishes	0	(2,772)	0	0
	6,998	2,678	26,000	(86)

##### Recap

Internal Operating Cash Flow - Elem School	(366,831)	(333,558)	(341,316)	(308,540)
Internal Operating Cash Flow - Non-School	349,388	366,868	382,759	314,517
Internal Capital Cash Flow	(32,169)	33,632	(530,506)	(242,291)
Financial Aid from/(to) Others	6,998	2,678	26,000	(86)
(De)/Increase in Total Cash	(42,614)	69,621	(463,063)	(236,401)

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### 3.2.1 Parish High Level Chart of Accounts

These accounts represent the Chart of Accounts that must be used by all parishes. No parish is allowed to change the account number or the description. Other accounts may be added at each parish's discretion as long as those accounts do not compromise the integrity of the Chart of Accounts

#### **ASSETS**

#### **11 Cash**

111100	Checking Account	<i>Main parish checking account - Header account for parish checking should always be reconciled</i>
<b>111200</b>	<b>Parish Cash</b>	<i>Parish Unrestricted cash within Main checking account - to be used when other restricted cash accounts are in place</i>
111300	Restricted Cash (additional accounts can be added in numerical order as needed)	<i>Subaccount of main cash; cash restricted by donor or purpose, i.e. tuition assistance, repair/maintenance, 8th grade class accounts</i>
111600	Designated Cash	<i>Subaccount of main cash; cash designated for purpose by parish</i>
<b>111700</b>	<b>Organization Bank Accounts</b>	<i>Header account for Organization Bank Accounts - ie: Accounts that are managed outside of the parish office</i>
<b>1117xx</b>	<b>(Org Name)</b>	<i>Separate bank accounts for parish organizations, cafeteria, Scouts, TWB, etc.</i>
111800	Checking Account-Payroll	<i>Sweep account used to process direct deposit payroll. Total of direct deposit payroll is transferred from main account to clear details.</i>
111900	Petty Cash (additional accounts can be added in numerical order as needed for parish organizations or departments)	<i>Minimal amount of cash on hand for small expenditures supported by vouchers; amount of cash plus vouchers should equal balance at all times</i>
<b>1199</b>	<b>Undeposited Funds</b>	<i>This is account is created by Quickbooks. Used to record payments in transit between receipt at parish /school and deposit into bank account. <u>No direct postings should be made to this account.</u></i>

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### 3.2.1 Parish High Level Chart of Accounts

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#### **12 SLAF Assets**

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121100	SLAF - Demand Deposit	<i>Additional accounts should be added in numerical order under each specific instrument for more than one account of a specific type.</i>
121500	SLAF - Money Market	
122070	SLAF - 3 Mo Time Deposit	
122100	SLAF - 6 Mo Time Deposit	
122150	SLAF - 9 Mo Time Deposit	
122200	SLAF - 1 Yr Time Deposit	
122210	SLAF - 2 Yr Time Deposit	
123100	SLAF - 3 Yr Time Deposit	
124100	SLAF - 4 Yr Time Deposit	
125100	SLAF - 5 Yr Time Deposit	

#### **13 Due from Investment Fund**

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##### **131 Investment Fund - XXXX-XX**

<b>131100</b>	Investment Fund Assets	<i>Endowment Principal or Corpus</i>
<b>131200</b>	Undistributed Earnings	<i>Endowment Undistributed Earnings</i>
		<i>Each endowment account should have it's own account cluster (i.e.: 13X Header; 13X100 Asset; 13X200 Undistributed Earnings)</i>

#### **14 Investments-Non Archdiocesan**

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141100	Investments-Non Archdiocesan	<i>NOT PERMITTED but if they exist should be recorded</i>
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#### **15 Accounts Receivable**

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151100	Accounts Receivable-Tuition	<i>Additional accounts can be added for each school year or program (i.e.: SY15/16 SY16/17 After Care PSR)</i>
<b>1511XX</b>	<b>Accounts Receivable - SY XX/XX</b>	
<b>1511XX</b>	<b>Accounts Receivable - After Care</b>	
<b>151300</b>	Allow/Doubtful Accts-Tuition	<i>Contra account used to record allowance for bad debt</i>
151200	Accounts Receivable-Other	<i>Contra account used to record allowance for bad debt</i>
151400	Allow/Doubtful Accts-Other	
152100	Due from Parishes	<i>To record parish subsidy for merged school or other shared expense</i>
153100	Due from SLAF	<i>To record pending endowment distribution due from SLAF</i>



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### 3.2.1 Parish High Level Chart of Accounts

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<b>16</b>	<b><i>Pledges Receivable</i></b>	
161100	Pledges Receivable	<i>Capital campaign pledges outstanding. Pledges receivable should always equal 271750 Pledges Payable</i>
<hr/>		
<b>17</b>	<b><i>Prepaid Expenses</i></b>	
171200	Employees' Health Insurance	<i>Used to record employee health insurance premium deductions/benefits</i>
171300	Prepaid Term Life Insurance	<b><i>Used to record employee term life Insurance premium deductions when PAID IN ADVANCE OF PAYROLL PROCESSING</i></b>
171900	Prepaid Exp.-Other	<i>Prepaid expenses</i>
<hr/>		
<b>18</b>	<b><i>Property, Plant &amp; Equipment</i></b>	<i>NOT PERMITTED; should be expensed to 6xxxxx accounts</i>
<hr/>		
<b>19</b>	<b><i>Other Assets</i></b>	
191100	Other Assets	<i>Scrip inventory - should be supported and documented by a physical inventory performed by an independent party</i>
<hr/>		
<b>LIABILITIES</b>		
<hr/>		
<b>21</b>		
211100	Accounts Payable	
211200	Accrued Expenses	<i>Used to record expenses incurred but not paid at month or fiscal year end</i>
211300	Accrued Payroll Expenses	<i>Used to record payroll expenses incurred but not yet paid at month or fiscal year end</i>
211600	Accounts Payable - Archdiocese	<i>Used to record any Archdiocesan invoices for the <b>CURRENT FISCAL YEAR</b></i>

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#### **22** *Credit Cards*

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<b>221100</b>	(Name) Credit Card	<i>Additional accounts are added for each individual credit card account</i>
<b>221120</b>	(Name) Credit Card	<i>Example - Sam's</i>
<b>221130</b>	(Name) Credit Card	<i>Example - VISA</i>

#### **23** *Payroll Withholdings*

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233100	P/R WH-Medicare	
233110	P/R WH-Social Security	
233210	P/R WH-F.I.T.	
233215	P/R WH-E.I.C. Contra	
233310	P/R WH-S.I.T.	
233410	P/R WH-C.I.T.	
233520	P/R WH-Disability Ins.	
<b>233530</b>	<b>P/R WH-Term Life</b>	<i>Use when paying Hartford premium AFTER running payroll</i>
233540	P/R WH-Dependent Care	
233550	P/R WH-Med Flex Spending	
233610	P/R WH-Lay Retire.	
233710	P/R WH-Annuities	
233810	P/R WH-United Way	
233820	P/R WH-Garnishments	
233910	P/R WH-Other	

#### **24** *Special Collections Payable* *To record activity for Archdiocesan-sponsored collections*

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244110	Catholic University of America	
244120	Seminaries	
244130	Black & Indian Missions	
244140	Catholic Relief Services	
244150	Holy Land	
244160	Regina Cleri	
244170	Peter's Pence (Holy Father)	
244180	World Mission Sunday (October)	
244190	Human Development	
244200	Latin American Apostolate	<i>Could also include Pan Y Amor; Maria Renia</i>

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244210	Catholic Communication	
244220	Mission Co-Op	<i>Summer Collection (Visiting Missionary)</i>
244230	Rice Bowl	
244240	Cardinal Glennon Hospital	
244250	Catholic Home Missions	
244280	Retirement Fund for Religious	
244290	Mission Society Dues	
244310	Church in Central & East. Europe	
244320	Permanent Diaconate	
244330	Military Services	
244800	St. Vincent de Paul	
244900	<b>Other ARCH Special Collections</b>	<i>To record Archdiocesan special collections not listed above, i.e. disaster relief; LifeLine Coalition</i>
<b>244950</b>	<b>Other Non-Profit Collections</b>	<i>To record Special Collections for other <u>Non-Profit Agencies</u> - ie: Little Sisters of the Poor; Habitat for Humanity, etc. Agencies must not contradict the teachings of the Catholic Church. Collections should be remitted dollar for dollar</i>
<b>25</b>	<b><i>Due to Other Parishes/Schools</i></b>	
255100	Due to Other Parishes	<i>To record tuition collected at a parish and transferred to a consolidated / merged school which is not on the parish's books</i>
255200	Due to School - Tuition	
255300	Due to School - Grants	
<b>26</b>	<b><i>Due to Archdiocese</i></b>	
266100	Due to Arch-Annual Assessments	<i>To record unpaid Annual Assessments from a prior FY. Account is used in conjunction with other 26 - Due to Archdiocese and the 211600 AP - Archdiocese to balance to the monthly Arch A/R statement</i>

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266400	Due to Arch-MAI Assessments	<i>To record unpaid MAI Assessments from a prior FY. Account is used in conjunction with other 26 - Due to Archdiocese and the 211600 AP - Archdiocese to balance to the monthly Arch A/R statement</i>
266900	Due to Arch-Other Funds	<i>To record unpaid SAS or Health Insurance bills from a prior FY. Account is used in conjunction with other 26 - Due to Archdiocese and the 211600 AP - Archdiocese to balance to the monthly Arch A/R statement</i>
<b>27</b>	<b><i>Other Liabilities</i></b>	
271100	Other Liabilities-Misc.	<i>To record miscellaneous liabilities including, but not limited to: Hall Rental Security Deposits; tax withholdings on raffle winnings, etc</i>
271300	Unearned Revenue-Tuition	<i>Unearned account should be set up for each type of school billing that is amortized over the school year (i.e.: Pre-School, K-8, Other Fees)</i>
<b>271390</b>	<b>Unearned Grant - Parish</b>	<i>To record parish / school grants awarded to families which will then be amortized over the school year and recognized in 441205</i>
<b>271391</b>	<b>Unearned Grant - AIC</b>	<i>To record Alive in Christ grants that will be recognized upon receipt of AIC Funds in 441235 (typically Nov &amp; Mar)</i>
<b>271392</b>	<b>Unearned Grant - CFTA</b>	<i>To record Catholic Family Tuition Assistance grants that will be recognized upon receipt of funds in 441220 (typically in Oct)</i>
<b>271393</b>	<b>Unearned Grant - Beyond Sunday</b>	<i>To record Beyond Sunday grants that will be recognized upon receipt of funds in 441240 (typically in Nov &amp; Mar)</i>

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271394	Unearned Grant - ETTB	<i>To record Elementary Teacher Tuition Benefit that will be recognized upon receipt of funds in 441210 (typically in Sept). Any unfunded tuition should be posted as a grant to 441205</i>
271395	Unearned Grant - Other	<i>To record other grants awarded that will be recognized upon receipt of funds (ie: Parish Employee Endowment; Parish Discounts, etc.)</i>
271400	Deferred Revenue	<i>To be used occasionally when a revenue source and the related expense cross over fiscal years. The revenue MUST be recognized in the next fiscal year. Examples would include: Fund Raiser held in on fiscal year that funds tuition assistance for the next fiscal year; sports fees collected before season begins; gifts to fund capital expenditure that will be expensed in the next year.</i>
271500	Prepaid Tuition & Fees	<i>To record fees and / or tuition received in the current fiscal year to be applied to the next fiscal year</i>
271750	Uncollected Pledges	<i>Should be used when setting up a capital campaign. Pledges payable should always equal account 161100 Pledges Receivable</i>
271800	Cash Exchange	<i>To be used infrequently for non-program funds collected and released to third party on a dollar-for-dollar basis.</i>
271900	Unclaimed Property	<i>To be used to "hold" stale dated checks for the required 5 year waiting period prior to reporting and turning over to the state</i>
<b>29</b>	<b>Notes Payable</b>	
291100	Notes Payable to Archdiocese	<i>Outstanding balance of funds borrowed from SLAF</i>
<b>FUND BALANCE</b>		
<b>3900</b>	<b>Fund Balance</b>	<i>Account created by Quickbooks to track retained earnings. <b><u>This is not a posting account. No entries should be made.</u></b></i>

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#### REVENUES

<b>41</b>	<b><i>Unrestricted Revenue</i></b>	
<b>411</b>	<b>Offertory Gifts</b>	
411101	Sunday Offertory - Envelopes	<i>To record unrestricted gifts in envelopes from registered parishioners and <b>loose</b> checks collected at Sunday Mass</i>
411102	Sunday Offertory - Loose	<i>To record unrestricted <b>cash</b> gifts <b>not</b> in envelopes collected at Sunday Mass</i>
411103	Holy Day Offertory	<i>To record all unrestricted gifts collected on Christmas non-Sunday holy days of obligation (Note: Parishes may choose to set up a separate account for Loose Offerings)</i>
411104	Sunday Offertory - Electronic	<i>Unrestricted gifts received through electronic means</i>
<b>415</b>	<b>Other Unrestricted Gifts</b>	
415100	Gifts-Unrestricted	<i><b>Unrestricted gifts received outside of regular offertory gifts, including but not limited to First Offering; Year End Gifts; Alumni Gifts (with no restriction)</b></i>
415400	Gifts-Parish Organizations	
415410	Gifts FROM Parish Organizations	<i>Unrestricted gifts received by parish FROM a parish organization</i>
415420	Gifts TO Parish	<i>Unrestricted gifts paid by parish organizations to the parish. The sum of accounts 415410 and 415420 should net to zero.</i>
415500	Gifts-Non Parish Orgs.- Unrstd	<i><b>Unrestricted gifts from outside organizations or businesses (i.e. Knights of Columbus) that are not in response to a grant or as a match to a donor's gift</b></i>

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<b>43</b>	<b><i>Restricted Offerings &amp; Gifts</i></b>	
435100	Gifts-Restricted	<i>Donor-restricted gifts, i.e. tuition assistance, building maintenance, flowers, or a specific parish ministry (i.e. parish youth ministry). Accounts can be added as needed for more often used categories, i.e. tuition assistance, building repairs, etc.</i>
435500	Gifts-Parish Orgs.- Restricted	
435510	Gifts - FROM Parish Organization Rest	<i>Restricted gifts received by parish FROM a parish organization</i>
435520	Gifts TO Parish Rest	<i>Restricted gifts paid by parish organizations to the parish. The sum of accounts 435510 and 435520 should net to zero.</i>
435800	Gifts-Non Parish Orgs. Restr.	<b><i>Restricted gifts from outside organizations or businesses (i.e. Knights of Columbus) that are not in response to a grant or as a match to a donor's gift</i></b>
435900	Gifts - Corporate Match	<i>Gifts from corporate donors that are in response, or as a match, to a specific individual's gift</i>
<b>44</b>	<b><i>Program Fees</i></b>	
<b>441</b>	<b>School Tuition &amp; Fees</b>	
441100	Tuition	<i>Gross tuition before allowances, discounts, and grants</i>
441200	Tuition Grants & Allowances	
441205	Parish Tuition Grant Allowance	<i>Grant programs unique to the parish and the unfunded portion of the Parish Teacher Tuition Assistance benefit</i>
441210	Elem Teacher Tuition Benefit	<i>Grants for parish teachers with children in Catholic elementary school. Grants received under 461110 should offset this allowance. Unfunded portion of this expense should be posted as a parish grant in 441205</i>
441220	Catholic Family Tuition Assistance Grant Allowance	<i>Catholic Family Tuition Assistance Grants awarded to families. Should equal grant monies received in 461210</i>

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441225	Parish Employees Endowment Grant	<i>Grants awarded to Parish Employees from Parish Employees Endowment Fund. Should equal grant monies received under 461211</i>
441230	T&T Grant Allowance	<i>Grants awarded to K-8 families from Today and Tomorrow Educational Foundation. Should equal grant monies received in 461300.</i>
441235	Alive in Christ Grant Allowance	<i>Alive in Christ grants awarded to families from MAI assessments. Should equal grant monies received in 461600</i>
441240	Beyond Sunday Allowance	<i>Scholarship grants awarded to families from Beyond Sunday campaign. Should equal grant monies received in <b>463260</b>.</i>
441300	Textbook Fees	<i>To record textbook fees earned</i>
441400	Registration Fees	<i>To record registration, application or enrollment fees earned</i>
441500	Other Fees	<i>More specific accounts may be added in numerical order below this account, i.e., Fees, including but not limited to, fundraising buy-out Fees, service hour fees, after care fees that are invoiced through Accounts Receivable</i>
<b>443</b>	<b>Cafeteria Sales</b>	
443100	Sales-Meals	<i>Accounts to record fees paid to a cafeteria program</i>
443200	Sales-Milk	
443300	Sales-Other	<i>Should include an appropriate memo</i>
<b>446</b>	<b>Other Program/Ministry Fees</b>	
446100	Votive Offerings	<i>Revenue from votive candles in church</i>
446200	Sacramental Offerings	<i>Fees, other than Mass stipends, received for sacramental services (i.e.: weddings, baptisms, funerals)</i>
446300	Sale of Religious Articles	<i>I.E. rosaries, bibles, crosses</i>
446400	Retreat Fees-Revenue	<i>Registration fees for parish sponsored retreats</i>



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446410	Retreat-Fees Paid	<i>Contra account to record payments to retreat centers and confessors ONLY for parish sponsored retreats</i>
446500	Service/Activity Fees	<i>To record fees paid for Bible Study, Vacation Bible school, and field trips.</i>
446600	Athletic Fees-Revenue	<i>Registration fees for parish athletic programs</i>
446610	<b>CYC / CAC Fees Paid/Reimb.</b>	<b><i>Contra account to record payment to and reimbursement from CYC / CAC for league fees and related expenses</i></b>
446700	OYM-Revenue	<i>Activity fees received for participation in Archdiocesan sponsored youth ministry events, i.e. Steubenville, Generation Life, etc.</i>
446710	OYM-Fees Paid	<i>Contra account to record payments to the Office of Youth Ministry for participation in OYM events</i>
<b>449</b>	<b>Cemetery Fees</b>	
449100	Cemetery Lots	<i>Fees received for purchase of lots</i>
449200	Internment	<i>Fees received for opening/closing graves</i>
449300	Endowed Care	<i>Fees received for endowed or perpetual care</i>
<b>45</b>	<b><i>Investment Income</i></b>	
<b>451100</b>	Interest from Depositors' Fund-SLAF	<i>Interest paid by The St. Louis Archdiocesan Fund on all Depositors' Fund accounts: Demand, Money Market, Time Deposits</i>
<b>453100</b>	Other Investment Income	<i>Interest paid on accounts at commercial banks, credit unions, etc.</i>
<b>46</b>	<b><i>Grant Revenue</i></b>	
<b>461</b>	<b>Grants from Archdiocese</b>	
461100	Grants from ACA	<i>Emergency or operational grants funded by Annual Catholic Appeal</i>
461110	Grants-Elem Teacher Tuition Benefit	<i>Grant funds given to parish to fund teacher tuition accounts. Should equal amounts recorded in 441210</i>
461200	Grants from Archbishop	<i>Special Grants from the Archbishop</i>

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461210	CFTA Grants	<i>Grants given to parish to fund Catholic Family Tuition Assistance awards. Should equal amounts recorded in 441220</i>
461211	PEEF Grants	<i>Grants given to parish to fund Parish Employee Endowment Fund awards. Should equal amounts recorded in 441225</i>
461220	Parish Viability Grants	<i>Grants given to parishes, funded by Returning God's Gifts Endowment Fund, for High Growth and Stability grants</i>
461250	Grants from Beyond Sunday-Local	<i>To record 40% of funds received by parish from Roman Catholic Foundation of Eastern Missouri capital campaign for local parish needs.</i>
461300	Grants from Today & Tomorrow	<i>Grants given to parish to fund Today and Tomorrow Educational Foundation assistance awards. Should equal amounts recorded in 441230.</i>
461400	Grants-Insur Reimb from ORM	<i>Insurance claim proceeds received from Office of Risk Management (Gallagher Bassett)</i>
461410	Grants-Insur Reimb - Other	<i>Insurance claim proceeds received from outside insurance providers</i>
461420	Grants from Risk Mgt - Property Grants	<i>Grants from Office of Risk Management to reduce <u>property</u> insurance to agreed-upon value, rather than replacement value</i>
461430	Grants from Risk Mgt-ORM Insurance	<i>Grants from Office of Risk Management to reduce insurance premium assessments</i>
461500	Grants from Cath. Ed. Office	<i>Including but not limited to Safe Touch / Lead Teacher grants</i>
461600	Grants from Alive in Christ	<i>Needs-based grants awarded to specific families through Alive in Christ. Should equal 441235</i>
461900	Grants from Other Agencies	<i>Including but not limited to rental income from archdiocesan agencies</i>

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<b>462</b>	<b>Grants from Parishes</b>	
462100	Education Subsidy from Parishes	<i>Payments from other parishes to subsidize the cost of education at host parish's school</i>
462200	Contributions Other Parishes	<i>Donations received from other parishes</i>
462300	Cash Transfers from Closed Parishes	<i>Cash accounts from parishes that merge or close</i>
462400	Sales Proceeds from Closed Parishes	<i>Proceeds from the sale of real property of a closed parish</i>
462500	Other Assets from Closed Parishes	<i>Proceeds from the sale of other personal property of a closed parish</i>
462600	Payments for St. Louis Review	<i>Subscriber payments to parish to defray the cost of the St. Louis Review</i>
<b>463</b>	<b>Grants from Other Sources</b>	
463100	Grants from Local Businesses	<i>Grant awards from businesses</i>
463200	Grants from Government	<i>Grant awards from the government, including subsidy for milk or cafeteria food. Also includes e-rate awards for telecommunications bills</i>
463260	Grants from Beyond Sunday-Scholarships	<i>To record scholarship revenue received by parish from Roman Catholic Foundation of Eastern Missouri capital campaign. Should equal amounts recorded in 441240.</i>
463270	Grants from Beyond Sunday-STREAM	<i>To record grant revenue received by parish from Roman Catholic Foundation of Eastern Missouri capital campaign to be used for academic capacity enhancements for science, technology, engineering, arts, and religion (STREAM) programs.</i>
463280	Grants from Beyond Sunday-Transformation	<i>To record grant revenue received by parish from Roman Catholic Foundation of Eastern Missouri capital campaign for transformational innovations in Catholic identity, teaching and management.</i>
463300	Grants from Other Organizations	<i>Grant awards from outside organizations or other non-profit entities</i>

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<b>47</b>	<b>Other Revenue</b>	
<b>471</b>	<b>Other</b>	
471100	Rental Income	<i>Rental Income from non- Arch agencies for parish facilities</i>
471200	Sale of Real/Personal Property	<i>Sales of miscellaneous items, other than from closed parishes</i>
471300	Earned Discounts	<i>Discounts granted from vendors for early or timely payment, i.e. MO withholding discount</i>
471500	Advertising Revenues	<i>Revenues received from bulletin advertising</i>
471600	Finance Charges	<i>Revenues received from customers for late payment of invoices</i>
471700	Miscellaneous Revenues	<i>Revenues that cannot be assigned to any other revenue account. Should be used infrequently and include appropriate memo.</i>
<b>472</b>	<b>Sales</b>	
472100	Sales of Food	<i>Revenues received from donut Sundays, etc. (NOT Café sales)</i>
472200	Sales of Beverage	<i>Revenues received from bar sales (NOT Café sales)</i>
472300	Vending Machine Sales	<i>Receipts from Vending Machines</i>
472500	Sales of Gifts & Other Items	<i>Revenue from the sales of other items (i.e.: Christmas ornaments, books, CDs, etc.)</i>
<b>473</b>	<b>Fund Raising</b>	
473100	Fund Raising Revenue	<i>Revenue earned from fund raising activities. Additional accounts may be added for each parish or organization fund raising event</i>
473110	Fund Raising Expense	<i>Contra account to record direct fund raising expenses - those expenses <u>directly related to the operation of the fund raising activity</u></i>
473900	(Specific Class of XXXX or 8th grade class, or 6th grade class) -Fundraising Revenue	<i>Revenue earned from fund raising activities for 8th grade trips, graduation expenses, etc. Can add accounts as needed.</i>
473910	(Specific Class of XXXX or 8th grade class, or 6th grade class)-Fundraising Expense	<i>Contra account to record direct fund raising expenses - those expenses directly related to the operation of the fund raising activity. Not to be used to record graduation expenses, mystery trip expenses, etc. Can add accounts as needed.</i>

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<b>474</b>	<b>Organizational Revenues</b>	<i>Additional accounts may be added for each parish organization which maintains independent reporting structures and funds (i.e.: Ladies Club)</i>
474100	(Organization Name) Revenue	<i>Used for recording all revenues of parish organizations, with the exception of athletic fee registration revenue which is recorded in 446600</i>
474110	(Organization Name) Fundraising Expense	<i>Contra account used to record <b>clearly identifiable</b> expenses related to a parish organization's fundraising revenue recorded in 474100</i>

***To have P&L reflect "Net Income" on any Fundraiser or Organization, Fundraising Expense Account should be a SUB of Fund Raising Revenue. Each "Pair of Accounts" should be in sequence.***

#### **49 Merchant Account Fees**

491100	Credit Card Fees	<i>Credit card merchant account discount fees, transaction fees</i>
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### **EXPENSES**

#### **51 Personnel Costs**

##### **511 Salary Expense**

511100	Salary Clergy	<i>Does not include payments to visiting priests</i>
511200	Salary-Religious/Non-Clergy	
511300	Salary-Professional	
511400	Salary-Clerical	
511500	Salary-Maintenance	
511600	Salary-Cooks	
511700	Salary-Cemetery	
511800	Salary-Transportation	

##### **512 Payroll Taxes**

512100	Payroll Taxes	
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<b>513</b>	<b>Employee Benefits</b>	
513100	Retirement	
513200	Health Insurance	
513300	Disability Insurance	
513310	FSA Admin Fee	<i>Amount billed on Archdiocesan consolidated invoice</i>
513320	Employee Assistance Program	<i>Amount billed on Archdiocesan consolidated invoice</i>
513330	Employee Life Insurance Benefit	<i>Amount billed on the consolidated invoice for 1x life insurance benefit.</i>
513400	Other Fringe Benefits	
513500	Priests' Accountable Plan Reimb.	<i>For reimbursable business expenses incurred by clergy to a calendar year maximum as stated in the annual clergy compensation letter. Cell phone reimbursements are NOT recorded in this account.</i>
513600	Deacon's Parsonage Allowance	<i>A housing allowance provided as compensation for ministerial services performed as an employee.</i>
513700	Continuing Education Benefit	<i>Priests' continuing education expenses to a fiscal year maximum, as stated in the annual clergy compensation letter</i>
<b>52</b>	<b>Supplies</b>	
521100	Supplies-Floral/Decorations	<i>Flowers, holiday decorations</i>
521200	Supplies-Collection Envelopes	<i>Cost of collection envelopes</i>
521300	Supplies-Missalettes	<i>Cost paid for Sunday missals</i>
521400	Supplies-Votive Candles	<i>Votive candles only (used in conjunction with 446100)</i>
521500	Supplies-Liturgical Consumable	<i>Hosts &amp; wine</i>
521600	Supplies-Liturgical Other	<i>Altar candles, Ordos, linens, palms, etc.</i>
521700	Supplies-Liturgical Music	<i>Sheet Music, hand bell supplies, etc</i>
522100	Supplies-Janitorial	<i>Cleaning supplies</i>
522110	Supplies-Maintenance	<i>Small maintenance items, light bulbs, batteries</i>
522120	Supplies - Non-Capitalized	<i>Furniture and/or expense (non-technology) under the set threshold for capital expense.</i>

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522130	Supplies-Tech - Non-Capitalized	<i>Technology <b>or</b> Audio/Visual expenses under the set threshold for capital expenses.</i>
523100	Supplies-Office	<i>Paper, pens, calendars, paper clips, etc., excluding technology</i>
523200	Supplies-Postage	<i>Cost of postage stamps, postage meter expenses, postage permits</i>
523300	Supplies-Printing & Stationery	<i>Printing expenses incurred at outside vendors, ink cartridges, letterhead, envelopes</i>
524100	Supplies-Library	<i>Library books, book labels</i>
524200	Supplies-Guidance & Testing	<i>Testing supplies for grade level assessments</i>
524400	Supplies-Textbooks	<i>Textbooks, not including workbooks</i>
524500	Supplies-Non Instruction	<i>Miscellaneous classroom supplies i.e. tissues, classroom decorations, posters, etc.</i>
524600	Supplies-Instruction	<i>Workbooks, graph paper, construction paper, etc.</i>
524700	Supplies-Athletics /P.E.	<i>Balls, field supplies, nets, etc.</i>
525100	Supplies-Household	<i>Rectory supplies (includes food)</i>
526100	Supplies-Other	<i>To be used if no other expense category is appropriate. To be used infrequently and should include appropriate memo.</i>
527100	Cost of Food	<i>Food costs, Café (not rectory household)</i>
527200	Cost of Beverage	<i>Milk costs, Café</i>
<b>527500</b>	<b>Cost of Sales-Gift/Other Items</b>	<b><i>Bibles, rosaries, yearbooks, uniforms, etc. purchased to be sold through programs</i></b>
<b>527600</b>	<b>Cost of Awards / Prizes</b>	<b><i>Awards or prizes given for individual achievements - not parish service related</i></b>
<b>528</b>	<b>Organizational Expenses</b>	<i>Additional accounts may be added for each parish organization which maintains independent reporting structures and funds (i.e.: Ladies Club)</i>
528100	(Organization Name) Expense	<i>Used for recording non-fund raising expenses of parish organizations, i.e. meeting expenses or when no detail is provided by the organization for bank statement activity</i>

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<b>53</b>	<b><i>Fees &amp; Services</i></b>	
531000	Capital Campaign Consulting Fees	<i>Fees paid to outside consultants for capital campaign feasibility studies</i>
531100	Professional Fees	<i>Fees paid to organizations or individuals for professional services, including visiting priests, speakers, referees and/or umpires (these payments would be reportable on a 1099-MISC if they reach the IRS threshold)</i>
531110	Fees-Background Check	<i>Fees paid for performing background checks as mandated by the Safe Environment Program</i>
531200	Travel & Lodging	<i>Mileage paid to employees, volunteers (paid with supporting mileage log up to maximum of federal reimbursable rate), airline &amp; lodging expenses.</i>
531300	Bank Service Charges	<i>Fees charged by bank including NSF fees, deposit correction or statement fees</i>
531310	On Line Payment Management Fees	<i>Enrollment fees charged by outside agency to process on line payments or to provide a web interface for such service (ie: FACTS \$43 per family fee, \$3 per child on PSR Enroll; Faith Direct Membership Fee)</i>
531400	Dues & Subscriptions	<i>Membership dues, subscription fees for both print and electronic media</i>
531500	Meetings & Conventions	<i>Fees paid to attend off-site meetings or conventions</i>
531600	Continuing Education	<i>Education fees other than clergy</i>
531700	Activity Fees	<i>Expenses for field trips, field days, Luke 18, other retreat expenses not included in 446710 above, 8th grade trips, graduation expenses, or other events (held both on site and off site)</i>
531800	Advertising & Publicity	<i>Print ads, posters, flyers, signs</i>
531900	Taxes & Licenses	<i>Real estate taxes, personal property taxes paid on leases</i>
532100	Contributions	<i>Contributions paid by parish to other organizations (Non-Archdiocesan)</i>
532200	Cash Shortage (Overage)	<i>To record cash corrections that are unaccounted for otherwise</i>
532300	Penalties / Late Fees	<i>Fees assessed due to late payment (i.e.: IRS penalties, credit card late fees)</i>
532600	Parish Service Appreciation	<i>Gifts to volunteers, events of appreciation. Should not include cash or gift card bonuses to employees.</i>



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### 3.2.1 Parish High Level Chart of Accounts

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<b>532700</b>	<b>Self Study Program</b>	<i>Used to record expenses associated with school Self-Study initiative</i>
539100	Miscellaneous	<i>Expenses that cannot be categorized in any other account. To be used infrequently and should include appropriate memo.</i>
<b>54</b>	<b>Occupancy</b>	
<b>541</b>	<b>Building Related Costs</b>	
541100	Security Services	<i>Fees paid to outside security firm</i>
541200	Contract Services	<i>Services related to property maintenance (i.e. trash, pest control, carpet cleaning)</i>
<b>541210</b>	<b>Contract Services-IT</b>	<i>Services related to IT Infrastructure and maintenance</i>
541300	Rent-Furniture & Equipment	<i>Fees for the rental / lease of equipment (i.e. copier)</i>
541400	Rent-Property	<i>Fees for the rental / lease of real property (i.e. fields, temporary buildings, etc.)</i>
<b>542</b>	<b>Utilities</b>	
542100	Utility-Electric	
542200	Utility-Fuel	
542300	Utility-Water	
542400	Utility-Sewer	
542500	Utility-Telephone	<i>Includes priest's cell phone reimbursement</i>
542600	Utility-Cable/Satellite/Internet	
542900	Utility-Budget Adjustment	<i>Used for recording the difference between actual utility costs incurred and the budgeted payment amount</i>
<b>543</b>	<b>Repairs &amp; Maintenance</b>	
543100	R/M Building	<i>Costs of normal maintenance or repair of parish property or equipment. Extensive repairs which extend the life of the equipment should be coded as Capital Expenditures.</i>
543150	R/M HVAC	
543200	R/M Electrical	
543250	R/M Plumbing	
543300	R/M Grounds/Landscaping	
543350	R/M Parking Lot	
543400	R/M Furniture & Fixtures	
543450	R/M Vestments & Vessels	
543500	R/M Religious Art Work	
543550	R/M Equipment	
543650	R/M Vehicles	
543750	R/M Miscellaneous	
543800	R/M Asbestos	

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### 3.2.1 Parish High Level Chart of Accounts

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**55**

551100	Trfs-Consolidated Schools	<i>Payment of parish subsidy to merged/consolidated school</i>
552100	Trfs-Other Parish-Education	<i>Payment of other parish support to any archdiocesan educational entity (grade school, special ed or high school)</i>
553100	Trfs-Arch-Insurance Assessment	<i>Archdiocesan consolidated invoice expense</i>
553200	Trfs-Arch-Education Assessment	<i>Archdiocesan consolidated invoice expense</i>
553300	Trfs-Arch-Mission Initiative Advancement	<i>MAI invoice expense</i>
553400	Trfs-Arch-Cathedraticum	<i>Archdiocesan consolidated invoice expense</i>
553600	Trfs-Arch-St. Louis Review	<i>Archdiocesan consolidated invoice expense</i>
553700	Trfs-Arch-PMBS	<i>Archdiocesan consolidated invoice expense</i>
553900	Trfs-Arch-Interest/Rev. Fund	<i>Interest paid on notes payable to SLAF</i>
<b>553910</b>	<b>Trfs-Arch-Special Collection</b>	<b><i>Used to expense "parish-funded" contributions to Archdiocesan special collections or appeals - ie: Tithing for the Poor; additional donations to Regina Cleri</i></b>
553920	Trfs-Arch-Mgt Fee	<i>Quarterly management fees assessed on Archdiocesan investment fund accounts</i>
553950	Trfs-Arch-Other Entities	<b><i>Used to remit shared costs or assessments to other parishes or deanery initiatives</i></b>
553960	Trfs-Arch-Shared Accounting	<i>Monthly Shared Accounting fees</i>
553970	Trfs-Arch-Payroll Service	<i>Monthly payroll service/Lawson fees</i>

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### 3.2.1 Parish High Level Chart of Accounts

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#### OTHER INCOME

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##### **60** *Other Extraordinary Income*

##### **602** **Capital Campaign**

602200 Capital Campaign Revenue

*Restricted gifts made in response to a parish-sponsored capital campaign solicitation*

##### **604** **Investment Fund Income**

604400 Endowed Gifts

*Donations to endowment principal*

604500 Earnings from Investment Fund-Cash

*Investment earnings (interest & dividends, realized gains and losses) passed through by The St. Louis Archdiocesan Fund on Investment Fund accounts*

604520 Earnings from Investment Fund-App/(Dep)

*Unrealized gains and losses passed through by The St. Louis Archdiocesan Fund on Investment accounts*

#### OTHER EXPENSES

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##### **61** *Capital Expenditures*

611000 Land

*Acquisition cost of land*

611100 Buildings

*Cost of construction of new buildings*

611200 Building Improvements

*Capital improvements to existing buildings, i.e. roof, windows, tuckpointing, plumbing, electrical, replacement of HVAC systems or boilers*

611300 Parking Lot/Grounds Improvements

*Capital improvements to parking lots, construction of memorial gardens, gazebos, fences*

611400 Religious Articles

*Statues, chalices, vestments, religious artwork*

611500 Fixtures & Furniture

*Lighting, office or rectory furniture, shelving, etc.*

611600 Equipment Additions

*Computers, maintenance equipment (tractors, mowers), freezers, etc.*

611700 Autos/Trucks

*Vehicles built for public roads*

611800 Buses

##### **65** *Non-Cash Expenses*

##### **652** **Bad Debt Expense**

652100 Bad Debt Expense

*Write-offs or reserve increases for tuition or other invoiced items*

652200 Bad Debt Recovery

*Payment received from a previously written off debt*

##### **655** **Audit Adjustments**

655200 Prior Period Adjustments

*Adjustments from prior periods due to audit or parish support review*

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### 3.2.2 Parish Salary Classification Definitions

Parish Salary Classification Definitions		
Account #	Account Name	Type of Personnel
511100	Salary-Clergy	Archdiocesan Priests, Order Priests and Transitional Deacons only
511200	Salary-Religious/Non-Clergy	Religious Brothers and Nuns
511300	Salary-Professional	Principals, Teachers and Teachers' Aides, Parish Nurses, Business Managers, Day Care Providers, Playground Monitors, Musicians, Counselors, Sacristans
511400	Salary-Clerical	Bookkeepers and Secretaries
511500	Salary-Maintenance	Housekeepers, Janitors, Launderers, Groundskeepers, Crossing Guards
511600	Salary-Cooks	Cooks and Cafeteria Workers
511700	Salary-Cemetery	Drivers, Laborers, Groundskeepers
511800	Salary-Transportation	Drivers and Mechanics

**Note:** While Permanent Deacons are considered members of the clergy by the Church, their compensation must be classified as Professional, Maintenance or whatever other category is appropriate for the position they are fulfilling.

**Note:** Extra priests should not be assigned a salary account number unless they are being paid through payroll. Assign Extra Priests vendor checks to 531100 Professional Fees. You can create a sub-account if you want.

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### 3.2.3 Archdiocesan Guidelines for Reporting Parish Fund Raising Revenues

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Parishes may record net revenues rather than gross revenues for certain fund raising events: bingo, picnic, auctions, raffles, concession stands, candy/pizza/donut sales, fish fries, fall festival, sausage suppers. You cannot net the final proceeds of these events with expenses incurrent outside of the event. For example, assume the proceeds from a fundraiser are used to purchase new computer equipment for the school. You may not record the purchase of the computer equipment to the fund raising contra accounts.

Please note that while you may report net revenues for fund raising events, you cannot record ordinary parish expenses to revenue accounts. For example, you cannot record cost of Christmas and/or Easter flowers against donations received for the flowers. The cost of flowers would be incurred whether or not the parish received donations to offset the cost.

Scrip programs have always reported on a net basis. There are separate instructions for properly handling these programs. (See Section 12.6.2.)

To record revenues on a net basis, change account 473100 Fund Raising Revenues to 473 Fund Raising Revenues to use as a header account. Create sub-accounts under this account for specific fund raising events. Please see the example shown on the following page.

As noted in the Chart of Accounts, sub-accounts may be established for each event or the event may be tracked by memo or class.

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### 3.2.4 CYC Fees

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Parish Athletic Associations collect fees for their various sports programs. Fees that are collected then paid to the Catholic Youth Council should be treated as pass-through revenue.

Create two accounts in your Quickbooks' Chart of Accounts. Select Income for the Account Type.

446600	Athletic Fees - Revenue
446610	CYC Fees Paid/CYC Reimb.

When recording fees collected, use 446600 Athletic Fees - Revenue.

When making a remittance to CYC, use account 446610 CYC Fees Paid/CYC Reimb.

Athletic Fees should always show a positive balance. CYC Fees Paid should show a negative balance. The two accounts combined will net to the actual athletic fee revenue for your parish athletic association. Since the two accounts are netted together, the parish will only be assessed on the net receipts.

When CYC reimburses referee payments, the funds are posted to 446610 CYC Fees Paid/CYC Reimb.

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### 3.3 Parish Reporting Requirements to the Archdiocese of St. Louis

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The Archdiocese maintains a single version of *QuickBooks* on multiple Citrix servers at its Data Center. All parishes access their accounting records from these servers through the Internet. These parishes do not need to provide backups because backups are automatically done daily by the Archdiocesan Office of Information Technology.

After fiscal year-end on June 30, each parish should report to the Parish Support Office via email that their general ledger has been reconciled and the fiscal year has been closed. The due date for notification and submission to Parish Support is the first Monday following August 15. The specific due date is announced at the year-end bookkeeper meetings hosted by the Parish Support Office.

The *Status Animarum* (SA) and sacramental registers are prepared in Parish Helper Online (PHOL). The Status Animarum report includes a verification page that must be signed by the pastor and members of the parish finance council. The pastor must also sign the sacramental registers. The signed registers and signed SA verification page must be mailed to the Parish Support Office.

The Internal Control Questionnaire is also prepared in PHOL. It is due by September 30.

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### 3.3.1 Parish Reporting Requirements

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To All Pastors:

To improve our support services for parishes, and to provide better parish analytical data for overall Archdiocesan planning purposes, the Parish Support Office has implemented changes that I hope will benefit all of us.

1. Because a large number of parishes have difficulty preparing accurate Form 941 payroll reports, I request that copies of these reports also be furnished to the Parish Support Office at the time they are mailed to the IRS.
3. I request that all calls for support assistance be initially directed to the parish support center located in the Parish Support Office (314.792.7716). If the assistance of Data Center personnel is required, the Parish Support Office will request their assistance.

Our goal is to provide you with the best assistance we can with the resources we have available. I encourage you to call with problems you encounter that cannot be solved by your software vendors or matters not related to the software.

Thank you for the time and energy that you give so generously in your oversight of the financial administration of the parish. With gratitude for your example of priestly service and dedication, I remain

Sincerely yours in Christ,

Archbishop of St. Louis



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### 3.4 Reporting Financial Information to Parishioners

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To All Pastors:

In January 2007, the United States Conference of Catholic Bishops (USCCB) published several recommendations regarding parish finances and internal controls. One of the recommendations included the publishing of the parish's annual financial information to its parishioners.

Many parishes in the Archdiocese of Saint Louis publish certain financial information to its parishioners after the end of the parish's fiscal year (June 30). Currently, the parish financial information published to its parishioners varies among parishes and does not always include a complete financial presentation of the parish.

Attached are examples of a recommended format for a parish Statement of Financial Position (Balance Sheet) and Statement of Revenues and Expenses (Profit & Loss) to be published annually by each parish. This format should help the parishioners understand the financial position and the financial activity of the parish, as well as the budget for next year. An electronic version of this document can be found on the Archdiocesan website at [www.archstl.org/finance/](http://www.archstl.org/finance/).

Sincerely yours in Christ,

Archbishop of St. Louis

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### 3.4 Reporting Financial Information to Parishioners

Example Parish  
Annual Parish Financial Statements to Parishioners  
**Statement of Financial Position**  
June 30, 20XX

	Current Year	Prior Year
<b>Assets</b>		
Cash and Investments		
Parish checking	\$ 868	\$ 5,000
Parish organizational accounts	10,000	8,000
The St. Louis Archdiocesan Fund (SLAF)		
Depositors Fund	60,000	90,000
Investment Fund	630,902	620,000
Other assets (Accounts Receivable, Prepaids, Inventory, etc.)	10,097	9,000
<b>Total Assets</b>	<u>\$ 711,867</u>	<u>\$ 732,000</u>
<b>Liabilities &amp; Net Assets</b>		
Accounts payable	\$ 2,626	\$ 1,000
Special collections payable	500	200
Due to Archdiocese (insurance, assessments, priests benefits)	3,500	-
Deferred revenue	13,984	10,000
Other liabilities	10,245	9,000
Note payable – The St. Louis Archdiocesan Fund (SLAF)	200,000	210,000
<b>Total Liabilities</b>	<u>230,855</u>	<u>230,200</u>
<b>Net Assets</b>	<u>481,012</u>	<u>501,800</u>
<b>Total Liabilities &amp; Net Assets</b>	<u>\$ 711,867</u>	<u>\$ 732,000</u>

Note: Archdiocesan accounting policies require reporting capital additions (major plant improvements, school additions, multipurpose buildings, etc.) as expenditures in the Statement of Revenues and Expenses at the time the expenditure is made. Loans may be obtained from The St. Louis Archdiocesan Fund (SLAF) to finance these additions. Currently, SLAF loan activity for the year is as follows:

Note payable SLAF – as of June 30 (prior year)	\$ -
Plus – Advances on loan	-
Less – Payments on loan	-
Note payable SLAF – as of June 30, 20XX	<u>\$ -</u>

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### 3.4 Reporting Financial Information to Parishioners

Example Parish  
Annual Parish Financial Statements to Parishioners  
**Statement of Revenue & Expenses**  
For the Periods Listed Below

July 1, 20xx to June 30, 20xx

	Parish	School	Parish Organizations & Other	Total	Prior Year Actual	Next Year's Budget
<b>Revenue</b>						
Offertory collections	\$ 259,936	\$ 23,075	\$ -	\$ 283,011	\$ 280,000	\$ 290,000
Unrestricted gifts	10,000	5,000	-	15,000	5,000	10,000
Restricted gifts	15,031	21,008	20,000	56,039	45,000	40,000
Program fees	9,271	215,457	-	224,728	230,000	245,000
Investment income	61,368	10,164	-	71,532	65,000	40,000
Grant revenue	-	128,647	-	128,647	120,000	125,000
Other revenues	51,878	64,738	-	116,616	112,000	120,000
<b>Total Revenues</b>	<b>407,484</b>	<b>468,089</b>	<b>20,000</b>	<b>895,573</b>	<b>857,000</b>	<b>870,000</b>
<b>Expenses</b>						
Personnel costs	67,771	537,843	-	605,614	585,000	610,000
Supplies	24,612	29,512	-	54,124	50,000	50,000
Fees & services	8,546	7,270	-	15,816	12,000	20,000
Occupancy	27,841	59,011	-	86,852	80,000	90,000
Transfers parishes/ archdiocese	36,639	47,316	-	83,955	81,000	84,000
<b>Total Expenses</b>	<b>165,409</b>	<b>680,952</b>	<b>-</b>	<b>846,361</b>	<b>808,000</b>	<b>854,000</b>
<b>Excess of operating revenues over expenses</b>	<b>242,075</b>	<b>(212,863)</b>	<b>20,000</b>	<b>49,212</b>	<b>49,000</b>	<b>16,000</b>
Other						
Capital expenditures	(50,000)	(20,000)	-	(70,000)	(40,000)	(50,000)
Capital campaign income	-	-	-	-	-	-
Other non-cash transactions	-	-	-	-	-	-
<b>Excess (deficiency) of Revenue over expenses</b>	<b>\$192,075</b>	<b>\$(232,863)</b>	<b>\$ 20,000</b>	<b>(20,788)</b>	<b>\$ 9,000</b>	<b>\$(34,000)</b>
<b>Net assess at beginning of year</b>				<b>501,800</b>		
<b>Net assets at end of year</b>				<b>\$ 481,012</b>		

Offertory gifts increased (decreased) by XX% from the prior year.

Total operating expenses increased (decreased) by XX% from the prior year

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### 3.5 Comments Regarding Financial Reporting to Parishioners

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Stewardship is only one side of a two-sided coin; accountability for the use of the contributed resources is the other. Free-will offerings and other contributions remain the primary revenue source for most parishes.

Much has been said and written about Catholics and their level of giving. This much is clear: in the Archdiocese of St. Louis, people respond very generously when the need is made known. So it is that the purpose of reporting to the faith community on at least an annual basis is twofold:

1. To provide a clear and concise accounting for the sources and uses of funds for the prior period, and
2. To portray a clear vision of the parish's financial needs for the coming year(s).

When reporting on prior period results, most people understand the concept of cash receipts and cash disbursements better than a financial statement of revenues and expenses that includes abstract concepts such as depreciation and accruals.

It is not the mission of our parishes to accumulate wealth. It is the mission of the parish to provide for the spiritual and pastoral needs of the faith community.

The Archdiocese of St. Louis recommends a minimum cash reserve equal to approximately three months' expenses, depending on the specific parish's situation.

In preparing the financial report to the community at large, each parish should decide on the key issues that it wants to communicate. There are, however, some suggestions for every parish to consider:

1. Report the beginning and ending cash and debt balances.
2. Reconcile those balances by showing the major components of cash receipts and cash disbursements.
3. Translate the ending cash balance into an equivalent number of a weekly Sunday collection or number of months' expenses.
4. Tie the parish's mission and goals to its financial statements.
5. Explain the parish's need for at least a "cost of living increase", similar to what most people get, just to stay even.

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### 3.6 Software

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The current versions of the software currently supported by the Archdiocesan Parish Support Office are as follows:

- QuickBooks Enterprise 17
- Servant Keeper 7.x, supported directly by the vendor
- Parish Helper Online

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### 3.7 Script Programs

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See also Sections 12.10 and 12.10.1

Many parishes are participating in Script Programs. This program is an opportunity for your parish community to help support the parish while patronizing their favorite local vendors. However, with these programs comes the need to exercise good stewardship and good accountability. Scrip (gift cards) is the equivalent of cash and can easily disappear if internal controls are not put in place. While there is a need to depend on many volunteers, it is important to be selective. Choose people who are trustworthy, accountable, can handle fast-paced transactions, and understand the proper handling of cash and coupons.

#### Checking Accounts

You do not need a separate bank account to handle the Script transactions. However, if you have already established one, it should be recorded in the parish's general ledger. If you have an account that currently exists and is not being reported, you will need to do the following in Quickbooks.

Set up the checkbook by creating an account number in the chart of accounts.

1. Go to the List menu. Select Chart of Accounts then select Account and New.
2. Enter the account number. It should read 1111xx. (xx being replaced within the sequential numbering system already established in you COA). Enter the name of the account such as Script Checking. Click OK when finished.

Record the opening checkbook balance. This should be last month's reconciled balance (transactions for the current month should be recorded individually).

1. Select the Banking Navigator then select the Deposit icon.
2. Make certain to select the Script Checking account in the "Deposit To" field.
3. Enter the account number for 471700 – Miscellaneous Revenue – memo "initial deposit"
4. Select class 100 Parish (or Script class)
5. Record the dollar amount and click Save & Close when finished.

The above transaction establishes the checking accounts beginning balance.

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### 3.7 Script Programs

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#### Inventory

One of the biggest problems is the tracking of inventory. When you purchase a variety of scrip, they should be logged on an inventory sheet. As you sell and replace scrip, the change in inventory should be subtracted (when sold) and added (when replaced) to the original inventory to determine the ending inventory. A physical count should be taken after every major selling event (at least once a week). It is important to inform the volunteers that inventory is being reconciled and that they should exercise particular care when handling scrip. They should count out the scrip first to themselves and then to the individual making the purchase.

It is also recommended that you color code or clearly mark envelopes that contain different scrip denominations from the same vendor. It is too easy for someone to carelessly pull out four \$100 Dierbergs cards rather than four \$25 cards. If this happens, you just lost \$300.

Be certain to tell your volunteers to correct sales sheets that do not reflect the final sale to the purchaser.

**For example.** Someone completes a sales sheet to purchase \$100 Dierbergs cards. However, when their request is turned in, there is only \$75 of Dierbergs cards available. The purchaser decides to buy \$25 of Shop n Save cards to complete the order. Your volunteer should change the sale sheet to read \$75 of Dierbergs cards and \$25 of Shop n Save cards. Otherwise, your inventory will not reconcile properly. If the correction was not made, you would be showing that you sold \$25 of Dierbergs cards more than you had in stock. Likewise, you would show that you were short \$25 of Shop n Save cards.

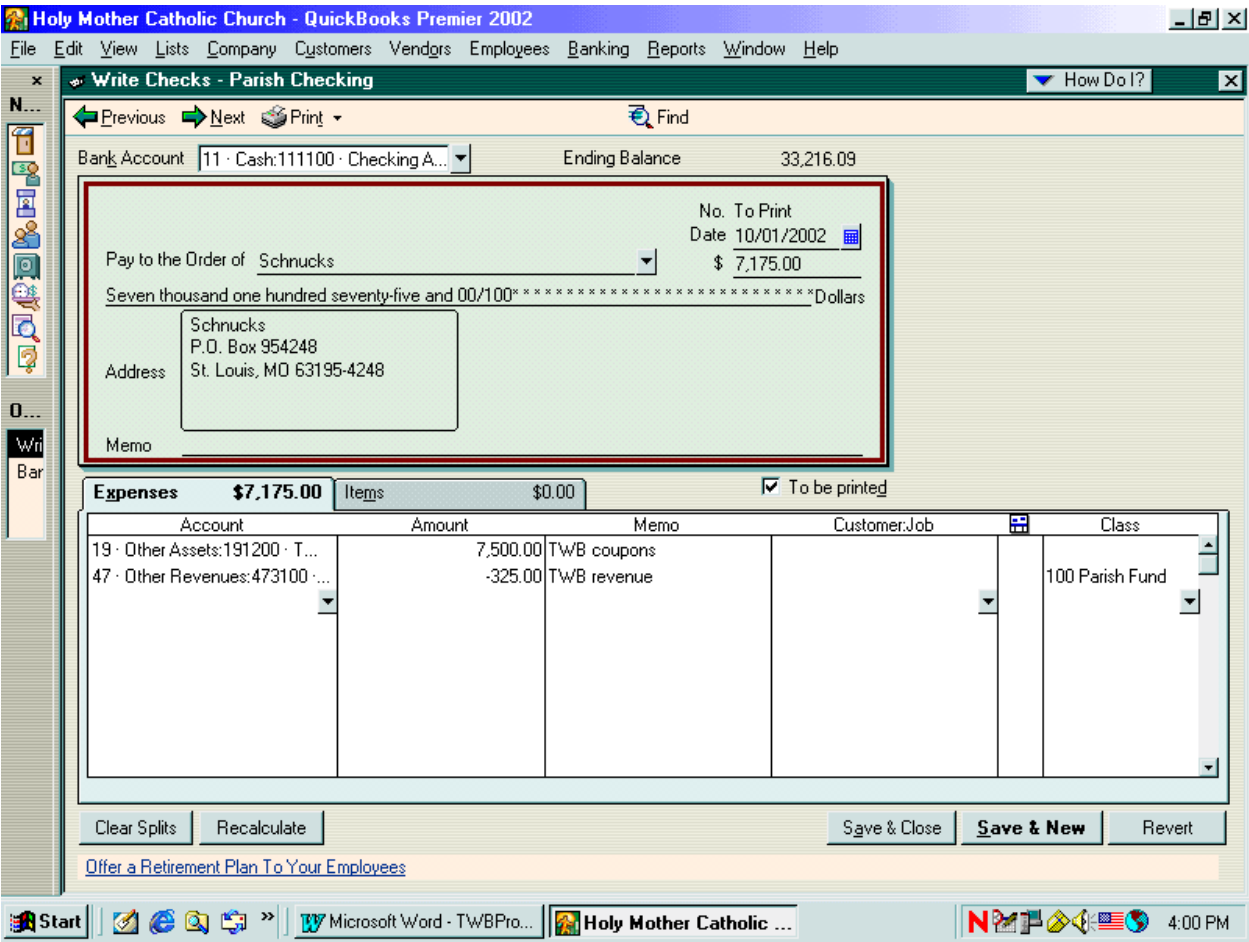
If you currently have inventory that is not recorded on the parish's general ledger, you will need to create an account for inventory. Using the same instructions for creating an account for the Checking Account, go to the Chart of Accounts and create a new account 191100 Inventory (Account type should be Other Current Assets and sub-account of 19 Other Assets). Then make a journal entry debiting inventory and crediting miscellaneous revenue.

<p>INVENTORY SHOULD ALWAYS BE KEPT IN A LOCKED SAFE OR OTHER SECURED AREA. ACCESS TO INVENTORY SHOULD BE LIMITED.</p>
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3.7 Script Programs

Revenues



Parishes purchase scrip from a vendor providing an array of businesses such as Great Lakes, or directly from specific vendors.

The program pays the net price for all purchases regardless of where you purchase it. For example, you need \$7,500 in scrip from Dierberg's. PSI gives you a 4% discount, so your check should be for \$7,200.



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## 3.7 Script Programs

### Depositing Receipts

**Holy Mother Catholic Church - QuickBooks Premier 2002**

File Edit View Lists Company Customers Vendgrs Employees Banking Reports Window Help

**Make Deposits** How Do I?

Previous Next Print Payments

Deposit To: 11 - Cash:111... Date: 10/07/2002 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

Received From	From Account	Memo	Chk No.	Pmt Meth.	Class	Amount
	19 - Other Assets:191200...	TWB coupon Sales				12,350.00
	19 - Other Assets:191200...	Back orders				150.00
Deposit Subtotal						12,500.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: [ ] Cash back memo: [ ] Cash back amount: [ ]

Deposit Total: 12,500.00

Save & Close Save & New Clear

The above transaction shows the sale of scrip inventory. There are two entries made because a back order is involved. Creating the separate line item for the back order gives you the detail you need to reconcile inventory. Your deposit is for \$12,500. However, you only sold \$12,350 of "inventory on hand." You also received an additional \$150 for scrip that must be purchased and delivered to the individual(s) who purchased the scrip. Back orders will happen when the demand is greater than the supply.

**For example.** After the last mass on Sunday, you run out of Shop n Save scrip. You receive requests for \$150 of Shop n Save cards from individuals who have purchased Dierberg's cards as well. The people indicated they really want the Shop n Save cards and don't want any additional cards from Dierberg's. They already have their check made out to the parish for the amount that would include the purchase of the Shop n Save scrip. This creates the need for a backorder. When the parish purchases the additional Shop n Save scrip, the backorders should be completed before inventory is added. Please see sample spreadsheet.

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### 3.7 Script Programs

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#### Expenses

As with every program, you will incur expenses other than the purchase of coupons such as, office supplies, postage, etc. These expenses are treated the same as other expenses. You can include a memo on the transaction indicating "Scrip".

#### Internal Sales

Sometimes the parish purchases coupons from the Scrip program to be used as "Thank You" gifts, prizes for a social event, coupons to be given to the poor, or for the purchase of groceries for the rectory. These sales should be treated the same as a sale to an individual. If the Scrip activity is transacted through the parish's checking account, there is no transferring of cash. A transaction would occur through a journal entry. Inventory would be credited (decreased) and the appropriate expense would be debited (increased). The expense allocation should agree with the purpose of the transaction (i.e., parish service appreciation (thank you gifts), cost of prizes (prize for social event), contributions (coupons for the poor) or household supplies (groceries for rectory)).

If a separate checking account is used for Scrip activity, a check written from the parish account should recognize the appropriate expense as noted above. When depositing the check to the Scrip checking account, inventory will be decreased.

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### 3.7 Script Programs

#### Holy Mother Catholic Church Scrip Inventory

		Beginning	Cash	Internal	Inventory	Inventory	Back Orders	*** Ending
	Coupon	Inventory	Sales	Sales	After Sales	Received	Filled	Inventory
Vendor	Value	9/29/2016	9/29/2016	9/29/2016	9/29/2016	9/30/2016	9/30/2016	9/30/2016
Dierbergs	\$25	5,000.00	-2,000.00		3,000.00	0.00		3,000.00
Dierbergs	\$10	2,500.00	-900.00		1,600.00	0.00		1,600.00
Schnucks	\$25	5,000.00	-2,600.00	-300.00	2,100.00	1,500.00		3,600.00
Schnucks	\$10	2,500.00	-1,150.00		1,350.00	1,000.00		2,350.00
Shop n Save	\$25	5,000.00	-3,300.00		1,700.00	2,500.00		4,200.00
Shop n Save	\$10	2,500.00	-2,400.00	-100.00	0.00	3,000.00	-150.00	2,850.00
		22,500.00	-12,350.00	-400.00	9,750.00	8,000.00	-150.00	17,600.00

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Verified by: \_\_\_\_\_ Date: \_\_\_\_\_

Cash Reconciliation	
Sale of Inventory – Cash	12,350.00
Back Orders-Cash Received	150.00
Total Deposited	12,500.00

Sales Reconciliation	
Cash Sales	12350
Internal Sales	400
Back Orders	150
Total Sales	12900

Coupons back-ordered:

\$10 Shop n Save

150

## SAMPLE INVENTORY SHEET

\*\*\* A physical count of inventory should proof the above ending inventory

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### **3.8 Procedure for Handling Operating Grants for Parishes and Elementary Schools**

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In recent years the number and amounts of operating grants to parishes and elementary schools have grown to the point where discretionary resources in the Administrative Fund are no longer sufficient to cover the requests. Recent changes in the organizational responsibilities and in the Agency Management Fee structure have resulted in identification of resources within the ACA to make the ACA the primary funding vehicle for these grants. Other funds may be available from other sources, but to a lesser extent.

Operating grants for parishes and elementary schools can be one of two types: planned or emergency. Planned grants are budgeted and paid over a period of months. Emergency grants are paid on an as-needed basis, often on very short notice. To simplify the funding structure and to make resources more readily identifiable, the attached policies recently were put into effect for handling emergency grants.

Effective July 1, 2005, all operating grants for elementary schools will be disbursed from the Elementary School Grants Fund, and all operating grants to parishes without schools will be disbursed from the Tithing for the Poor Fund. Each month the ACA will pay one-twelfth of the annual grand allotments designated for these purposes into these funds. Thereafter, disbursements from the funds will be made in accordance with the attached policies.

Any grants authorized in excess of funds available in these two funds will be funded by the Special Needs Fund or other funding sources, but would first be transferred to either the Elementary School Grants Fund or the Tithing for the Poor Fund. This procedure will ensure that all operating grants will be paid only from one of these two funds.

To assist the ACA in tracking which parishes have received grants from these funds, the Finance Office will furnish the ACA monthly reports as to which parishes have received grants.

#### **POLICY FOR PARISHES WITH SCHOOLS TO REQUEST EMERGENCY FUNDS WHEN THEY FACE A POSSIBLE OPERATING CASH DEFICIT**

1. The Catholic Education Office has the supervisory role of identifying which parish schools would face significant financial problems. When such a school is identified, the Superintendent should notify the Vicar General in charge of Finance.
2. The Vicar General consults with the Chief Financial Officer, who then sends the Director of Internal Audit to the parish. The audit provides a clear picture as to what the financial problems are and indicates what corrective measures could be taken.
3. The Vicar General, the Chief Financial Officer, and the Superintendent of Catholic Education then consult with each other to determine a schedule of payments to the school.
4. The viability of the parish school is determined in consultation with the Catholic Education Office.

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### **3.8 Procedure for Handling Operating Grants for Parishes and Elementary Schools**

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#### **POLICY FOR PARISHES WITHOUT SCHOOLS TO REQUEST EMERGENCY FUNDS WHEN THEY FACE A POSSIBLE OPERATING CASH DEFICIT**

1. The Finance Office has the supervisory role of identifying which parishes without schools would face significant financial problems. When such a parish is identified, the Chief Financial Officer should notify the Vicar General responsible for that parish.
2. Vicar General consults with the Chief Financial Officer, who then sends the Director of Internal Audit to the Parish. The audit provides a clear picture as to what the financial problems are and indicates what corrective measures could be taken.
3. The Vicar General, the Chief Financial Officer then consult with each other to determine a schedule of payments to the parish to meet its immediate needs.
4. The viability of the parish is determined in consultation with the Director of Pastoral Planning.

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### 3.9 Accounting Policy for School Tuition

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The Church's mission of evangelization is exemplified in many ways. In the Archdiocese of St. Louis, it is most evident in the education of our children. There are approximately 100 elementary schools that are sponsored by our parishes. The economic realities of increasing costs of education have spawned the closing of some parish schools and the merging or consolidation of others.

While the billing and collection of tuition is decided at the local parish level, it is necessary the accounting for such tuition be standardized in order to simplify Archdiocesan analysis and assessment calculations.

This document assumes that all parishes and schools are using QuickBooks, the only accounting software that is approved by the Archdiocese, and that the Chart of Accounts is in compliance with Archdiocesan policy.

All accounting activity for parish schools, including merged and consolidated ones, should be recorded in Class 200, regardless of whether the school maintains a separate set of books from the parish.

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### 3.9 Accounting Policy for School Tuition

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#### Accrual Accounting – Billing & Collection

Elementary schools charging tuition should report revenue on an accrual basis. Revenue is recognized as it is earned, not as it is received. The account for Tuition Revenue is 441100. This account should reflect gross tuition (tuition before grants or allowances are given to families unable to pay the full tuition). Parishes can choose various methods of billing (i.e., in-house, F.A.C.T.S., or SMART) and frequency (i.e., annually, semiannually, quarterly, and monthly).

All families should have separate AR accounts within QuickBooks to properly reflect all invoices, tuition assistance, and payments received whether the school uses in-house or third party tuition management.

#### **Situation #1: - Annual Invoicing**

Accounts receivable is debited (increase) and unearned revenue is credited (increased). Monthly (for 12 months) a memorized transaction should reduce (debit) unearned revenue and credit (increase) tuition revenue. Payments received increase the checking account and reduce the accounts receivable balance.

#### **Situation #2 – Quarterly Invoicing**

Accounts receivable is debited (increase) and unearned revenue is credited (increased). Monthly (for 3 months) a memorized transaction should reduce (debit) unearned revenue and credit (increase) tuition revenue. The above is repeated each quarter of the fiscal year. Payments received increase the checking account and reduce the accounts receivable balance.

#### **Situation #3 – Monthly Invoicing**

An invoice is created and memorized for 12 months. Accounts receivable is increased (debited) and tuition revenue is increased (credited). Payments received increase the checking account and reduce the accounts receivable balance.

#### **Prepaid Tuition and Prepaid Registration Fees**

Typically, schools will collect registration fees in the spring of the year. The registration fees are for the next school year.

If the registration fees are invoiced, 151100 Accounts Receivable is debited and 271500 Prepaid Tuition & Fees is credited. When payment is received, the checking account is debited and accounts receivable is credited. If the registration fee is collected but not invoiced, debit the checking account and credit prepaid tuition and fees when the money is deposited.

Once the new school year begins, the balance in the prepaid tuition and fees account needs to be recognized as revenue. Debit 271500 Prepaid Tuition & Fees and credit 441400 Registration Fees. Use the revenue matching principle. If the registration fees offset the costs of textbooks and the textbooks are paid in the month of August and September, recognize one-half of the registration fees in August and again in September.

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### 3.9 Accounting Policy for School Tuition

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Some families will choose to prepay the next fiscal year's tuition in the spring. When this happens, a recorded payment without an invoice results in a credit balance in the family (customer) record. An invoice should be created to offset the payment made. Debit accounts receivable and credit prepaid tuition to create the invoice. When the payment is deposited, the checking account is debited and accounts receivable is credited. Create a memorized transaction (journal entry) to recognize revenue. The journal entry can be dated 7/1/20xx. One-twelfth of the tuition is recognized for each month and the prepaid tuition is debited by the same amount.

#### **Grants & Other Financial Assistance**

Tuition grants and allowances – including grants from the Archdiocese - given to school families should be recorded to the appropriate 4412xx account. All tuition grant accounts should start with 4412xx (the last two digits can be uniquely assigned). To record grants given to families, you must enter a credit memo. The accounts receivable (amount due from family) is reduced by the grant. The grant and allowance account will have a debit (negative balance) which off-sets (decreases) the tuition revenue account.

When grant monies are received from the Archdiocese of St. Louis for Catholic Family Tuition Assistance, Employee/Teacher Assistance, etc., the funds are deposited using an internal revenue account under Grants from Archdiocese 461xxx.

#### **Donor-Restricted Gifts**

Gifts received for tuition assistance should be recorded to a 435xxx Restricted Gift account. These funds should be segregated as Restricted Cash until such time as the funds are awarded at which time the funds should be moved to general checking. When the funds are awarded, a credit memo should be posted to the families' AR accounts and 4412xx Tuition Grants and Allowances.

Any funds directed to a specific family represent tuition payments and are not contributions/gifts.

#### **Merged and Consolidated Schools**

Parishes invoicing and collecting tuition that is being passed through to a merged, regional or consolidated school should create a new sub-account under 25 Due to Other Parishes – 255200 Due to School – Tuition account. This account is credited when invoicing school families. When a check is written to the school for the tuition, this account is debited. The parish should make certain that the school knows this check represents tuition paid by their parish families.

When the school receives a check from a parish that represents school family payments for tuition, the school should recognize revenue using the 441100 Tuition Revenue account.

If an Archdiocesan Grant is received by a parish but is passed through to a merged, regional or consolidated school, the parish should create a new account under 25 Due to Other Parishes – 255300 Due to School – Grant account. This account is credited when the money is deposited.



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### 3.9 Accounting Policy for School Tuition

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When the check is written to the school, this account is debited. The parish must also issue a credit memo reducing accounts receivable and 255200 Due to School – Tuition for each family benefitting from the grant mentioned above.

When the merged, regional or consolidated school receives the grant check, the school deposits the money and recognizes Grant revenue from the Archdiocese (461xxx).

Merged, regional or consolidated schools receiving subsidies from parishes should record and internal revenue using 462100 Education Subsidy from Parishes.

Parishes subsidizing merged, regional or consolidated schools should charge the expense to 551100 Trfs – Consolidated Schools (for regional and consolidated schools) or to 552100 Trfs – Other Parish-Education for merged schools. When writing this check, the parish should make certain that the school knows this check represents the parish's subsidy to the school.

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### 3.10 Parish Cemeteries

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#### **Excerpt from USCCB Diocesan Finance Issues**

*“From a canonical perspective there is no explicit obligation on the part of the operators of the cemeteries to ensure perpetual upkeep. However, given the fact that cemeteries are sacred grounds for the burial of the dead, they should be cared for with dignity, thus implying a moral obligation to maintain cemeteries. “*

**Source:** “Diocesan Finance Issues” developed by the Committee on Budget and Finance of the United States Conference of Catholic Bishops

#### **Perpetual Care and Maintenance**

Most parishes segregate cemetery funds from funds for other parish operations. These funds should be sufficient to provide for perpetual care and maintenance.

Since 1985, Catholic Cemeteries deposits 35% of the purchase price into its endowed care fund.

The Archdiocese of St. Louis calculates the amount of its perpetual care liability in accordance with Generally Accepted Accounting Principles (GAAP) by dividing average annual maintenance costs for the most recent five-year period by an expected rate of return on funds set aside for perpetual care.

Parishes are not expected to maintain their cemetery accounting in accordance with GAAP. They may, however, wish to determine the adequacy of cemetery resources by following the archdiocesan funding formula.