

*Parish and School
Financial Policy*

and

*Parish/School Financial
Accounting and Reporting
System*

Parish and School Financial Policy Manual

**The Archdiocese of San Francisco
One Peter Yorke Way
San Francisco, CA 94109**

Parish and School Financial Policies Index

- A. Principles for Administration of Parish & School Finances
- B. Parish Finance Council Guidelines
- C. Internal Accounting Controls for Parishes & School
- D. Stewardship & Development
- E. Investment of Parish Surplus Funds
- F. Endowments
- G. Loans
- H. Contracts, Debts & Capital Asset Leases
- I. Employee Pay, Benefits & Employment Policies
- J. Building and Renovation Policies & Procedures
- K. Real Property not used for Pastoral Purposes
- L. Insurance
- M. Legal Services

Section A.
Principles for Administration of
Parish and School Finances

1 PRINCIPLES FOR ADMINISTRATION OF
2 PARISH AND SCHOOL FINANCES
3

- 4 A. The Pastor is responsible for financial decisions and will establish a balanced
5 annual operating budget in consultation with the Parish Finance Council. The
6 Pastor should also develop in consultation with the Parish Finance Council an
7 annual capital expenditure budget including sources of funds. The Actual income
8 and expenditures of the parish should be compared to the budgets monthly and
9 reviewed by the Parish Finance Council at least quarterly.
10
- 11 B. Each parish shall issue an informative financial report to its parishioners at least
12 annually.
13
- 14 C. All parishes will follow a uniform chart of accounts to facilitate reporting to the
15 parishioners, the Parish Finance Council and the Archdiocese.
16
- 17 D. All parishes will follow established internal accounting controls.
18
- 19 E. All Parish Finance Councils will follow established Archdiocesan Guidelines and
20 participate in Archdiocesan training sessions for priests, administrators and Parish
21 Finance Council members.
22
- 23 F. All parishes will participate in a coordinated payroll system in order to ensure that
24 all employees receive proper benefits and in order to guarantee full compliance
25 with ever more complex laws on taxes and employee benefits. No employee will
26 be paid outside of the coordinated payroll system.
27
- 28 G. All parish financial activities will be the subject of regular independent audits or
29 reviews.
30
- 31 H. All parish accounts in financial institutions will be included on the annual parish
32 financial report and subject to the audit-review process. The Archdiocese will
33 obtain comprehensive lists of all parish accounts from financial institutions and
34 will compare the listing of the accounts with the listings contained on the annual
35 parish reports.

Section B.
Parish Finance Council Guidelines

PARISH FINANCE COUNCILS

A. The Revised Code of Canon Law mandates a Parish Finance Council in each parish. The role of the Parish Finance Council is to assist and advise the Pastor in overseeing and controlling the financial affairs of the parish. The Parish Finance Council is accountable to the Pastor, who has the responsibility for final decisions. It is understood that if the advice of the Parish Finance Council is unanimous on a given matter, the Pastor will give serious consideration to the recommendation and not lightly reject it.

B. Structure of the Parish Finance Council.
Members shall be appointed by the Pastor and must be active Catholic members of the parish. Members should be skilled in business and have some expertise in management, financial, accounting, legal, fund raising or related fields. The membership of the Council cannot include anyone who could have a conflict of interest from such affiliation, nor can any parish staff member or any relative of the Pastor be a member. There shall be at least three members.

Members shall serve for three years. The terms of the Parish Finance Council will be staggered to ensure continuity. Upon initial formation of the Parish Finance Council, the Pastor shall designate either a one, two or three year term, in succession, for each member that the Pastor appointed. Thereafter, members who are appointed or re-appointed shall serve for three years. In the event a member resigns or is removed by the Pastor for a just cause, the replacement shall assume the remainder of the term of the replaced member. The Pastor shall appoint the Chairperson. Other officers may be appointed at the discretion of the Pastor. When a pastorate becomes vacant, the Parish Finance Council ceases to exist.

C. Functions of the Parish Finance Council.
The Pastor is responsible for financial decisions and will establish balanced operating budgets for the parish and school in consultation with the Parish Finance Council. The Pastor should also develop in consultation with the Parish Finance Council an annual capital expenditures budget including sources of funds. The actual income and expenditures of the parish should be compared monthly and reviewed by the Parish Finance Council at least quarterly.

The members of the Parish Finance Council must be given complete access to all records and documents relating to the financial status and operations of the parish. The Pastor must consult the Parish Financial Council concerning any major commitment of parish funds in excess of \$10,000, or a series of small amounts for a single purpose that will exceed \$10,000. In conjunction with these functions the Parish Finance Council shall do the following:

- 1.** Establish a timeline for budget development and implementation by the parish staff.

2. Review proposed operating and capital budgets.
3. Review significant budget variances and develop a plan of action, if necessary, to correct the problem(s) or amend the budget.
4. Review proposed expenditures which are not included in the approved budget.
5. Review and recommend approval or disapproval of proposed budgets from individual parish organizations having substantial sources of income (i.e. Men's Club, Women's Club, Bingo, Scrip, Boosters, etc.). Financial statements for these organizations and activities shall be submitted to the Parish Finance Council at least annually.
6. Provide parishioners with an approved budget and periodic financial statements, at least annually.
7. Review the annual financial statements published to parishioners and submitted to the Chancery Office for accuracy and completeness. The reports must agree with the books of record and must be accurate. If necessary, supplemental information can be included as a footnote to the reports.
8. Ascertain that the parish follows the Archdiocesan uniform chart of accounts to facilitate reporting to parishioners, the Parish Finance Council, and the Archdiocese.
9. Ascertain that the parish follows established internal accounting controls as specified by the Archdiocese.
10. Follow established Archdiocesan guidelines and participate in Archdiocesan training sessions for priests, administrators and Parish Finance Council Members.
11. Ascertain that all employees are included in the Archdiocesan coordinated payroll system in order to ensure that all employees receive proper benefits and in order to guarantee full compliance with ever more complex laws on taxes and employee benefits. The Parish Finance Council should ascertain that no employee is paid outside of the coordinated payroll system.
12. Ascertain that Independent Contractors comply with Internal Revenue Service regulations.
13. Ascertain that all parish cash with financial institutions is included on the annual parish financial report.
14. Study sources of parish revenue, make recommendations for maintaining and enhancing parish revenue, assist in the development of programs and processes to that end, and coordinate fund raising programs.
 - a) Oversee and review fund raising programs and expenditures for the parish, school and affiliated groups/organizations.
 - b) In conjunction with the Parish Council, educate parishioners with regard to stewardship.
15. Review all banking and financial institution arrangements, bookkeeping procedures, capital expenditures and contracts of a fiscal nature subject to

Archdiocesan regulations. Make recommendations for improvements or changes subject to Archdiocesan Regulations or Policies.

16. Advise the Pastor in financial and budgeting aspects of managing and caring for the parish buildings and equipment. Assist the Pastor in evaluating deferred maintenance and the development of a long range capital improvement budget.

17. **New Measures (Effective October 1, 2022)**

- a. At least quarterly, review non-payroll payments including reimbursements made to pastor and staff to ensure compliance with reimbursement policy.
- b. Review and approve monthly credit card statement including pastors:
 - a) Either Wells Fargo Card or Other Credit Card
 - b) Recommend review performed by Finance Council Chair
- c. Ascertain if books and records of Parish are being closed at least quarterly and quarterly financial statements are prepared

D. Meetings of the Parish Finance Council

The Parish Finance Council shall meet at least on a quarterly basis, preferably monthly. Special meetings of the Parish Finance Council may be called by the Pastor. There shall be a written record of the actions taken at the Parish Finance Council meetings.

Section C.
Internal Accounting Controls for
Parishes and Schools

INTERNAL ACCOUNTING CONTROLS FOR PARISHES AND SCHOOLS

A. Bank Accounts

1. All bank accounts must bear the parish/school name. No bank accounts shall be in the name of the Pastor or an individual(s).
2. All parish/school funds must be deposited only in accounts that bear the Parish name.
3. Bank accounts in the name of the parish/school may be opened or established only by decision of the Pastor and approved in writing by the Archbishop or his designated Attorney-in-fact. The Pastor must be a signatory on all parish/school accounts.
4. The number of bank accounts should be kept at a minimum. A list of all bank accounts must be given to the Parish Financial Council.
5. At his request, the Pastor or his delegate may receive unopened bank statements. This person should then scan the statements and the enclosed canceled checks for unusual items prior to forwarding the statement for reconciliation.
6. The reconciliation should be performed each month by someone who does not have access to cash. In those instances where it is impossible to comply with this requirement, an independent review of the reconciliation shall be made by another member of that organization. Reconciliations may be reviewed periodically by the Parish Finance Council.
7. All unused checks should be safeguarded in a safe or locked cabinet.
8. Parish surplus funds, defined as amounts in excess of two months non-school operating cash expenditures of the parish for the previous fiscal year, must be deposited in the Capital Assets Support Corporation Parish Deposit and Loan Fund in accordance with Policy on Investment of Parish Surplus Funds.
9. Elementary school surplus funds, defined as amounts in excess of two months school operating expenses for the previous fiscal year, must be deposited in the Capital Assets Support Corporation Parish Deposit and Loan Fund in accordance with Policy on Investment of Parish Surplus Funds

47 **B. Cash Disbursements**

48

- 49 1. All expenditures shall be consistent with and within the budget limits
50 approved by the Pastor and the Parish Finance Council. If possible,
51 proposed significant expenditures beyond budget limits and non-
52 budgeted items should be approved in advance by the Parish Finance
53 Council and the Pastor, otherwise, especially in emergency situations,
54 they should be advised as soon as possible of such expenditures.
55
- 56 2. Prenumbered checks should be used and numerical control maintained.
57 Voided checks should be accounted in the monthly reconciliation.
58
- 59 3. All check disbursements in excess of \$500 require two signatures.
60 Bank signature cards signifying the approved signers must be on file in
61 the parish office.
62
- 63 4. It is never permissible to pre-sign blank checks.
64
- 65 5. Checks shall be prepared from approved invoices or check requests.
66 Check requests should be supported by receipts or other appropriate
67 documents indicating for what the expenditure was made. Some
68 notation in writing should be made on the invoice or check request
69 indicating that goods were received or services performed. Invoices
70 should be reviewed for terms, prices, extensions and compared with
71 the check request by the bookkeeper and/or administrative assistant.
72
- 73 6. Check signers should review the supporting data and approvals on the
74 check requests/invoices prior to signing the checks.
75

76 **C. Cash Receipts**

77

- 78 1. Mail should be opened by someone other than the person responsible
79 for recording cash receipts. Checks received must be listed and
80 endorsed "for deposit only" before being turned over to the person
81 responsible for deposit.
82
- 83 2. The person responsible for making the deposit (i.e. the person who
84 prepares the deposit slip) should be someone other than the person
85 responsible for recording cash receipts.
86
- 87 3. All receipts should be maintained in a locked file cabinet or safe until
88 deposited. Only the Pastor or his delegated agents should have the
89 combination to this safe or the key to the locked file.
90
- 91 4. Cash receipts must be recorded and deposited intact as soon as
92 possible. Copies of deposit slips must be maintained.

93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134

5. No checks made payable to the parish, its school or any of its organizations may be endorsed and converted into cash, nor deposited in accounts other than parish accounts.
6. It is expected that the foregoing procedures will also be applied to tuition collected by parish schools and any monies collected by parish organizations.

D. Petty Cash Funds

1. Petty cash funds should be maintained on an imprest basis and periodically replenished for exactly the amount of expenditures from the fund. Imprest basis means that at all times the sum of the cash on hand and the disbursement forms/invoices equals the total amount that is supposed to be in the fund. The size of the fund should be determined by its activity, but can not exceed \$500 except for bingo.
2. The fund should be in the sole custody of a single employee. The custodian should balance the fund at least monthly, and periodically, the Pastor or his delegate should count the fund on a surprise basis.
3. Disbursements from the fund should be supported by petty cash disbursement forms which should be either typewritten or prepared in ink. All supporting data should be attached to the voucher. Upon reimbursement of the fund, every disbursement form (and supporting data) covered by the reimbursing check should be reviewed for reasonableness and canceled in such a manner as to preclude reuse.
4. The petty cash fund should be recorded as a cash account. Cash should be relieved and expense recorded when the petty cash disbursements forms are submitted and the fund is reimbursed.

E. Budgets

1. Each parish organization and cost center (e.g. school, rectory, hall) must prepare an annual revenue and expense budget for usage in guiding the parish through the coming fiscal year's financial transactions. All necessary maintenance items should be included.

- 135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
2. A one-year and five-year capital budget should be prepared for all expected and planned capital improvements, including existing and planned sources of funds to be used to pay for such improvements.
 3. All budgets must be completed and submitted for review and approval to the Parish Finance Council in time for a spring meeting, except the school budget which must be submitted to the Council after it has been approved by the School Board or (similar body) and prior to being submitted to the Archdiocesan School Department.
 4. All budgets should be balanced or result in a surplus. In those instances where it is not possible to balance the budget, the sources of funds (e.g. savings, loans) to be used to balance the budget should be identified and approved by the Pastor after consultation with the Parish Finance Council. Any subsidies requested by the school, parish organizations etc. must be approved by the Pastor after consultation and review by the Parish Finance Council.
 5. Final approval of all budgets is the responsibility of the Pastor after consultation with the Parish Finance Council.

156 **F. Financial Reports**
157

- 158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
1. Financial reports should be submitted on at least a quarterly basis (preferably monthly) to the Pastor and the Parish Finance Council in order to keep them fully informed on the current and future financial condition of parish activities.
 2. The financial reports should be prepared on a cumulative year-to-date basis and compare actual revenue and expense items to budgeted amounts. Significant variations from budget and any unbudgeted items incurred should be explained. The reports should also include the beginning and ending cash balances.
 3. A copy of the parish annual report must be submitted to the Chancery Office by August 31 for each year. A copy shall be given to the Parish Finance Council.
 4. A copy of the parish school's annual financial report must be submitted to the Archdiocesan Department of Education in August of each year. The report must be submitted to the Pastor and to the Parish Finance Council for approval before submission to the Archdiocesan Department of Education.

- 179
180
181
182
183
184
185
186
5. All parish organizations shall prepare an annual financial report and submit it to the Pastor and the Parish Finance Council by August 31 of each year.
 6. Financial statements and supporting records of all parish entities are subject to review and examination by the Parish Finance Council at their discretion.
- 187 **G. Payroll**
188
1. All parish and school employees without exception, will be paid through the Archdiocesan coordinated payroll system.
 2. All appropriate federal forms, including W-4's and I-9's, must be filed in each employee's personnel folder.
- 194
195 **H. Offertory Collection Handling**
196
1. A parish representative other than a member of the Collection Committee will place an ample supply of the tamper-proof pre-numbered recyclable plastic bags in the church prior to the day's service. He will insure that the bag numbers are in numerical sequence and no numbers are missing.
 2. The parish ushers at each service will place the offertory collections in bags.
 3. The Collection Count Committee will keep a log of the numerical sequence of the bags. All missing bag numbers and out of sequence situations will be researched by the Collection Count Committee at time of counting the collections.
- 210
211 **I. Collection Counting**
212
1. Collections should be counted and checks endorsed for deposit as soon as possible.
 2. A Collection Count Committee must be established in sufficient number to count collections as expeditiously as possible. In setting up the Count Committee, the selection of members should be considered carefully.
 3. Cash count procedures should be in writing and furnished to each member of the Collection Count Committee.
- 222
223

- 224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
4. Collections should be recounted by another member and they should agree on the total.
 5. The amount of offering should be indicated on the outside of the envelope for subsequent posting to parishioner statements. Loose checks should be listed for subsequent postings to parishioner statements.
 6. The count results should be written in ink onto a standard count form and the deposit slip forwarded directly to the Pastor and the bookkeeper.
 7. All Archdiocesan and national collections should be remitted to the Chancery Office as soon as possible, but no later than one month after the collection was taken.
 8. The Parish Finance Council should perform a periodic review to determine that proper control is being exercised over the collection count by:
 - a) Tracing the copy of the deposit slip to the collection count record.
 - b) Ascertaining that two members of the count committee have signed for the count.
 - c) Tracing collection deposits to bank statements and ascertain that deposits were made in a timely manner.
 - d) Determining that procedures for handling mail receipts are being followed.
 - e) Determining that special collections have been remitted properly to the Chancery Office on a timely basis.

260 **J. Fund Raising Activities**

- 261
262
263
264
265
266
267
268
269
1. The reason for each new fund activity should be submitted for approval to the Pastor and the Parish Finance Council before the activity is started.
 2. Every parish entity should use adequate control procedures for all fund raising activities. For activities such as bingo and scrip, it is essential that controls over inventories be established.

270
271
272
273

3. Fund raising activities should be included in the budget. If the profits of an activity are to benefit another parish entity (e.g. parish, school, etc.), the other entity should include this amount in its budget.

Section D.
Stewardship and Development

1
2 **STEWARDSHIP & DEVELOPMENT PROGRAM**
3 **POLICIES AND PROCEDURES**
4

5 **I. INTRODUCTION**
6

- 7 **A.** The Stewardship Program recommended by the Archdiocese offers three benefits
8 to the parish:
9

10 *Increased Understanding of Christian Stewardship*
11 *Increased Volunteers for Parish Ministries*
12 *Increased Weekly Offertory Contributions*
13

14 Stewardship education helps parishioners to recognize that everything we have --
15 our time on this earth, our talents and abilities, and our material resources are gifts
16 from a loving God. These gifts are not ours to use as we please. As Christians, we
17 are obligated in thanksgiving to God to develop our gifts, and to return a just
18 portion to further the teachings of Christ through the teachings of the Church.
19 The Stewardship concept reverses the reason for support of the Church. In
20 Stewardship, the contribution of time or money becomes a subjective personal
21 commitment, rather than giving time, talent or treasure solely for the objective
22 “needs” of the Church. The challenge of the parish is to forge a meaningful
23 connection between the biblical and theological basis of Stewardship and
24 the practice of Christian Stewardship in the daily lives of people. With a well
25 trained, permanent Stewardship Committee, the Pastor can help parishioners
26 understand the bond between the theology and the practice of Stewardship. This
27 mission is what God calls us to do.
28

29 **II. DEVELOPMENT POLICY**
30

31 **A. Premise**
32

33 *As disciples of Christ, Catholics recognize God as the origin of life, and*
34 *source of all we possess. Our resources exist not only to fulfill our own*
35 *needs, but also to serve others. Therefore, we are obligated as stewards*
36 *to receive God's gifts gratefully, cultivate them responsibly, and share*
37 *them in justice with others.*
38

39 *Catholics are also collaborators and cooperators in the redemptive work*
40 *of Jesus Christ. This is the fundamental mission of the Church: to*
41 *proclaim and teach, to serve and sanctify. Catholics demonstrate their*
42 *unity and collaboration in the works of the Church through the*
43 *stewardship of their time, their talents and their financial resources. The*
44 *fund-raising ministry of all Catholic Schools, Agencies and Parishes is an*
45 *apostolic activity and based upon scripture and gospel values.*
46

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93

B. Introduction

The Development Policy recognizes the expertise and accomplishments of the Catholic schools, Archdiocesan offices, agencies, and parishes in their fund-raising ministry. The Policy exists to serve the interests of these entities, and the individual leaders and donors who participate in various appeals.

The Policy considers the views of the development executives of the Catholic schools and agencies, and the Archbishop's Stewardship Council of Priests, who represent the parishes of the Archdiocese.

The goal of the Policy is to achieve unity and cooperation, and to foster gospel values and Christian stewardship in the fund-raising activities of all Catholic entities under the jurisdiction of the Archbishop.

"Make every effort to preserve unity. There is one Lord, one faith, one baptism, one God who is over all and works through all." Ephesians 4:4-6

"As each one has received a gift, use it to serve one another as good stewards of God's varied grace." 1 Peter 4:10

The Policy considers the Code of Ethics and recommended practices of the National Catholic Stewardship Council and National Catholic Development Conference, the National Society of Fund Raising Executives, and the American Association of Fund Raising Counsel.

C. Institutions Covered

The Archbishop has appointed the Director of Stewardship to administer the Policy among all parishes and missions, schools, (Archdiocesan elementary and high schools), Archdiocesan agencies, departments, offices and apostolates, the Catholic Youth Organization, Catholic Charities, and St. Patrick's Seminary.

The policy shall not apply to: Catholic hospitals, Catholic colleges and universities, St. Vincent de Paul Society, and those Catholic schools not operated by the Archdiocese; *except where their fund-raising activities are contrary to Catholic faith and morals.*

The policy requests these institutions to apprise the Archbishop of their fund-raising plans in conformance with Canon 1265 of the Code of Canon Law.

Religious mendicants, or private persons whether physical or juridic are forbidden to raise funds for any pious or ecclesiastical institution or purpose without the written permission of their own ordinary and that of the local ordinary."

94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138

D. Responsibilities of the Stewardship Office

In accordance with official Archdiocesan policy, the Stewardship Office is responsible for Stewardship education and development activities in the Archdiocese. Activities include the stewardship education, development policy, general fundraising advice, the Archbishop's Annual Appeal, planned giving (wills, bequests and properties), and general counsel to parishes and Archdiocesan agencies (i.e. Catholic schools, Catholic Charities).

The Policy calls all Catholic schools, Archdiocesan offices, apostolates, agencies and parishes to cooperate and assist the Stewardship Office in carrying out the following responsibilities:

- * To encourage all Catholic entities to use ethical, standard fundraising practices that will bring credit to their ministry and will enhance the good image of all Catholic schools, agencies and parishes in the Archdiocese.
- * To ensure preferential concern for the interests of all Catholics and those of other faiths who participate in appeals as volunteers and/or donors.
- * To confer with all entities at least once a year and review needs, plans and activities. This review can take place by site visits, meetings at the Stewardship Office, conferences, telephone, group discussions or surveys.
- * To review and provide recommendations regarding proposals of \$100,000 or more to individuals, foundations, corporations and associations.
- To sponsor an annual seminar regarding development and stewardship activities such as: Planned Giving, Capital Campaigns, Annual Funds, Special Events, Direct Mail, Major Gifts, Foundation and Corporate Giving.

E. Archbishop's Annual Appeal

Every parish and mission is allocated a share of the total Archdiocesan Assessment. These assessments are set by the Archbishop's Stewardship Council, based upon the individual circumstances of each parish. Pastors are advised of their parish's assessment for the following calendar year in a letter from the Archbishop in late November.

139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182

In order to meet their assessments, parishes are asked to undertake an actual fund-raising campaign. Materials for the campaign (brochures, posters and envelopes) are provided to the parishes by the Stewardship Office. Parishes which utilize these materials and conduct campaigns according to the recommended guidelines have found in many cases that this proven method is very effective in raising not only the entire assessment, but additional funds as well. Many parishes use the AAA as their own fund-raising campaign to meet parish needs. All funds raised by parishes in excess of their assessments are returned to the parish for its special needs. For further information, please consult your parish copies of *Stewardship Program: Guidelines and Materials for Increased Offertory Income and New Volunteers through Stewardship Education and Sacrificial Giving* and *AAA Guidelines for Parish Leaders*

F. Procedure for Approval of a Capital or Endowment Campaign

The following procedure will facilitate the approval of a capital or endowment campaign:

The school or parish school, agency, department or parish seeking funds should prepare a statement and plan outlining the capital and endowment needs and costs. The statement and plan should have the approval of the appropriate person responsible for the school, parish school, agency, department or parish seeking funds (e.g. a Pastor would have the authority over both the parish and the parish school.)

The entity should present the case statement and plan to the appropriate Archdiocesan authorities (*Office of Education, Building Committee, etc.*) for approval in accordance with the procedures of the authority.

Upon approval by the Archdiocesan authority, the entity should present the statement and plan to the Stewardship Office. The Office will provide a prompt report of approval or remedial steps necessary for approval.

The Stewardship Office will recommend that a pre-campaign survey of leadership and donor potential be undertaken, before approving the announcement of a campaign.

Upon completion of the preliminary survey, the entity should present the results to the Stewardship Office for review. The Office will provide a prompt report of approval or remedial steps necessary for approval.

183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227

G. Use of Professional Counsel

The following policy will aid in selecting professional counsel:

All Catholic schools, agencies, offices, apostolates and parishes are free to select outside professional fund-raising counsel of their choice, in accordance with the principles and guidelines as established by the American Bishops.

All entities are encouraged to include their Board of Directors or appropriate councils or committees in the selection process.

All entities are encouraged to consider companies or consultants who subscribe to the Code of Ethical Guidelines of:

(Companies) *The American Association of Fund Raising Counsel (AAFRC)*

or

(Consultants) *The National Society of Fund Raising Executives (NSFRE)*

and

The National Catholic Stewardship Council and the National Catholic Development Conference

All entities that prefer a company or a consultant who is not a member of the AAFRC or the NSFRE are asked to provide the Stewardship Office with the credentials and references of the candidate before a contract is signed by a Vicar General. The Stewardship Office will prepare a prompt recommendation relating to the qualifications of the company or the consultant.

The Stewardship Office can best administer this Development Policy with the cooperation of all entities under the jurisdiction of the Archdiocese. This cooperation will ensure that the best interests of all volunteers, leaders and donors will be served, and the good reputation of all entities and the Archdiocese will be protected.

III. POLICIES FOR THE ACCEPTANCE OF GIFTS OF REAL ESTATE

Gifts of real estate, including all forms of interests in real property, may be accepted on behalf of the Archdiocese and its parishes in accordance with these policies, with exceptions allowed as stated below.

228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271

A. *Authority to Accept Gifts of Real Estate.* The following officers of the Archdiocese are authorized to accept gifts of real estate that are permitted by these policies: The Archbishop or his corporate legal delegate acting in consultation with the Stewardship Office, the Real Estate Office and the Finance Office.

B. *Conditions for Acceptance:* A gift of real estate may be accepted only under the following conditions:

1. It is to be used by the Archdiocese in connection with established or specifically approved programs or activities; or
2. It is to be held for the production of income; or
3. It is to be sold with the proceeds used for the general purposes of the Archdiocese, or as provided by the donor.

The Archdiocese will not accept property that would jeopardize its tax-exempt status

C. *Conditions Affecting Acceptance:*

1. If the property is to be used by the Archdiocese, it shall be in good physical condition. If it is not in compliance with applicable building, health, and safety codes, or requires repairs or improvements, a source of funds for the costs of bringing the property into compliance must be identified prior to acceptance.
2. The proposed use must be lawful and consistent with the previously approved strategic plans of the Archdiocese involving the use or acquisition of real property.
3. If the property is to be held for the production of income, a *pro forma* positive cash flow analysis must compare favorably to the amount of income that would be obtained if the property were sold and the proceeds invested as a part of the general endowment pool.
4. If the property is to be sold, it should be marketable within a reasonably short period of time. Acceptance of offers to purchase property from the Archdiocese requires the signature of the Archbishop or his corporate legal delegate, after consultation with the Stewardship Office, the Real Estate Office and the Finance Office.

272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317

In rare circumstances, the Archdiocese may consider financing the sale or carrying-back a portion of the purchase price for a credit-worthy purchaser at an interest rate that is comparable with other Archdiocesan investments and is subject to other appropriate terms and conditions. The terms shall be approved in writing and approved in advance by the Archbishop or his corporate legal delegate, after consultation with the Stewardship Office, the Real Estate Office and the Finance Office.

D. *Procedure:* Prior to formal acceptance, the following shall be obtained by Archdiocesan staff:

1. Preliminary title report covering the subject property (the title report shall reflect that title is vested in the donor in the form represented, and is subject to no claims, liabilities, or major defects of title);
2. A suitable property valuation. The donor may be asked to pay the costs associated with obtaining any necessary final appraisal.
3. A list of improvements to the property;
4. A current list of leases, if any;
5. A list of encumbrances, liens, and current expenses, if any;
6. A commitment for title insurance; and
7. A physical inspection of the property by an employee, agent of, or consultant to the Archdiocese.

Conditional acceptance may be made subject to satisfactory completion of each of the foregoing.

E. *Hazardous Waste Considerations.* Prior to formal acceptance, a “Phase One” (as defined by the Real Estate Office of the Archdiocese) must be made by an individual or firm competent to advise the Archdiocese whether further investigation is needed.

F. *Grant Deed.* Upon acceptance of the gift of real estate, it is the responsibility of the Real Estate Office to insure that the grant deed is properly conveyed to the Archdiocese. This includes having the donor sign the deed and recording it with the appropriate county. The Archbishop or his delegate has responsibility for the proper safeguarding of all deeds.

G. *Internal Revenue Service Form 8283.* The internal Revenue Service requires that Form 8283 be completed so as to be filed with the donor's tax return.

318 Upon acceptance, the Stewardship Office will be responsible for completing the
319 "Donee Acknowledgment Section" of IRS Form 8283, mailing the original form
320 to the donor and a copy to the Archbishop or his delegate.
321

322 **H.** *Internal Revenue Service Form 8282.* The Internal Revenue Service requires
323 that Form 8282 be completed and filed (with respect to any real estate for which
324 a Form 8283 has been filed) when that property is disposed of by the donee
325 institution within two years of the date of gift. Upon disposition, the Real
326 Estate Office of the Archdiocese will be responsible for filing Form 8282 in a
327 timely manner.
328

329 **I.** *Maintenance, Upkeep, Insurance, etc.* Prior to acceptance of any gift of real
330 estate, a source of funds must be identified for maintenance, upkeep, insurance,
331 etc. of the donated property.
332

333 **J.** *Life Estates.*

334

335 1. *Simple Life Estate Agreements:* In the case of property donated to the
336 Archdiocese subject to a life estate, the life tenant shall enter into an
337 agreement in writing providing that the life tenant shall pay all the costs
338 of maintenance and upkeep of the property including but not limited to
339 repairs, improvements, taxes, insurance, etc.
340

341 2. *Life Estate with Lump Sum or Series of Payments:* If the life tenant is
342 also to receive a lump sum payment or a series of payments, a financial
343 analysis will be done to determine the return on investment to the
344 Archdiocese. The analysis will include the life tenant's life expectancy,
345 projected appreciation rate of the property, and estimates of future
346 interest rates. Donor-authorized impounds from the lump sum will be
347 necessary to cover maintenance, upkeep, insurance, property taxes, etc.
348

349 **K.** *Cost Recovery.* Funds to cover costs such as appraisals, hazardous substance
350 assessments, taxes, insurance, maintenance, and unanticipated expenses may be
351 advanced from other funds of the Archdiocese and recovered at the time
352 disposition of the property is made. The cost of recovery shall include interest
353 on Archdiocesan funds, normally equal to earnings of funds operating as
354 endowment. Donors shall be advised of this policy.
355

356 **L.** *Documentation of Acceptance of Property.* It is the responsibility of the
357 Stewardship Office to secure acceptance from any of those parties authorized to
358 accept property (see above) and assure documentation of acceptance.
359 Documentation may be in the form of a memo to the file or more formally by
360 letter.
361
362

363 M. *Exception Procedure.* Exceptions to these policies may be made by the
364 Archbishop or his corporate legal delegate when such exceptions are deemed to
365 be in the best interest of the Archdiocese. Such exceptions shall be in writing
366 and set forth the basis of the exception.
367

368 V. **POLICY ON SPECIAL FUND RAISING ACTIVITIES**
369

370 A growing number of corporations and commercial enterprises are offering financial
371 incentives to parishes, schools and Archdiocesan institutions. These offers pertain to
372 various telephone services, private insurance packages, household and personal
373 products, banking services, credit cards, and the like.
374

375 Any form of express or implied endorsement or promotion of a commercial enterprise
376 or its product or service which encourages parishioners or other constituents to
377 purchase the goods or services puts the parish, school or institution in the position of
378 favoring one business over another for commercial benefit. This includes
379 announcements, meetings, letters, sharing of mailing lists or other arrangements. A
380 parish, school or institution that accepts these incentives risks being subject to unrelated
381 business income tax liability as determined by the Internal Revenue Service.
382

383 In some situations there may even be conflicts of interest, such as the case where an
384 employee, volunteer, or council/board member also works for the commercial
385 enterprise involved. It is important that the Church remain above reproach in
386 connection with the business affairs of others.
387

388 In addition, in the event of a customer's dissatisfaction or consumer complaint with
389 respect to the product or service, or if any harm comes to an individual as a result of
390 the product or service that was "endorsed by the Church", the parish, school, or
391 institution, and the Archdiocese could be faced with adverse publicity and possibly
392 even lawsuits.
393

394 **More importantly, however, the Archbishop, in consultation with his staff, has**
395 **determined that the Archdiocese and its parishes, schools or institutions must**
396 **avoid any perception that the Church is "for sale". Therefore, involvement**
397 **with such programs is prohibited.** This prohibition is also based upon
398 "strong caution" from the Archdiocesan attorney and his Legal Affairs Advisory
399 Board as well as the Office of General Counsel of the United States Catholic
400 Conference.
401

402 There is nothing wrong with a company or any vendor publicly or unilaterally
403 announcing (e.g. through a television or radio ad or parish bulletin advertisement) that
404 it will voluntarily remit a percentage of sales to a charity. Nor is there anything wrong
405 with a company donating, on an unconditional basis, money, goods or services for an
406 event and for the parish, school or institution to publish a simple, unsolicited
407 acknowledgment of its gratefulness for any such donation.
408

409 Hopefully the above guidelines will be of assistance to you in the event that you receive
410 inquiries from companies or vendors. Should you have any doubts about a particular
411 proposed arrangement, please contact the Stewardship Office.

Section E.
Investment of Surplus Funds

1
2
3
4 **POLICY ON INVESTMENT OF SURPLUS FUNDS**
5

6 **A. Introduction**
7

8 It is critically important that parishes use and invest their funds wisely in order to
9 provide good fiscal management, sound investment and public accountability.

10 Traditionally, the primary vehicle for the investment of parish funds has been the
11 Capital Assets Support Corporation Deposit and Loan Fund. This fund is designed to
12 provide a safe investment vehicle for parish assets, as well as to provide a low interest
13 rate for parishes which need funds to expand their parish plants and/or pay for major
14 maintenance projects. Every parish has benefited from the Capital Assets Support
15 Corporation Deposit and Loan Fund in the past, and every parish has a responsibility to
16 see to the maintenance of this fund which has contributed so enormously to the
17 common good of the Archdiocese as a whole.
18

19 In recent years, the Archdiocese has also allowed parishes and parochial schools to
20 invest surplus funds in a managed investment program directed by the Archdiocese.
21 The primary reason for allowing parish funds into this pooled investment program has
22 been to provide a long term growth and income producing opportunity for parish and
23 school endowments.
24

25 No parish or school or agency or institution may invest funds in equities/bonds outside
26 of this Archdiocesan pooled investment program. Any parish, school, agency or
27 institution which reserves stocks as a surplus must immediately convert that stock to
28 cash.
29

30 **B. Policy**
31

32 With this in mind, the following policies govern the handling of all parish and parochial
33 school liquid assets:
34

- 35 1. Parishes have need for ready access to cash to sustain their normal parish and
36 school operations. In order to provide for this, each parish may retain in outside
37 commercial bank accounts or savings and loan bank accounts, an amount
38 equivalent to two months of the non-school operating expenditures of the parish
39 for the previous fiscal year.
- 40 2. A parish school may keep an amount up to two months operating expenses for
41 the school for the previous fiscal year in a school checking account in a
42 commercial bank or savings and loan institution.
43

- 44 3. All liquid assets of the parish or parochial school which exceed the amount
45 specified in 1 and 2 above must be invested in the Capital Assets Support
46 Corporation Deposit and Loan Fund.
- 47 4. Any parish which has deposited a total of one year's non-school parish
48 operating expenditures for the previous fiscal year in the Capital Assets Support
49 Corporation Deposit and Loan Fund may elect to invest any additional surplus
50 funds either in the Capital Assets Support Corporation Deposit and Loan Fund
51 or in the Capital Assets Support Corporation Investment Pool.
- 52 5. All funds belonging to duly constituted endowments of the Archdiocese must be
53 invested in the Capital Assets Support Corporation Investment Pool within six
54 months from receipt by the parish.
- 55 6. Most parishes and schools have organizations which substantially enrich the life
56 of the parish by raising funds for organizational activities and by contributing to
57 specific projects which benefit the parish as a whole.
- 58 • Funds of parish/parochial school organizations are by civil and
59 church law owned by the parish
 - 60 • It is preferable that parishes keep all parish and/or school
61 organization funds in parish accounts with sub-funds on the parish
62 books for each organization and disbursements and receipts
63 conducted through the parish bookkeeping and disbursement
64 process.
 - 65 • Alternatively, a Pastor may elect to allow parish and/or school
66 organizations to maintain organizational checking accounts in
67 commercial bank or savings and loan institutions. In such a case, the
68 receipts and expenditures of the organization may be conducted by
69 duly appointed officers of the organization, but all transactions must
70 be recorded quarterly on the parish books. At no time should the
71 balance of an organization's checking account exceed \$10,000.
72 When an account reaches \$10,000 all funds over that amount should
73 be transferred to the parish either as a gift to the parish or as funds
74 held for the organization.
- 75
- 76 7. Withdrawals from the Capital Assets Support Corporation Deposit and Loan
77 Fund can be made only with approval of the Pastor. Although funds will
78 generally be paid by check to the parishes, withdrawn funds will be paid as the
79 Pastor directs. Withdrawals of \$5,000 or less may be made at any time by a
80 telephone call from the Pastor to the Chancery Finance Office. Withdrawals in
81 excess of \$5,000 must be requested in writing and will be promptly disbursed.
82 To ensure the Fund's liquidity to meet loan and other withdrawal demands,
83 requests in excess of \$50,000 must be made in writing at least 15 days before
84 the funds are needed.
- 85
- 86 8. Withdrawals from the Capital Assets Support Corporation Investment Pool in
87 excess of the annual distribution percentage may be made with the written

88
89
90

authorization of the Pastor in minimum amounts of \$1,000 within the first five days of any calendar

91 quarter. To ensure that adequate time is given for the investment managers to
92 have liquid assets for the distribution, withdrawal requests in excess of \$50,000
93 must be made in writing at least 30 days before the end of the quarter when the
94 funds are needed.

95
96 **C. Description Of Restricted/Unrestricted Funds**

97
98 Surplus parish/parochial school funds fall into several different categories which
99 govern their legitimate use.

100
101 Restricted funds are those assets received by the parish/parochial school for a
102 specific purpose which the donor specified at the time of the gift. There are two
103 major categories of restricted funds:

104
105 Endowments are gifts which specifically provide that the principal of the
106 gift cannot be used and that the income generated from these funds must
107 be used for a specific purpose. Income is defined as net realized
108 gains(dividends, interest, gains/losses on sales of assets) and unrealized
109 gains (market appreciation of stocks, bonds still held in an investment
110 portfolio and increases in the unit value of funds deposited in the Capital
111 Assets Support Corporation Investment Pool).

112
113 Restricted gifts which have no endowment provision are gifts which
114 allow the depletion of the principal, as well as, any income (if so noted
115 by the donor) for the purpose specified in the donor's gift

116
117 It is not legitimate to use or borrow against these restricted funds for use or for
118 other purpose.

119
120 Unrestricted funds are gifts which were not restricted to a specific purpose by
121 the donor at the time of the gift. Unrestricted funds constitute general funds of
122 the parish/school. They cannot be bindingly designated as to future use even by
123 the Pastor.

Section F.
Endowments

ENDOWMENTS

I. SCHOOL ENDOWMENTS

A. Preface:

The Archdiocesan Pastoral Plan calls for the development of adequate endowment funds to assure the viability and affordability of education in the Catholic Schools. These policies and procedures have been developed to facilitate and govern the establishment and operation of school endowment funds (which include parish elementary schools as well as the Archdiocesan elementary and high schools). Schools should refrain from creating excess numbers of endowments in order to avoid unnecessary confusion and "competition".

B. Definition of Endowment: Misunderstandings can arise in the absence of a clear perspective as to the nature, scope and intent behind funds which are classified as "endowment funds". The word "endow" means "to provide with income or a source of income." The idea is that the principal of a fund will remain intact and only the income (including "accrued total return" or "capital appreciation") generated from the investment of the principal will be utilized to serve a defined purpose or purposes.

An endowment is distinguishable from a donor "restricted fund", which simply requires that the monies placed in the particular fund be used for a specific purpose, as in the case of a donor leaving property or money in his/her will. Another example would be a second Sunday collection such as the "Peter's Pence" or St. Vincent de Paul collection. [Note: In some instances a donor may specifically condition that a restricted gift of money be established as an endowment.] A true endowment fund as well as a restricted fund, properly accepted and acknowledged by the Archbishop or his legally authorized corporate delegate, must be used for its specified purpose.

In order to be valid, a formal endowment must be approved in writing by the Archbishop of San Francisco. A standard, basic form, will be utilized. The form sets forth the conditions surrounding the establishment, responsibility for, use of funds, management and investment, and conditions for dissolution of the fund. General, unrestricted parish funds may not be used to establish or add to an endowment fund. Once funds are placed in an authorized endowment they may not be removed. All School Endowment funds shall be invested in the Archdiocesan Investment Pool. The Advisory Committee for each fund shall have the ability to assist Pastor/Administrator in choosing from among several investment strategies/managers which will be made available through the Investment Pool.

In sum, no Pastor or Administrator has the authority to unilaterally set up an endowment. When questions arise in these areas they should be directed to the Stewardship Office in advance of any proposed action.

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87

II. PARISH ENDOWMENTS

A. Preface:

The Archdiocesan Pastoral Plan calls for the development of adequate endowment funds to assure the viability and affordability of education in the Catholic Schools. The Plan does not specifically address the subject of Non-School endowments, such as those designed to benefit the general or special operations of a parish. For this reason, and because the philosophy behind the need to establish school endowments (e.g. keeping Catholic education affordable for all) differs in some ways from that of the parishes, separate Policies and Procedures have been developed.

B. Policy & Approval Procedure:

Unrestricted parish funds which a Pastor may envision for particular purposes shall be treated as "designated funds", not "endowments" or "restricted" funds. Donors can be encouraged to support the general works of the parish, or to restrict their gift for a particular parish use, without the need to establish an endowment. These principles are particularly important where there is a parish school endowment, in which case the creation of multiple "endowments" can cause unnecessary intra parish confusion and "competition".

As a matter of general policy then, the Archdiocese does not encourage the establishment of parish, as opposed to school, endowments. However, in those rare instances where the Archbishop does approve the establishment of a parish endowment, the following Policies and Procedures shall apply:

In order to be valid, a formal endowment must be approved in writing by the Archbishop of San Francisco. A standard, basic form, similar to the School Endowment form, will be utilized. The form sets forth the conditions surrounding the establishment, responsibility for, use of funds, management and investment, and conditions for dissolution of the fund. General, unrestricted parish funds may not be used to establish or add to an endowment fund. Once funds are placed in an authorized endowment they may not be removed. All Parish Endowment funds shall be invested in the Archdiocesan Investment Pool. Parish Advisory Councils shall have the ability to assist Pastors in choosing from among several investment strategies/managers which will be made available through the Investment Pool.

In sum, no Pastor has the authority to unilaterally set up an endowment. When questions arise in these areas they should be directed to the Stewardship Office in advance of any proposed action.

Section G.
Loans

LOAN POLICY AND PROCEDURE

A. Philosophy of the Capital Assets Support Corporation Deposit and Loan Fund

To provide a central loan fund from which short and long term borrowing can be made at a reasonable rate of interest.

To be able to make loans which meet the long term objectives of the Archdiocese without having to obtain permission from, or necessarily meet the standards of the secular financial community

To provide a vehicle by which all of the parishes and approved entities can help one another.

To provide a central depository of idle funds upon which a reasonable rate of interest can be earned.

To provide a capable governance committee overseen by the Archdiocesan Finance Council and to administer the program in order to enhance the control, the safety and the efficiency of such deposits and loans.

B. Deposit and Loan Funds

Two deposit and loan funds will be established. One of these funds shall be reserved for parishes. The other fund will be used for entities other than parishes.

C. Operations Committee

There will be two operations committees: one for the Capital Assets Support Corporation Parish Deposit and Loan Fund and one for the Archdiocesan Institutional Deposit and Loan Fund.

D. Loan Policy

It is the purpose of the Capital Assets Support Corporation Deposit & Loan Fund to assist parishes and other institutions in their funding of various maintenance, new building projects and other funding needs.

The fund is primarily intended to be a short term bridge financing tool for parishes and institutions to use to get their project started as soon as possible but before all the funds are available. It is, however, not intended to be a long term financing tool in which the repayment period exceeds 7 to 10 years. Parishes and institutions in planning their projects need to take into consideration many factors but mainly the

46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90

ability to finance a project within a reasonable time period without burdening the parish's operating revenue.

The Capital Assets Support Corporation Deposit & Loan Committee has the discretion of modifying the loan terms of applicants it has determined to be financially marginal, in those cases where a parish is unable to meet its commitments or experiences a financial emergency. It remains the goal of the D&L Committee to keep these exceptions to a minimum, but to enable all parishes to apply to the D & L Fund to meet their financial requirements that can be supported by the information accompanying the Application.

For a Parish to receive consideration for a variation from the standard terms of the Capital Assets Support Corporation Deposit & Loan Fund, an Applicant would have to meet the following criteria:

1) The request must be non discretionary or of an emergency nature.. This would include situations that arise from either natural causes or have been mandated by changes in government ordinances.

OR

2) Non-Capital needs beyond the control of the Applicant and have not been foreseen, but if not satisfied might jeopardize the operation of the Parish.

OR

3) New parishes that might be formed in the future that require capital funding.

AND

4) The Applicant must not possess other reserves that might be used to satisfy the need.

The fund also can be used to give loans to parishes or other institutions for other needs. In these cases, the terms will be determined based upon the parish's or institution's ability to pay, the funds currently available, and the future availability of funds.

No parish, school, agency, institution or other entity of the Archdiocese may loan any funds or advance any salary payments without the written

91 authorization of the Archbishop, Moderator of the Curia or Vicar for
92 Administration.

93
94 **E. Procedures for Parish Loans**

95
96 **1. The Loan Application**

97 In order to apply for a loan, the Pastor must complete and submit a loan
98 application on the Operation Committee's approved form. However,
99 loan applications will not ordinarily be approved until the parish has at
100 least 40% of the cost of the proposed project in cash on hand, with an
101 additional 35% in firmpledges that are due in five years. In addition, a
102 capital campaign budget including estimates of fundraising costs, soft
103 costs directly related to the proposed improvements (improvements
104 include all construction costs, plus site preparation and
105 furnishings/fixtures which may or may not be included in the
106 contractor's bid), and an interest reserve that will carry the financing
107 through the construction phase, in addition to the period that the pledges
108 are to be received. These projections should accompany the loan
109 application when it is submitted for consideration.

110
111 The Committee will accept loan applications in the amount of \$5,000 and
112 above.

113
114 All information requested on the application must be given and the application
115 must be signed by the Pastor.

116
117 The fund will not loan to any parish which does not have a functioning Finance
118 Council.

119
120 The application must be accompanied by copies of:

- 121 • The parish's most recent annual report to the Chancery,
- 122 • The parish's current budget with year-to-date actual figures,
- 123 • Copies of any estimates, bids, etc., received on the proposed
124 work. The Pastor should not accept a specific bid without prior
125 approval from the Archbishop and the Building Committee of
126 the Archdiocese.
- 127 • A copy of a separate statement addressed to the pastor and
128 signed by the chair of the Parish Finance Council stating that the
129 Council supports the loan application.

130
131 The application should contain as much information about the proposed project
132 as the Pastor thinks will enable the Committee to understand the parish's
133 loan request.

134
135 The signed application should be mailed to:
136 Finance Office

137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182

c/o Chancery
One Peter Yorke Way
San Francisco, CA 94109

2. Visit/Inspection
- For each loan, a member or members of the Committee may visit the parish to discuss the proposed project, the loan application and the parish's repayment program.
- The Committee will meet with the Pastor and anyone else the Pastor wishes to invite or the committee asks to see (for example, the pastoral team, the Parish Finance Council, etc.)
- The Committee may also be comprised of representatives from the Real Estate Committee of the Archdiocese.
- The Committee will visit the site of the proposed project and discuss with the parish's representatives the project and the parish's plans to repay any funds borrowed from the Fund. Specifically, the Committee may seek to evaluate the commitment of the parish community for the project.
- After the meeting, the visiting team will prepare a brief written report and recommendation to the Committee, which will be part of the loan application. A copy of the report will be sent to the pastor.
- The Pastor will be notified of the date and time of the meeting at which the parish's application will be decided. The Pastor is invited to attend.
- The Committee's decision will be based on its assessment of the parish's financial ability to pay for the proposed project, from outside sources and the Fund, within a reasonable period of time. The Committee will not base its decision on the details of the proposed project. However, the commitment of the parish community to pay for the project and repay any loan from the Fund will be important factors in its decision.
3. Ordinarily, the Committee will accept applications from the Fund for these purposes *and no others*:
- Building a new church, rectory, convent, school, social hall or other building used by the parish community.
 - Remodeling, repairing or renovating any existing facility used by the parish community, including any facility leased or newly acquired by the parish.
 - Acquiring a new facility for use by the parish community.
 - All loan requests to provide emergency working or operating capital to the parish community will be evaluated on a case-by-case basis.

183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227

4. Ordinarily, the Committee will require that the parish have a minimum of 40% of the proposed project cost in cash on hand, with an additional 35% in firm pledges that are due within five years before a loan application is approved. The remaining 25% may be advanced to the parish for a reasonable period of time, providing there is ample operating income to service the debt and there is a history of meeting the parish's obligations in a timely manner.
5. All the Committee's decisions will be reflected in written minutes, which will be maintained at the Chancery.
6. The Pastor will be promptly informed in writing of the Committee's decision by the Vicar General and the Chair of the Committee. The Committee may request more information or a meeting with the Pastor before it makes a final decision and, until additional information has been received, the loan application will be deferred to the next meeting. If additional information is not received within thirty (30) days, the Committee will make a decision on the basis of the information it has received.
7. The original loan application will be maintained in the parish file in the Chancery. A copy will be maintained in the files of the Operations Committee.
8. The Operations Committee will establish a reserve based on a parish's perceived ability to repay a loan currently, rather than upon any future possibility that the loan will be repaid from parish assets.

F. Documenting and Funding the Loan

Before the loan is funded, the Pastor will be asked to sign a simple document acknowledging the loan and stating the terms of repayment. The loan agreement will provide for repayment of the unpaid balance of the loan on demand when, in the Operations Committee's opinion, repayment is in the best interests of the Fund's participants. The original of this document will be maintained in the parish file at the Chancery together with the loan application. A copy will be maintained in the Operations Committee's file for the parish and at the parish.

When the signed acknowledgment of the loan has been received, the Chancery will list the loan on the Chancery's books and disburse the loan proceeds as the Pastor shall direct, provided that construction loans will be disbursed as scheduled progress payments are required.

G. Interest Rates

The Capital Assets Support Corporation Deposit & Loan Committee shall determine rates for loans. Rates for loans shall be fixed at least one percent over the lowest

228 rate for deposits. Rates for parish building loans shall be as low as possible.
229 Other rates can be at a higher rate but still be below market.

230

231 **H. Loans That Are Really Subsidies**

232

233 Loans to entities which do not have a probable chance to repay their loans shall not be
234 made from the Capital Assets Support Corporation Deposit and Loan Fund.
235 These loans are really subsidies and subsidies shall not be made through the
236 Capital Assets Support Corporation Deposit and Loan Fund. If it becomes
237 necessary to advance funds to an entity which may not be able to repay a loan,
238 an alternate method of funding shall be arranged rather than making the loan.

239

240

Section H.
Contracts, Debts and Capital Asset Lease

POLICY ON CONTRACTS, DEBT & CAPITAL ASSET LEASES

A. **Contracts**

It is essential that Pastors, Parochial Vicars & Principals, Directors of Parish Programs, etc. keep in mind that they are not authorized to sign “Contracts”, “Agreements”, “Memorandums of Understanding” and the like which exceed \$10,000 in amount or one year in duration. Additionally, no employment contracts (regardless of amount of duration) may be signed unless approved by the Offices of the Vicar General & Legal Counsel except those specifically authorized through the Office of Catholic Schools. Finally, no modifications or amendments may be made to any approved contact forms without the prior review and approval by the above-mentioned offices.

B. **Debt**

It is the policy of the Archdiocese of San Francisco not to allow any of its entities to incur any debt without the written approval of the Archbishop or a Vicar General. All construction, acquisition or maintenance activities must be financed through the normal income stream of the entity, or savings and reserves, or from borrowing from the Archdiocesan or Capital Assets Support Corporation Deposit and Loan Funds.

This policy pertains to all Archdiocesan institutions, corporations and agencies including but not limited to the following:

1. Parishes (The Roman Catholic Archbishop of San Francisco, a corporation sole)
2. Archdiocesan elementary/high schools
3. Other entities
 - a) CYO
 - b) Catholic Charities
 - c) St. Patrick’s Seminary
 - d) Catholic Cemeteries
 - e) Propagation of the Faith

C. **Capital Assets purchased through lease agreements**

All Real Property or any tangible personal property over \$10,000 in value is defined as a major capital asset. In some instances parishes/schools/other entities may wish to purchase these assets through a deferred payment agreement with the manufacturer or a financing representative. These agreements are considered to be a debt obligation unless the deferred payment agreement does not obligate a commitment to pay if the asset is returned. The term must be on a month to month basis to allow the parish/school/entity to return the item with no further payment commitment in order

45 for the agreement not to be considered a debt obligation. If the agreement states that
46 the Archdiocese has an obligation to a specified number of payments or is acquiring
47 title to the item, then it is a debt agreement that obligates the Archdiocese. In such a
48 case the Archbishop or a Vicar General must sign the agreement.

Section I.

Employee Pay, Benefits and Employment Policies

This section intentionally left blank.

Section J.

Building and Renovations Policies and Procedures

1 ***SUMMARY OF THE ARCHDIOCESAN POLICY FOR***
2 ***CONSTRUCTION, RENOVATION & MAINTENANCE***
3 ***PROJECTS***
4

5 ***Mission Statement:*** The purpose of the Building Committee is to provide an unbiased review
6 and input from professionals to help insure the successful completion of projects. The
7 Committee serves the Archbishop and the parishes and institutions of the Archdiocese by:
8

- 9 • Assisting in the planning of projects,
10 • Encouraging quality workmanship,
11 • Ensuring appropriate distribution of legal and insurance risks,
12 • Promoting the most efficient utilization of financial resources.

13
14 1. When construction or renovation is contemplated, the first step should be to make an
15 appointment with an Archdiocesan Building Department Staff member. After receiving a
16 description of the proposed project, the staff member will offer advice on the procedures to be
17 followed.
18

19 2. If the services of an Architect are needed one must be selected from the approved
20 Archdiocese list of Architects. The Building Department can provide a list of the approved
21 architects. If one requested is not on the list; there is a process by which such approval may be
22 sought. The Building Department will send out Bids for Architects if the project warrants it.
23

24 3. The Pastor should send a letter to the Archbishop briefly describing the project and
25 requesting his approval. The letter should include the purpose or need for the construction,
26 the scope and estimated cost of the project.
27

28 4. A Certificate of Funds is filled out by the pastor and sent through the building department
29 to the Archdiocesan Finance Office.
30

31 5. Any matter that involves the art and environment of a church or chapel must be reviewed
32 and approved by the Office of Worship.
33

34 6. When the preliminary drawings have been complete, an appointment should be made for a
35 presentation to the Building Committee.
36

37 7. Usually, the Pastor and Architect make the presentation to the Building Committee. The
38 Committee's recommendations will be made in writing to the Pastor.
39

40 8. A copy of Archdiocese Building Construction and Remodeling Policy is available upon
41 request.
42

- 43 • The Building Committee meets twice a month. Parishes and institutions
- 44 wishing to present projects at these meetings should contact the Building
- 45 Department at least one week before the meeting to be added to the agenda.
- 46 • The guidelines above pertain to all roofing and electrical projects over \$10K
- 47 and all other **projects over \$15K.**
- 48
- 49 • Insurance is required for Architects and Contractors. The requirements for
- 50 insurance may be obtained through the Building Department.
- 51
- 52 • The Vicar of Administration signs contracts over \$15,000.
- 53
- 54

Archdiocesan Building Committee

57 Rev. William Brady	Rev. David Ghiorso
58 Donald Junkin -Chairman Pro-tempore	Ben Murphy
59 James Hagan	Les McDonald

Building Department Staff

65 Steve Kalpakoff	Building Department Manager	415-614-5561
66 Debbie Ramos	Building Department Office Manager	415-614-5560

68 ***BUILDING CONSTRUCTION AND REMODELING POLICY***
69
70
71

72 **The Archbishop of San Francisco authorizes the Building Committee to consider and**
73 **make recommendations on construction, remodeling and improvements of buildings**
74 **either currently owned or intended to be purchased or built. The Building Committee is**
75 **authorized to establish policies and procedures to be followed in the construction and**
76 **maintenance projects of the Archdiocese. The policies and procedures apply to all**
77 **Archdiocesan parishes, primary schools, high schools and other Archdiocesan**
78 **properties, including all other institutions, agencies, high schools and entities, which are**
79 **Archdiocesan corporations. This includes St. Patrick’s Seminary, Catholic Charities and**
80 **Catholic youth Organization.**

81
82 **Purpose of the Building Committee**

83 The purpose of the Building Committee is to provide an unbiased review and advice to help
84 insure the successful completion of projects. The Committee serves the Archbishop, parishes
85 and institutions of the Archdiocese by:

- 86 • Assisting in the planning of project
- 87 • Encouraging quality workmanship
- 88 • Ensuring appropriate distribution of legal and insurance risks
- 89 • Promoting the most efficient utilization of financial resources.

90
91 Building Committee Meetings are held on the First and Third Wednesday of the Month at the
92 Holy Cross Cemetery in Colma. Emergency meetings may be called when necessary.
93 Parishes and institutions may present projects at these meetings by contacting the Building
94 Department at least one week before the meeting to be placed on the Building Committee
95 Agenda. Call 415-614-5560.

96
97 **General Policies**

98 All projects that exceed \$15,000 regardless of whether the project components are undertaken
99 concurrently or phased, must be submitted and presented to the Committee for approval.
100 However, all electrical and roofing projects exceeding \$10,000 must be submitted and
101 presented to the Committee for approval. If a project involves volunteer work, the value of
102 the volunteer work must be included in the total value of the project. Even though a project
103 may be under \$15, 000 we recommend all projects operate under these general policies.

104
105 Before planning begins on new construction, major maintenance or renovation a letter
106 describing the concept of the project must be sent to the Archbishop for his approval. This
107 letter signed by the Pastor or his Parochial Administrator should be sent to the Archbishop
108 stating the following:

- 109 • A Description of the Project
- 110 • The estimated cost of the Project
- 111 • Certificate of Funds, which describes the funding for the project

112
113 After the Archbishop has given conceptual approval of the project, but prior to making any
114 agreements or arrangements (even verbal) with any architect, contractor, sales representatives,
115 government agency, or real estate firm, a formal request must be made to the Building
116 Committee. When applicable, there should be prior review and approval of other appropriate
117 committees (e.g. Finance, Worship, Real Estate, Office of Catholic Schools) must be obtained.
118 The Building Committee then submits its recommendations to the Archbishop via the Vicar for
119 Administration. Written approval from either the Archbishop or the Vicar for Administration
120 must be obtained before proceeding with formal bid proposals, etc.

121
122 Contractors, architects and engineers and project manager that are approved by the Building
123 Committee, must perform all work on project. Consult Section II for criteria for approval and
124 qualification.

125
126 For all projects over \$300,000 it is mandatory for contractors to keep in force a performance
127 bond of insurance for the estimated cost of the project.

128
129 After obtaining the Building Committee's permission to proceed, three competitive bids from
130 qualified union contractors will be required. Any deviation must be approved prior to seeking
131 bids. The Building Committee also expects that the lowest bidding contractor will be awarded
132 the contract. Where special circumstances exist, the Building Committee must be informed.

133
134 There may be some instance in which it is not feasible to use the competitive bid process. In
135 these instances the pastor has the option to choose the negotiated contract procedures. See
136 (Section on Negotiated Contract Procedures.) A minimum of three General Contractors will be
137 required to submit proposals for fee and general conditions. After selection of a General
138 Contractor all subcontracts will be competitively bid. A copy of the Negotiated Contract
139 Procedures is available upon request.

140
141 ***Relationship to other Committees and Departments:***

- 142
- 143 • The Real Estate Office shall keep the Building Committee fully informed regarding all
144 sales and purchases of property within the Archdiocese.
 - 145
 - 146 • The Building Committee, once it has concluded its consideration and recommendations,
147 when necessary, shall refer the project to the Archdiocesan Finance Council, the
148 Worship Committee, and /or the Office of Catholic Schools.
 - 149
 - 150 • All work involving hazardous waste material (e.g., lead, asbestos) must be done with
151 coordination with the Building Department.
 - 152
 - 153 • All projects involving the demolition, remodeling and renovation of buildings,
154 regardless of dollar amount must be referred to the Building Department for inspection
155 and appraisal.

- 156 • Volunteer labor can often be a creative and effective element for some projects. At the
157 same time, offers by volunteers within the parish and community to assist in the
158 completion of a project must be approached with caution. The use of volunteers to
159 perform certain tasks may create a risk. Numerous claims have been made due to
160 injuries to volunteers. Whenever possible, volunteers should work on ground level.
161 Contractors who donate services must be treated in the same manner, from an insurance
162 point of view, and must sign the same contract as contractors who are being paid for
163 their services.
164

165 Any contractual agreement (including those valued under \$15,000) must adhere to all Policies
166 and the Archbishop or the Vicar of Administration must sign the contract. Without this
167 signature, all contracts are invalid. The contract serves to protect parishes and agencies and
168 ensures that contracts are in compliance with Archdiocesan policies. All construction and
169 building trade activities of the entities of the Archdiocese must be carried out by union labor or
170 an owner-operated company or through wholly volunteer labor.
171

172 ***Criteria for Selection of Contractor, Architects, Engineers & Project Managers***
173

174 The minimum criteria that must be met by architects, engineers, contractors and project
175 managers, are detailed in the checklist provided in this section. Additional criteria may be
176 required as necessary on a project-by-project basis. The purpose of these criteria is not to
177 limit choice but to protect the Archdiocese, the parishes and institutions. A list of approved
178 architects, engineers and contractors will be maintained and updated every three years.
179 Anyone who is not on the approved list may apply to the Building Committee to be added to
180 the list. The Criteria are listed on Pages 10, to 13 for approval.
181

182 The Criteria for Selection requires, at a minimum, architects, engineers, project managers and
183 contractors to provide proof of appropriate state licensing or accreditation, union standing,
184 financial stability, business experience, Waiver of Liens, and non-discrimination clauses.
185

186 A Certificate of Insurance for a minimum of one million dollars liability and worker
187 compensation insurance, must be approved by Gallagher Heffernan Insurance Brokers or
188 the current insurance carrier for the Archdiocese.

189 The project size and complexity may require that insurance coverage be increased.
190 Appropriate coverage for liability and workers compensations, surety (performance) bonds,
191 errors & omissions may be increased to equal the value of the project. The insurance carrier
192 will advise if this is necessary on case-by-case basis.
193

194 ***Procedures/Sequence (in detail)***
195

196 ***New Construction/Remodel for projects over \$15,000***

- 197 • Send written requests to the Archbishop requesting conceptual approval for the
198 project.
199

- 200 • An Initial presentation is by Pastor to the Building Committee (herein referred to as
201 the Committee). Requests to be on the meeting agenda must be sent at least one week
202 prior to the Committee meeting. The committee currently meets every 1st and 3rd
203 Wednesday of the month. The Building Committee will review the presentation and
204 the parish will be notified of the committee's requirements, recommendations, and any
205 additional information that is required. Any contract agreement including those valued
206 under \$15,000 must adhere to the policies and must include signature of the contractor
207 and owner's representative.
208

209 ***Selection of Architect/Engineer (To be done after approval of project concept)***

210 ***Determine qualifications***

211 Contact the Building Department for recommended selection, guidelines and
212 recommended list of contractors and architects. Interview prospective architects and
213 contractors. Select the most qualified contractor and architect, not necessarily the least
214 expensive. A minimum of three proposals are required.
215

216 ***Approval of Architect by the Building Department***

217
218 To add an architect/engineers not on approved list; they must submit resume of previous
219 work experience to the Committee as well as a certificate of insurance for evaluation. A
220 checklist from the Committee policy (section below) must be submitted, if they are not on
221 the approved list.
222

223 Architect/engineer consultants shall be submitted to the Building Department for
224 approval. A minimum of three firms shall submit proposals.
225

226 ***Contract Negotiations***

- 227
- 228 • This takes place between the Building Department and the Parish. Decide on the
229 Architects' scope of work. Submit required insurance certificates and submit
230 architect/engineer proposals and qualifications and AIA Contract to the Building
231 Department for review and approval and the Building Department will forward to the
232 Vicar of Administration for signature.
233

234 ***Conceptual and Design Development***

- 235
- 236 • Architect develops conceptual design in consultation and accordance with parish and
237 in accord with the Committee requirements and recommendations. (The outcome of
238 this phase will be cost estimate, schematics and preliminary specifications).
239
 - 240 • Presentation of the Conceptual Design is made to the Building Committee by the
241 pastor and architect. (Prior to presentation send copies of plans, at least one week prior
242 to appear before the Committee
243

- 244 • The Architect continues to develop the conceptual design incorporating the
245 Committee’s recommendations, the parish recommendations and in accordance, with
246 the Committee approved schematic design. The concept design is developed into
247 working drawings and specifications.
248
- 249 • Revise cost estimate after conceptual design is complete to reflect all changes and
250 greater detail
251
- 252 • Give final presentation to the Committee of Working Drawings. Provide copies at
253 least one week prior to presentation
254
- 255 • Authorization is needed from the Committee to proceed with construction document
256
- 257 • Architect responds to all recommendations from the Committee for construction
258 documents and receives final approval, by letter from the chairman of the Committee
259 before proceeding to bid.
260

261 ***Selection of Contractor*** (To be done after application and approval of project concept)

262 ***Determine qualifications***

- 263
- 264 • Contact the Building Department for recommended selection guidelines and approved
265 list of contractors
266 • Select at least four of the most qualified contractors for the project to bid on it.
267

268 ***Approval of contractors by the Building Department***

- 269
- 270 • Contact the Building Department for criteria to add a contractor to our approved list.
271

272 The Archdiocese Building Department coordinates the day and time for a mandatory bid
273 walk(‘walk through’) at proposed project site with all bidding contractors, parish and
274 architect. Allow 1-3 weeks for bid preparation from contractors.
275

276 The Contractors submit their sealed bids and which also includes the list of subcontractors
277 and certificates of insurance for all subcontractors.
278

279 ***Bid Submittal***

280 All bids must be delivered to the attention of the: Archdiocesan Building Department : One
281 Peter Yorke Way, SFCA 94109
282

283 The Pastor and architect are welcome to attend the bid opening.
284

285 ***Contract Finalization***

286 Contractor to submit certificate of insurance with additional insured endorsements naming
287 the Archdiocese of San Francisco as co-insured.

288 The Building Department and architect to review contractor's proposal, qualifications
289 certificates of insurance and AIA Owner/Contractor Agreement for approval and
290 forwarding to the Vicar General for signature.

291
292

Construction

- 293 • Regular meetings will be required at construction site with parish representative,
294 contractor(s) architect/engineer and Archdiocesan Project Manager
- 295
- 296 • Archdiocesan Project Manager will have access to all construction areas and shall
297 be kept abreast of all major developments. Archdiocesan Project manager will
298 have the authority to stop construction.
- 299
- 300 • ***Change Order*** (if the project is planned correctly and procedures followed the
301 parish can anticipate a minimum of changes). Collectively the Architect, Pastor
302 and Archdiocese Project Manager signs change orders up to \$10,000 aggregate
303

304
305
306
307

When the aggregate of change orders exceeds \$10,000 all further change orders shall be submitted to the Building Department for approval. The Vicar General must approve anything over \$10,000.

- 308 • ***Progress Payment Procedures-*** Progress payments shall be approved by the
309 Archdiocesan Project Manager and the architect (if applicable)
- 310

311

Close out of Project

- 312 • Contractor completes all outstanding items on the final checklist created by
313 architect/engineer, pastor and the Building Department.
- 314 • Obtain waiver of liens from contractor and for all sub-contractors .
- 315 • Obtain 3 project manuals from contractor, one to be sent to the Building
316 department.
- 317 • Obtain 3 sets of equipment manuals from contractor, one to be sent to the building
318 department.
- 319 • Obtain 2 sets of as-built drawings from contractor and architect, one set is sent to
320 the building department.
- 321 • Obtain all warranties in writing from the contractor.
- 322 • Obtain all permits & sign offs.
- 323 • Obtain certificate of occupancy
- 324 • Contractor to test equipment and systems in the presence of Architect, parish
325 representative and archdiocesan project manager. Obtain extra materials(s)
326 properly marked and stored.
- 327

328
329

Final payment

330 The final payment shall be approved by the architect and Archdiocesan project manager
331 after all contract documents have been reviewed for compliance and project close out is

332 complete, prior to processing for payment. Payments to be made 30 days after filing
333 notice of completion

334

335 ***Maintenance***

336

337 ***Contact the Building Department*** - What is the work and the reason needed. A presentation
338 by Pastor normally will not be required.

339

340 The Committee assistance

341 Archdiocesan Project Manger can develop plans and specifications and scope of work for
342 most types of maintenance project in lieu of an architect or engineer (e.g. roofing, paving
343 painting, new flooring, minor mechanical and electrical etc). Archdiocesan project
344 manager can coordinate bidding process. Archdiocesan project manager can coordinate
345 work. Archdiocesan project manger can assist in troubleshooting. Plans and
346 Specification to be complete enough for bidding purposes. Contractor selection (bidding
347 /contract) procedures are the same as for new construction

348

349 ***Construction***

350

351 Frequent meetings will be required at construction sight with parish and Archdiocesan
352 Project Manager and contractor during construction period

353

354 Archdiocesan Project Manger will coordinate the maintenance work. The building department
355 will have the authority to make an approve minor change to the work. Archdiocesan Project
356 Manger will have the authority to stop construction

357

358 ***Payment***

359

360 All requests for payment shall be approved by Archdiocesan representative and forwarded to
361 the parish for payment

362

363 ***Close Out of Project***

364

365 Procedures are the same as for new construction

366

367 ***Property Insurance Claims***

368

369 ***Notification:*** Losses are to be reported promptly and in no case later than 15 days from the
370 date of occurrence or first knowledge of the loss.

371

372 Initial reports are to be made by telephone to Gallagher Heffernan at 415-546-9300.
373 Claims Coordinator handles the claims for the Archdiocese.

374

375 A written report using the claim form provided to each church or agency is to follow
376 immediately. It should be sent to Claims Department-Gallagher Heffernan, P.O. Box

377 7443, San Francisco, CA 941200-7443. Note: Failure to notify Gallagher Heffernan or
378 the Chancery prior to making normal. Non-emergency repairs may result in denial of the
379 claim.

380

381 Police reports are required for all theft and vandalism losses.

382

383 In emergency situations initial reports may be called directly to the Archdiocesan Building
384 Committee at the Chancery. Telephone notification and a written report will still need to
385 be made to Gallagher Heffernan as soon as practicable. Pastors and agency heads are
386 authorized to perform or contract for emergency repairs to secure the premises and
387 prevent potential of injury or loss of life.

388

389

390 ***Eligibility***

391 A parish, school or agency presenting a claim must be current in its payment of insurance
392 premiums. Gallagher Heffernan will call the Chancery to verify and document premium
393 payment status prior to beginning adjustment of any claim reported except to the extent
394 necessary to prevent further loss of property, life or value. If premium payments are not
395 current, authorization will be given for only those steps necessary to secure a damaged area or
396 prevent loss of life.

397

398 ***Insurance Coverage***

399

400 Coverage shall be determined and settlement made based on the provision contained in
401 standard policy forms published by the Insurance Services Offices, Inc. Limits of insurance
402 applicable to specific types of property are contained in full description of the insurance
403 program on file at the Chancery.

404

405

406 ***The Claims Process***

407

408 All claims will be assigned a claim number. The claim number is derived from the date of the
409 loss and location number of the church or agency on the insurance schedule, e.g. a loss at
410 Mission Dolores, location #144, on June 21, 1993 would be assigned Claim Number 062193-
411 144. Claim numbers must be referenced on all correspondence, bills and related documents
412 submitted regarding a claim.

413

414 Damage to buildings will be inspected and assessed by the Archdiocesan Project Managers.

415

416 ***They will:***

417

- Evaluate the Scope of the damage.

418

- Estimate the cost to repair or replace.

419

- Write specifications and solicit bids.

420

- Contact trades people to perform the work

421

- Coordinate with Gallagher Heffernan to authorize repairs.

- 422 • Oversee the restoration process.
423 • Approve final bills to be submitted to the Self-Insurance Fund for payment. Bills are
424 due from contractors no later t
425 30 days from date of completion.
426

427 Loss or damage to contents other than buildings will be required includes:

- 428 • Identification of items lost or damaged, with original receipts if possible.
429 • Police report for losses due to burglary theft, or vandalism;
430 • Estimate of cost to repair or replace; purchase order or invoice evidencing actual
431 repair or replacement of item(s)
432

433 ***Special Provisions***

434
435 Glass and Fine Arts are covered within the blanket limit of the policy. A loss to any
436 single item in excess to \$5,000 shall require approval from the Chancery prior to
437 replacement.
438

439 Graffiti vandalism is not covered under the self-insurance program. However, if there is
440 an occurrence that is so egregious or for some other reason ought to be covered by the SIF
441 (Self Insurance Fund), coverage may be authorized by the Chancery on an exception
442 basis.
443

444 Any loss, giving rise to concerns of fraud or dishonesty by an employee or volunteer shall
445 be reported to the Moderator of the Curia or Vicar for Administration immediately.
446

447
448 ***Payment of Claims*** -The Insurance Company will make all payments to contractors
449 within 15 days of receipt of invoices.
450

<u>Criteria for Selection of Architects</u>	<u>Checklist</u>
451	
452	
453	Architects must meet the minimum criteria; engineers project managers, and contractors.
454	Additional criteria may be required as necessary on a project-by-project basis. The purpose of
455	these criteria is not to limit choices, but to protect the Archdiocese, the parishes and
456	institutions. A list of approved architects, engineers and contractors will be maintained and
457	updated every three years. A professional not currently on the approved list may still work on
458	a project so long as the necessary criteria are met.
459	
460	Circle
461	
462	LICENSE Can architect present valid state AIA license? Y N
463	
464	FINANCIAL Can architect provide proof of Financial Stability:
465	Provide Credit References? Y N
466	Provide Bank References? Y N
467	Provide last three years of income statements? Y N
468	
469	EXPERIENCE Can architect provide proof of Business Experience
470	# of years in business (minimum five)? _____
471	# of years operating under this name? _____
472	Submit a minimum of 3 references from projects with
473	Similar project description Y N
474	
475	INSURANCE Does architects have adequate insurance protection:
476	Provide Certificate of Insurance for Errors & Omissions
477	\$250,000 or job value (whichever is higher) Y N
478	Coverage must be "occurrence" not "claims made" Y N
479	Provide written approval by Gallagher Heffernan Y N
480	Insurance Brokers for the above coverage's Y N
481	
482	PROJECT MANAGEMENT Does architect have adequate project management staff?
483	Engineers or consultants? Y N
484	Coordinate with contractor? Y N
485	
486	For projects under \$15,000, the Committee recommends contracting the Building Committee
487	

488 Criteria for Selection of Contractors

Checklist

489
 490 Architects must meet the minimum criteria; engineers project managers, and contractors.
 491 Additional criteria may be required as necessary on a project-by-project basis. The purpose of
 492 these criteria is not to limit choices, but to protect the Archdiocese, the parishes and
 493 institutions. A list of approved architects, engineers and contractors will be maintained and
 494 updated every three years. A professional not currently on the approved list may still work on
 495 a project so long as the necessary criteria are met.

496	Category		Circle	
499	LICENSE	Can contractor present valid state contractor license?	Y	N
500				
501	UNION	Is contractor in good standing with the applicable union(s)	Y	N
502		Are subcontractors in good standing?	Y	N
503				
504	FINANCIAL	Can contractor provide proof of Financial Stability:		
505		Provide Credit References?	Y	N
506		Provide Bank References?	Y	N
507		Provide last three years of income statements?	Y	N
508				
509	EXPERIENCE	Can contractor provide proof of Business Experience		
510		# of years in business (minimum five)?	_____	
511		# of years operating under this name?	_____	
512		Submit a minimum of 3 references from projects with		
513		Similar project description	Y	N
514				
515	INSURANCE	Does contractor have adequate insurance protection?		
516		Provide Certificate of Insurance for liability coverage of \$1		
517		Million or job value (whichever is higher)	Y	N
518		Provide proof of Workers Compensation coverage	Y	N
519		Provide written approval by Gallagher Heffernan	Y	N
520		Insurance Brokers for the above coverage's	Y	N
521				
522	BONDS	Does contractor meet bonding requirements?		
523		Is contractor bondable?	Y	N
524		Provide surety (performance) bond (required for new		
525		Or remodel projects over \$)	Y	N
526		Does contractor agree to a Waiver of Liens	Y	N
527		(Required on projects over \$500,000)		
528				

529 Criteria for the Selection of Engineers

Checklist

530

531 Architects must meet the minimum criteria; engineers project managers, and contractors.
 532 Additional criteria may be required as necessary on a project-by-project basis. The purpose of
 533 these criteria is not to limit choices, but to protect the Archdiocese, the parishes and
 534 institutions. A list of approved architects, engineers and contractors will be maintained and
 535 updated every three years. A professional not currently on the approved list may still work on
 536 a project so long as the necessary criteria are met.

537

538

539 Category

Circle

540

541 LICENSE Can engineer present valid state license?

Y N

542

543 FINANCIAL can engineer provide proof of Financial Stability?

544 Provide Credit References?

Y N

545 Provide Bank References?

Y N

546 Provide last three years of income statements?

Y N

547

548 EXPERIENCE Can engineer provide proof of Business Experience

549 # Of years in business (minimum five)?

550 # of years operating under this name?

551 Submit a minimum of 3 references from projects with

552 Similar project description

Y N

553

554 INSURANCE Does contractor have adequate insurance protection:

555 Provide Certificate of Insurance Errors & Omissions

556 \$250,000 or job valued (whichever is higher)

Y N

557 Provide written approval by Gallagher Heffernan

Y N

558 Insurance Brokers for the above coverage's

Y N

559

560 Criteria for the Selection of Project Managers

Checklist

561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587

Architects must meet the minimum criteria; engineers project managers, and contractors. Additional criteria may be required as necessary on a project-by-project basis. The purpose of these criteria is not to limit choices, but to protect the Archdiocese, the parishes and institutions. A list of approved architects, engineers, contractors and project managers will be maintained and updated every three years. A professional not currently on the approved list may still work on a project so long as the necessary criteria are met.

Category	Circle
FINANCIAL Can Project Manager provides proof of Financial Stability?	Y N
Provide Credit References?	Y N
Provide Bank References?	Y N
Provide last three years of income statements?	Y N
EXPERIENCE Can Project Manager provide proof of Business Experience	
# Of years in business (minimum five)?	_____
# of years operating under this name?	_____
Submit a minimum of 3 references from projects with	
Similar project description	Y N
INSURANCE Does Project Manager has adequate insurance protection:	
Provide Certificate of Insurance Errors & Omissions	
\$250,000 or job valued (whichever is higher)	Y N
Provide written approval by Gallagher Heffernan	Y N

NEGOTIATED CONTRACT PROCEDURES

588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632

Parishes, institutions and entities of the Archdiocese have the choice of two options when requesting bids for general contractor services: the competitive bid process and the negotiated bid process. In either case, the following procedures must be adhered to, and any deviation requires prior written approval from the Archdiocesan Building Committee:

1. All requests for a negotiated contract must be made at the inception of the project and, prior to any Architectural design contracts. Pastor, High School Administrator, Rector, or Director shall sign an agreement with the Archdiocesan Building Department as to the contract method, with assistance from the Building Department, if necessary.
2. A special committee composed of three parishioners, pastor, and three Archdiocesan Building Committee members will hold interviews. Architects shall have input but no voting rights.
3. The selection of the bidding contractors shall be through an interview process after which there will be a selection of at least three general contractors to bid competitive fee, labor rates, schedule, general conditions, pre-construction services and bonding capacity. The bids from these pre-selected general contractors must be delivered sealed to the pastoral center Archdiocesan building dept for opening. After opening bids the archdiocesan building department and design team will qualify bids and determine who the low bidding contractor is. At this point without exception, the low bidding contractor will be awarded the job.
4. Projects estimated at \$1,000,000 or more may require a part-time Project Manager, projects estimated at \$3,000,000 or more may require a full time Project Manager. This will be evaluated on a case by case basis by the Building Committee. Scope of services for Project Manager will be identified by the Archdiocesan Building Department and will be competitively bid. The Project Manager shall be selected by the Archdiocesan Building Department. All fees for Project Management will be made a part of the project cost and paid for by parishes, institutions or entities of the Archdiocese.
5. Architect shall be required to complete a full set of Design & Construction Documents. This is also required for a competitive bid. Design Build Documents are not acceptable unless approved by the Archdiocesan Building Department prior to the architect's contract execution.
6. General Contractors who contract with The Archdiocese should use contract provided by the Archdiocese for a Guaranteed Maximum Price with a separate contract for pre-construction services.
7. The General Contractor shall provide three estimates during the Design process at completion of:
 1. Schematics

- 633 2. Design Development
634 3. Construction Documents prior to bidding
635 All estimates will be approved by the Archdiocesan Building Department. The
636 Archdiocesan Building Department can audit or fully estimate the project at any time and
637 the parish shall pay the expenses for this.
638
- 639 8. A complete set of bid documents and specifications shall be presented to the Archdiocesan
640 Building Department for approval at least three weeks before the project is put out to bid,
641 no exceptions.
642
- 643 9. The General Contractor or Parish must submit a sub-contractor invitation list to the
644 Archdiocesan Building Department Representative for approval two weeks prior to bid
645 invitations and three weeks from bid walk through. Invitations shall be sent out one-week
646 prior to walk through.
647
- 648 10. All work by subcontractor trades must be competitively bid.
649
- 650 11. Sub-contractors will have at least two weeks from initial walk through to submit their
651 bids.
652
- 653 12. General Contractors shall coordinate with the Archdiocesan Building Department
654 Representative to schedule a formal sub-contractor's walk through. Bids will be rejected
655 from contractors who do not attend a formal subcontractor walk through. The
656 Archdiocesan Building Department shall approve the invitation letter from the General
657 Contractor to the subcontractors.
658
- 659 13. The Pastoral Center Building Department (One Peter Yorke Way, S. F. CA 94109) will be
660 the only depository for all sub-contractors bids to be submitted, No Exceptions.
661
- 662 14. Sub-contractor sealed bids should be sent or delivered to the Pastoral Center located at
663 One Peter Yorke Way SFCA 94109, Attn: Building Department. Faxed bids will be
664 allowed only with permission of the Archdiocese Building Committee and faxed directly
665 to the Building Department.
666
- 667 15. Subcontractor bids delivered by the General Contractor will be rejected.
668
- 669 16. The Building Committee also expects that the lowest bidding contractor will be awarded
670 the contract. Where special circumstances exist, the Building Committee must be
671 informed.
672
- 673 17. The General Contractor will be required to submit copies of all back up and supporting
674 documentation for each progress payments request to the Archdiocesan Building
675 Department and the Project Manager.
676

- 677 18. All change orders and progress payments are to be approved by Project Manager,
678 Architect and the Archdiocesan Building Department Representative.
679
- 680 19. Weekly construction meetings between Contractor, Architect, Project Manager and
681 Archdiocesan Building Department Representative will be required.
682

Labor Policy for Contracted Work
Archdiocese of San Francisco
December 18, 2003

683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727

The Archdiocese reaffirms its policy to hire union contractors in work being done in parishes and institutions of the Archdiocese.

The Archdiocese of San Francisco generally favors the use of union labor for contracted work in our parishes and flows from clear principles of Catholic social doctrine.

Catholic social teaching over the last 100 years has insisted that the payment of a just living wage is one of many workers' rights.

“Rights and benefits, such as health insurance, training, pension and vacation, job security, are all essential if workers are to be treated as persons rather than simply as factors of production.” (Economic Justice, #103)

Also,

“All these rights, together with the need for workers themselves to secure them, give rise to yet another right: the right of association, that is , to form associations for the purpose of defending the vital interests of those employed in the various professions.” (Laborem Exercens, #20)

In the industrial/construction industries in particular, these rights and benefits have been gained over many years of organizing activity, usually as a result of collective bargaining agreements between ownership and management and unions.

The Archdiocese supports the rights of workers to freely organize themselves. It also supports maintaining a climate in our community that will be favorable to this right of free association.

If Non union contractors are approved by the Archdiocese Building Committee for projects, then the contractor must pay the prevailing wage including benefits to all employees working on the project and the contractor will be required to certify the payroll. The parish or school should contact the Archdiocesan building department when considering using a non-union contractor for help through this process. The prevailing wage guidelines can be found in the State of California Code, listed per trade. The parish or institutions are responsible for hiring an auditor to certify the payroll according to prevailing wage.

The Archdiocese reaffirms the policy to use union labor when possible. All contractors, must treat their workers according to the principles of Catholic social teaching and must pay the “prevailing wage and benefits” of the area. The Building Committee of the Archdiocese will monitor and evaluate all contractors.

Section K.

Real Property Not Used for Pastoral Purposes

1 POLICIES AND PROCEDURES REGARDING USE OF
2 ARCHDIOCESAN PROPERTY BY OUTSIDE ORGANIZATIONS
3
4
5
6

7 **Preamble:** In light of the many and varied charitable, religious and educational works which are
8 carried on under the auspices of the Roman Catholic Church, the Archdiocese of San Francisco is,
9 by necessity, a major property holder. Inasmuch as these properties include such things as church
10 and school buildings, halls and auditoriums, kitchens, offices and recreational facilities, the
11 parishes, schools and agencies of the Archdiocese are frequently approached by outside individuals
12 and organizations with a request to utilize these facilities for some personal, business, or community
13 use.
14

15 The purpose of this document is to provide a summary of the general principles relating to the use
16 of Archdiocesan properties and to outline certain specific procedures to be followed in connection
17 with the application of those general principles. It must be borne in mind that these policies and
18 procedures are motivated not only by considerations relating to preserving the property and income
19 tax exemptions of the Archdiocesan entities which own the properties, but also by practical, legal
20 and religious considerations which may indicate that an otherwise "profitable", "neighborly" or
21 "convenient" use of the property by others is not appropriate. While this policy applies only to
22 entities under the civil law auspices of the Archbishop of San Francisco it should serve as a helpful
23 reference tool for other Catholic organizations in the Archdiocese of San Francisco, particularly to
24 the extent that any proposed use of their properties impact the canonical "vigilance" responsibility
25 of the Archbishop of San Francisco.
26
27

28 **I. THE PROPERTY TAX AND INCOME TAX EXEMPTIONS:**
29

30 **The Property Tax Exemption** - Nearly all properties owned by Archdiocesan entities are
31 exempt from property taxation under the so-called "Church", "Church Parking Lot",
32 "Religious" and/or "Welfare" exemptions set forth in the California Constitution or the
33 California Revenue and Taxation Code. Which particular exemption applies to a given
34 piece of property depends on its specific use. In any event, in order to meet the criteria for
35 at least one of the exemptions, the property essentially must be devoted exclusively to
36 charitable, religious and/or educational uses by an organization which is exempt from
37 income tax (i.e. a non-profit organization). The property tax exemption would extend to
38 incidental uses of the properties, such as wedding receptions, which follow a religious
39 ceremony taking place on the grounds, or the lease of the property by one organization
40 exempt from income tax to another tax exempt organization for a purpose covered under
41 the property tax exemption laws of California.
42

43 Some might argue that it is worth it to simply pay the property tax on all or a portion of the
44 property in order to generate valuable revenues for the Church, school, or agency.

45 Unfortunately, it is not that simple and for this reason it has been long-standing
46 Archdiocesan policy to forbid the use of Archdiocesan property for purposes not covered
47 by the property tax exemption except under the most rare and/or temporary circumstances
48 (e.g. see I.A. "N.B." and III.A. "film-making" sections below). A few of the reasons which
49 militate against the use of Archdiocesan property by private individuals and *for-profit*
50 organizations include the following:

51

52 A. **Once given up, an exemption could be permanently lost.** The property tax
53 exemption is based on the idea that the property for which an exemption is claimed
54 is reasonably necessary to carry out the particular functions of the organization and
55 is not "excess" property (e.g. vacant buildings and lots or a residence bequeathed
56 from an estate and rented out to individuals would not be covered by the
57 exemption). Not only would it be a complex administrative task to attempt to claim,
58 give up, and then subsequently re-claim an exemption on all or part of a given piece
59 of property, there is no guarantee that a claim, once surrendered, could readily be
60 resumed. This concern is of particular importance in connection with the core,
61 contiguous properties of the parishes, schools and agencies. (N.B. As opposed to
62 limited cases where a separate and distinct private lot or residence is bequeathed to
63 a parish and is already subject to property tax. In this circumstance the property
64 may be leased out for an appropriate commercial or residential purpose.)

65

66 Another problem is the fact that even if a proposed commercial lessee offers to pay
67 the property taxes under the applicable terms of the lease, if the lessee fails to do so
68 a lien can be placed on the property by the Assessor's Office which can then create
69 both a cloud on the title to the property as well as pose administrative hassles and
70 significant expense to clear up.

71

72 B. **Entering the commercial world may jeopardize the Religious Freedom**
73 **protections of the Archdiocese.** Some would argue that if a religiously affiliated
74 organization chooses to enter the "commercial" world it may be subject to the same
75 non-discrimination laws, etc. that are applicable to other commercial (i.e. *for-profit*)
76 enterprises, thereby jeopardizing the organization's ability to control its own
77 property and to preserve the principles and teachings of its Faith.

78

79 C. **The appearance may be created of joint commercial ventures and/or**
80 **endorsements.** Even if the other hurdles, identified above, are adequately
81 addressed there is an additional concern that leases with *for-profit* commercial
82 entities that are operating side-by-side with facilities operated by religious
83 organizations can create the appearance of a joint commercial venture between the
84 respective organizations and/or the implication that the particular business activity
85 is endorsed by the Archdiocesan entity.

86

87 D. **Potential impact on income tax exemption.** The entities of the Archdiocese of
88 San Francisco enjoy the privilege of exemption from Federal Income Tax under the
89 so-called "Group Ruling". This exemption is premised on the understanding that

90 the organizations listed in Kenedy's Official Catholic Directory are substantially
91 engaged in the Catholic affiliated activities under which they claim exemption in
92 the first place (e.g. religious, charitable, educational). A failure to operate within
93 these parameters can result in either the assessment of an unrelated business income
94 tax on the commercial activities of the organization and/or the actual total loss of
95 the exemption if the non-related activities are substantial. There is a limited
96 exception to the unrelated business income tax provisions which allow an owner to
97 receive passive rental income on its property from either a *for-profit* or non-profit
98 organization. (This should not be confused with the property tax exemption which
99 does not allow rentals to *for-profit* organizations.) However, if the overall rental
100 activity of the Archdiocese with *for-profit* organizations were to become
101 "significant" enough, from the IRS' perspective, even the income tax exemption
102 could be jeopardized.

103
104
105 **II. USE OF ARCHDIOCESAN PROPERTY REQUIRES THE EXECUTION OF**
106 **STANDARD ARCHDIOCESAN LEASE OR OCCASIONAL USE FORMS.**

107
108 Any use of parish grounds by outside organizations (Catholic or otherwise) must be
109 conditioned on the signing of the applicable standard Archdiocesan User/Lease form (e.g.
110 Occasional Use form, Space in Building form, and Entire Building Lease form) available
111 through the Archdiocesan Real Estate Office. These forms contain, *inter alia*, hold harmless
112 and insurance provisions that will protect the parish/Archdiocese in the event of a claim.
113 The Occasional Use form can be signed (so long as no amendments are made) by the pastor
114 alone. The Lease forms must be signed by the Archbishop or his duly authorized corporate
115 legal delegates at the Chancery.

116
117 These forms are also drafted so as to assure that not only an Archdiocesan institution's legal
118 interests are adequately protected, but also to allow appropriate intervention in the event
119 that any activity is proposed, or in fact occurs, which is in conflict with the teachings of the
120 Catholic Church.

121
122
123 **III. SPECIFIC TYPES OF USES.**

124
125 A. **Film-making.** There are many beautiful and spacious buildings owned by the
126 entities of the Archdiocese of San Francisco and it is sometimes difficult for
127 government officials, members of the community, and the film-making industry in
128 particular to understand that the Archdiocese of San Francisco is not in the business
129 of renting or leasing its property to production companies and such
130 accommodations can only be considered when the production positively portrays
131 and upholds the principles, morals and values for which the Catholic Church stands.
132 Such filming can not unduly interfere with the primary administrative tasks, goals
133 and time for which the personnel and facilities of the Archdiocese are devoted.
134 Special attention must be given to any proposed use of a church building dedicated

135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178

to divine worship. In this regard the parishes and agencies of the Archdiocese should be guided by the Motion Picture/Television Production Policy Resolution, presented by the Council of Priests and approved by the Archbishop in August of 1994. For ease of reference that policy is set forth in full below.

1. *The use of church property for motion picture or television production must be arranged through the Archdiocese Director of Communications.*
2. *Anyone employed by the Archdiocese who is approached directly by a production company or individual must direct the inquiry to the Director of Communications.*
3. *The Director of Communications will take the following steps:*
 - a) *Request a working script from the producers in advance.*
 - b) *Make certain the film or television production contains nothing offensive to Church teachings and environment.*
 - c) *Meet with the producers to clarify any questions concerning the script.*
 - d) *Make certain the appropriate compensation is discussed for the selected Archdiocesan property, and any entity which may be inconvenienced by the production and the technical advisors.*
 - e) *Meet with the administrator of the property to make certain the proposed project is supported by him/her and that it will be beneficial to the Church.*
4. *After the above steps have been followed:*
 - a) *The Director of Communications will present the project proposal to the Archbishop for approval.*
 - b) *If the Archbishop has any concerns or questions he would seek advice and counsel from appropriate sources.*
5. *If the Archbishop approves the project, then the Director of Communications will:*
 - a) *Inform the appropriate administrators.*
 - b) *Assign a technical advisor to work with the project.*
 - c) *Request the production company meet with the Archdiocesan attorney to draw the contract.*
 - d) *The administrator of the property and/or the Director of Communications will oversee the implementation of the Agreement.*

179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207

B. Political Candidates and the Use of Archdiocesan Property for Purposes of Public Forums, Debates, and Lectures on Archdiocesan Property.

In theory, non-partisan activity of this nature is permitted in connection with Church grounds. However, in practice, this is virtually impossible because the "nonpartisan", "non-biased" standards of the IRS essentially translate to a requirement of uncensored, equal access to all candidates (Including, for example, those promoting even the most blatantly offensive anti-Catholic conduct, platforms, messages, ads, etc. And, even where this does not in fact take place, providing candidates access to Church grounds (either directly by the Church or indirectly through Lessees, etc.) can create the unwanted impression that the Church supports a particular candidate for office). Therefore, no such activity of this nature should take place on Archdiocesan property.

Note: In situations where a campaign has already been decided and there is a desire by the community to gather, on a non-partisan, ecumenical-sponsored basis to pray that government officials will receive wisdom and guidance, this can be done on church grounds, though prior clearance with the Chancery office should take place.

Note also: The above referenced restrictions concerning political candidates on Archdiocesan property should not be confused with permissible issue oriented speech and lawful lobbying activity which can take place on the property.

Conclusion: The above-referenced Policies and Procedures are designed to provide Pastors, Principals and Agency Heads with a ready resource when faced with proposed uses of Archdiocesan properties by outside individuals and organizations. The Vicar for Administration or Archdiocesan Legal Counsel should be contacted well in advance of the proposed event or use in order to put together the appropriate contract and/or provide assistance when there is doubt as to whether a particular use is in accord with these policies and procedures.

Section L.
Insurance

1 **Archdiocese of San Francisco Insurance Program Description**

2 (Not including employee benefits insurance)

3
4
5 Effective July 1, 2013 – Expiration July 1, 2014

6
7
8 The Archdiocesan Central Office administers the insurance programs for all parishes, schools,
9 and other entities as outlined in this section in order to ensure proper coverage is maintained
10 for each location and to gain favorable rates by pooling the risk throughout the Archdiocese.
11 Coverages, limits, and deductibles may vary. No insurance should be purchased individually
12 unless cleared through the Office of the Vicar for Administration.

13
14 The purpose of this program is for the Archdiocese to cover risk exposures through a
15 combination of insurance and self-insurance up to the coverage limits.

16
17
18 A. PROGRAM OVERVIEW:

19
20 The Archdiocese of San Francisco's Property, Casualty and General Liability Insurance
21 Programs are based upon a combination of traditional insurance, self-insurance, and
22 prudent risk management.

23
24 The Program consists of the following main coverages:

- 25
26 1. Primary Property insurance: Because of the risk in California, earthquake insurance is
27 extremely limited in coverage and very expensive. Therefore, the Archdiocese will not
28 actively seek earthquake coverage for its properties.
- 29
30 2. Equipment Breakdown/Boiler & Machinery insurance.
- 31
32 3. General Liability, Automobile Liability, and certain Miscellaneous Specialty Liability
33 coverages.
- 34
35 4. Workers' Compensation and Employers' Liability.
- 36
37 5. Fidelity and Forgery coverages (Crime insurance).
- 38
39 6. Fiduciary Liability insurance.
- 40
41 7. Special Events coverage.

42 B. INSURANCE PROGRAMS:

43

44

1. Property Insurance

45

46

47

48

49

50

51

52

Property and Boiler/Machinery insurance coverage includes the loss of personal property at an Archdiocesan owned or an Archdiocesan assigned residence of incardinated priests of the Archdiocese while engaged in ministry directly on behalf of the Archdiocese. Any personal property in excess of \$5,000 will not be covered by our policy (the Parish deductible will be applied to each loss). Thus the priest is encouraged to purchase individual coverage for all his personal items over \$5,000.

53

54

55

56

Personal property of employees and visitors is not covered. Tuition, fees and program revenues will be included as part of a direct damage property loss should that loss result in an interruption of school business.

57

58

59

I. **Property exclusions** are based upon our insurance policy in existence at the time of loss. Please check with Arthur J. Gallagher & Co. for clarification.

60

61

62

63

64

Automobile Comprehensive and Collision Coverage for owned autos of the Archdiocese is provided. There is no coverage for priest or other religious owned vehicles.

65

2. **General Liability, Automobile and Specialty Liability:**

66

67

68

69

70

71

The liability insurance program is provided to protect the participating Archdiocesan corporations listed below and the priests, other religious, employees and volunteers who act on behalf of the Archdiocese within the scope of their duties. The program provides legal defense and indemnity against for legal liability claims made against the corporations and individuals.

72

II.

73

III. **General Liability exclusions** are based upon our insurance policy in existence at the time of loss. Please check with Arthur J. Gallagher & Co. for clarification.

74

75

IV.

76

77 **High Risk Activities:** Certain activities present situations that are not covered by
78 our insurance and are to be avoided. These activities increase the Archdiocese’s
79 exposure to injury and financial loss. Any questions regarding acceptable activities
80 should be directed to Arthur J. Gallagher & Co. prior to planning and/or scheduling
81 the activity.
82

83 Activities that are considered high risk include but are not limited to:

- 84 • Placement of candles on the ground, on stands below waist-level, or at
85 temporary shrines
- 86 • Use of vehicles for transportation such as watercraft or aircraft other than
87 public/commercial transit, 15 passenger vans, hay rides.
- 88 • Sports activities such as bungee jumping, scuba diving, water skiing, river
89 rafting, boxing or martial arts, rock climbing, ropes or obstacle course events
90 in excess of 12 feet.
- 91 • Carnival operations such as “sumo wrestling”, human fly, and similar
92 contact/impact events.
- 93 • Carnival rides, dunk tanks, moon bounces, etc. except when operated by
94 vendors under approved contracts.
- 95 • Fireworks, trampolines and events involving livestock.
96

97 **V. Property & Liability Claims Reporting:**

98
99 All claims are to be reported to Gallagher’s Claims Department. Initial reports are
100 to be made by telephone to Gallagher’s Claims Department at 415.546.9300, and
101 should be reported promptly or first knowledge of the loss. Please have available the
102 basic facts such as who was injured or what was damaged, where did the incident
103 happen, what time and on what day did the incident happen, who was a witness to it,
104 and how did the incident happen. A written report using a claim form provided by
105 Gallagher is to follow immediately. It should be sent to Arthur J. Gallagher & Co.
106
107

108 **Note on Property and Liability Claims Eligibility:** *A parish, school or agency*
109 *presenting a claim must be current in its payment of insurance premiums.*
110 *Gallagher’s Claims Department verify premium payment status prior to beginning*
111 *adjustment of any claim reported except to the extent necessary to prevent further*
112 *loss to property, life or value. If premium payments are not current, authorization*
113 *will be given for only those steps necessary to secure a damaged area or prevent loss*
114 *of life. .*
115

116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149

3. **Workers Compensation and Employers Liability:**

The Archdiocese purchases Workers' Compensation and Employers' Liability coverages as required by law. All employees including private residence employees are covered, as are volunteers.

Workers Compensation Claims Reporting:

VI. All workers compensation claims are to be reported directly to Church Mutual. Claim forms and other information, if needed, should be available at your location. When you call please identify yourself as a location of the **Roman Catholic Archbishop of San Francisco**. Also please identify your location code which was sent to you or is available from Arthur J. Gallagher & Co. as noted below. If you need assistance with your claim or you feel the circumstances are unusual or suspicious please call Arthur J. Gallagher & Co..

VII.
VIII.

4. **Employee Dishonesty (Fidelity) and Forgery (Crime Insurance):**

Coverage is afforded to reimburse the Archdiocese for the fraudulent or dishonest acts of employees. A \$2,000,000 limit is provided subject to a \$2,500 deductible.

Due to the very sensitive nature of these potential losses, they should be handled CONFIDENTIALLY and immediately reported to either the Moderator of the Curia or the Vicar for Administration.

5. **Fiduciary Liability:**

Our General Liability policies do not include coverage for pension plan related liability, Fiduciary Liability insurance is provided to protect trustees and other fiduciaries of pension and retirement plans. A \$2,000,000 limit is provided, subject to a \$1,000 deductible.

150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178

6. Special Events Coverage:

A Special Event Insurance Program has been arranged to provide liability insurance coverage for certain users of Archdiocesan facilities. The primary purpose of this program is to protect the Archdiocese from liabilities that may result from non-profit organizations or individuals using Archdiocesan facilities for short-term events. Premium is based on number of attendees per event/per day:

1-100 attendees:	\$125 without liquor, \$200 with liquor
101-500 attendees:	\$155 without liquor, \$340 with liquor
501-1,500 attendees:	\$210 without liquor, \$470 with liquor

You may obtain a rental application from Nathan Justwanto at the Chancery (415.614.5519)

C. RISK MANAGEMENT ASSISTANCE

Whether the risk of loss is retained by the Archdiocese or transferred to an insurer, prudent risk management is the key to the long term stability and economic success of your insurance program.

In cooperation with Arthur J. Gallagher & Co. and our insurance companies , the Archdiocese has developed specific risk management guidelines to help minimize the possibility of claims and the effects of those losses that do occur.

If you become aware of a condition or circumstance for which you feel an unsafe hazard has been created, please contact our representatives below for assistance.

179
180
181
182

RISK MANAGEMENT and INSURANCE CONTACTS:

For General Questions and Assistance:

Jim Buckley – Account Executive

Office 415.536.8415

Mobile 925.998.6946

Fax 415.536.8499

***For Loss Prevention, Safety and Risk
Management Assistance:***

Ken Urrutia – Loss Control

Office 415.536.8476

Mobile 925.323.2922

Fax 415.536.8499

For Property Loss Claims Reporting:

Paul Matejzel - Senior Claims Coordinator

Office 415.536.8542

Fax 415.536.4036

***For Documentation and Policy Coverage
Questions:***

Linda Reynolds - Sr. Account Manager

Office 415.536.8442

Fax 415.536.8499

For Certificates of Insurance:

Amber Gonzalez – Account Representative

Office 415.536.8435

Fax 415.536.8499

For Workers Compensation Claims Reporting:

Church Mutual Insurance Company

Office 800.554.2642

Fax 715.539.4651

For Workers Compensation Claims Questions:

Deborah Olson – W. C. - Claims Analyst

Office 415.536.8630

Fax 415.536.8499

183
184

185 **Roman Catholic Archbishop of San Francisco**
186 **2013 – 2014 Summary of Insurance**

187
188

189 **Property**

190 Insurance Companies: Allied World National Assurance, Maiden Specialty,
191 Great American, Lloyds of London, Ironshore Specialty, Colony
192 Insurance AXIS Specialty & Homeland Insurance

Term: 07/01/13 – 07/01/14

Total Program Limit: \$300,000,000 Per occurrence
Deductible: \$2,500 Per occurrence (remaining program deductible
handled by the Corp.)

193

194 **Automobile Physical Damage**

195 Insurance Company: Self-insured

Term: 07/01/13 – 07/01/14

Total Program Limit: N/A

Deductible: \$1,000 Comprehensive and Collision

196

197

198 **Boiler and Machinery**

199 Insurance Company: Travelers Property & Casualty

Term: 07/01/13 – 07/01/14

Total Program Limit: \$250,000,000

Deductible: \$1,000 (remaining program deductible handled by the Corp.)

200

201

202 **General and Automobile Liability**

203 Insurance Company: Western Catholic Insurance Company, Allied World Assurance
204 & Great American Insurance

Term: 07/01/13 – 07/01/14

Total Program Limit \$50,000,000

Deductible: None (program deductible handled by the Corp.)

205

206

207 **Sexual Misconduct Liability**

208 Insurance Company: Western Catholic Insurance Company

Term: 07/01/13 – 07/01/14

Total Program Limit \$4,000,000

Deductible: Refer to (program deductible handled by the Corp.)
Chancery

209

210

211 **Workers Compensation**

212 Insurance Company: Church Mutual
Term: 01/01/14 – 01/01/15
Total Program Limit: Statutory Benefits
Deductible: None (any program deductible handled by the Corp.)

213

214

215 **Fidelity and Forgery Coverage (Crime)**

216 Insurance Company: Federal Insurance Company
Term: 07/01/13 – 07/01/14
Total Program Limit: \$2,000,000
Deductible: \$2,500 (remaining program deductible handled by the Corp.)

217

218

219

220

221 **Fiduciary Liability**

222 Insurance Company: Travelers Casualty Insurance Company
Term: 07/01/13 – 07/01/14
Total Program Limit: \$2,000,000
Deductible: \$1,000 (remaining program deductible handled by the Corp.)

223

224

225 **Special Event Liability**

226 Insurance Company: Employers Fire Insurance Company
Term: 07/01/13 – 07/01/14
Total Program Limit: \$1,000,000
Deductible: None

227

228

229 **Special Events 3rd Party Property Coverage**

230 Insurance Company: Employers Fire Insurance Company
Term: 07/01/13 – 07/01/14
Total Program Limit: \$1,000,000
Deductible \$250

231

232

233

234

235

236

237

238

239

240

241
242
243
244
245

Section M.
Legal Services

LEGAL SERVICES

Through the generosity of the Annual Appeal, the Archdiocese of San Francisco's Chancery Office maintains a Legal Office consisting of the General Counsel and one support staff person. This office is responsible for coordinating the legal affairs of all Archdiocesan parishes, schools, corporations, agencies and departments. Most non-litigation work is handled directly, and free of charge, by the Legal Office. Incidents covered under the Archdiocesan Insurance Program (e.g. slip and fall claims) are assigned to insurance defense counsel, subject to oversight by the General Counsel. Given the limited size of the Archdiocesan Legal Office, and the related desire to keep the Annual Appeal assessment for legal services to a minimum, certain legal services must be paid for directly by the parish, school or agency directly affected by, or benefiting from, the service. These include the following types of circumstances:

1. Litigation not covered by insurance. For example, breach of contract suits, land use hearings before local governmental bodies, prescriptive easement claims, will contests, etc. In the case of will contests, the Legal Office will ordinarily "front" the legal costs and be reimbursed out of the parish, school or agency's estate proceeds when received.
2. Real Property Sales (or complex long term lease arrangements). In such cases if the Legal Office does not handle the matter directly, it normally will "front" the legal costs and obtain reimbursement out of the proceeds of the real estate sale or lease.
3. Other complex matters uniquely benefiting a particular parish, school or agency (as opposed to benefiting these bodies as a whole) that require extensive outside legal expertise and/or time. Depending on the actual time and costs involved, the parish, school or agency may be expected to pay for all or some of the costs of retaining outside counsel.

No parish, school or agency may initiate legal action or formally engage the services of outside legal counsel without the approval of, and continued oversight by, the Archdiocesan Legal Office. All probate notices received by parishes, schools, and agencies shall be promptly directed to the Legal Office which shall be responsible for shepherding the matter through the gift distribution stage. The Legal Office will coordinate its efforts with the Archdiocesan Stewardship Office which in turn will work with Pastors, Principals and Agency Heads in terms of providing appropriate recognition to the family of testators etc.

Parish / School Financial Accounting And Reporting System

**The Archdiocese of San Francisco
One Peter Yorke Way
San Francisco, CA 94109**

Financial Accounting & Reporting System

Preface

The Parish Financial Accounting and Reporting System is composed of two components the Uniform Chart of Accounts and the Financial Reporting Package. Each component complements the other and together they comprise the main tool a Pastor and Parish Financial Council will use to manage the financial affairs of a parish.

The Uniform Chart of Accounts is essential for the parish/school to use in recording the financial transactions of the unit. A standard account structure throughout the Archdiocese ensures that a standard of control and reporting consistency exists. Also, through standardization a parish/school can compare current year to last year and budget to determine where major variances occur and where corrective action needs to be taken. In addition it also ensures that at the Archdiocesan level comparison from parish to parish or school to school can be made without major variances in interpretations of how parish/school activity is reported.

The Uniform Chart of Accounts consists of the following attributes:

- It is designed to be used in a double entry accounting system where the books balance with Assets equaling Liabilities and Fund balance.
- It is designed to be used with the cash or accrual accounting method. It is strongly recommended the accrual method be used as it depicts a better comparison between revenues and expenses in any given time period.
- The account structure lends itself to enable a parish/school to report either by type of expense (e.g. Salaries, Utilities) or by program (e.g. Liturgy, Youth).
- Assets and liabilities are to be reported in the Balance Sheet format where the net assets (assets less liabilities) of a parish/school are reported separately from the financial operating activities of a given accounting period be it a month, quarter or year.
- The significant balance sheet categories are:
 - Assets
 - Cash
 - All deposits in banking institutions and on hand which are in the name and/or tax ID number of the parish/school are considered to be an asset of the parish/school and therefore must be recorded in the financial records of the parish/school. This includes parish/school organizational funds.

- Receivables
 - Any moneys owed to a parish/school such as tuition, fees, etc. for services performed in the past should be shown as a receivable.
- Investments
 - All investments of funds for the parish/school must be recorded on the books. Parishes/schools shall only have funds invested with the Capital Assets Support Corporation Deposit and Loan Fund or Investment Pool
- Tangible Assets-Land, Buildings and Equipment
 - Refer to the Fixed Asset Accounting Procedure for the identified items to be set up as Fixed Assets. This procedure refers only to future transactions.
- Liabilities
 - Payables
 - Any amounts owed to vendors and suppliers for past services and goods must be recorded in the books even if they are not paid at the end of the accounting reporting period. These are services/products purchased which must be matched to the revenue generated in the proper period.
 - Payroll
 - Any money owed to any lay employee or clergy must be recorded at the end of the accounting reporting period.
 - Funds held for others
 - Any money held for others, including parish/school organizations and special collections, must be shown as a liability.
 - Deferred Revenue
 - Any money received which is for future services must be shown as a liability until that service is received. This would include items such as school tuition and fees paid prior to June 30th for the following school year.
- Net Assets
 - These reflect the excess of assets over liabilities at the end of the accounting period. The excess of Revenue over Expenses of a given

accounting period will increase the Net Assets of a parish/school. Conversely excess of expense over revenue in a given accounting period will decrease the Net Assets of a parish/school.

- The Statement of Revenue and Expenses shows the financial activities of a given period of time be it a month, quarter or year which affect the Net Assets of a parish/school. The Statements of Revenue and Expense could be comprised of two components for recording a period's activity.
 - Revenues and Expenses
 - The accounting format allows for the recording of revenue received and expenses incurred for operations by type and by program. This accommodation allows for reporting by program, if the parish/school prefers, to its constituencies or by the type as required for reporting to the Archdiocese.
 - Restricted Gifts
 - The system allows for the recording of gifts/donations by the donors intention when the gifts are not used in the current period. If the donor restricted the use of the gift then it is to be recorded as a restricted gift. If no restriction is stated then the funds are unrestricted and can be used for general parish purposes as deemed appropriate, they are recorded as revenue received for current operations. For a further explanation of restricted/unrestricted gifts see section F.-Investments of Parish Surplus Funds and section G- Endowments.

To aid in the use of the new system, in the following pages of this booklet the structure of the chart of accounts is explained in detail, a summary detail of the standard accounts, as well as a description of each account, and example entries are shown.

In addition, this booklet includes a reporting package that is required to be submitted annually to the Archdiocese for each parish and school.

The system described in this booklet is intended to be used with the control policies and procedures shown in the Archdiocesan Parish and School Financial Policies Manual in order to provide a total system of financial management of a parish/school.

Uniform Parish General Ledger Chart of Accounts

Introduction

The Parish and School Uniform Chart of Accounts is to be used by every parish and school in the Archdiocese of San Francisco. This Chart of Accounts provides a standard method of accounting and reporting the operating results of the parish and school. Its use will provide for continuity in the event of a change in bookkeeper, accountant, or other individuals involved in the financial administration of the parish and school. Most importantly, its use will enable the parish and school to consistently classify financial transactions and provide meaningful financial statements that can be used to evaluate current financial status of the parishes and schools and plan for the future. The chart of accounts can be used with either a manual or a computerized bookkeeping system.

Description of Account Structure and Use

1. Modifiable.

This Chart of Accounts can be used by parishes and schools with smaller operations which prefer a limited number of accounts, and by larger parishes and schools that may need further breakdown of income and expense by specific programs.

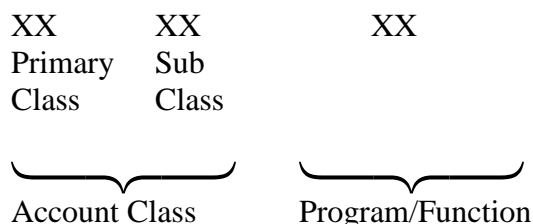
2. Cash or Accrual.

The Chart of Accounts has been developed based on an accrual reporting method. However, the accrued accounts will be required to be used only at year end to recognize goods and/or services received for which no payment has been made and cash received for which no services have been recorded.

3. Chart of Account Format.

The Chart of Accounts uses a six-digit account number. The first four digits identify the 'account class' -- a particular asset, liability, revenue, or expense (with the first two digits the primary class and the last two the sub class). The last two digits of the six digits identify a specific program or function (see below).

Account Structure



4. Account Class.

The Chart of Accounts is flexible and provides for much greater detail if desired by adding Sub Classes (the last two digits of the four digit ‘Account Class’). Some Sub Classes have been set up for you. For example, if a parish/school would like to maintain a breakdown of the different utility bills, it could define additional sub-accounts in the 7320 Light & Power expense.

73XX	Utilities
7320	Light & Power
7321	Electricity Meter #456-123456
7322	Electricity Meter #789-456123
7323	Electricity Meter #123-456789
7324	Gas

5. Program (or Function) Codes.

Program codes are optional and do not have to be used. Parishes and schools can choose to use as many, or as few, program codes as they desire. This provides the Pastor and Parish Finance Council with the flexibility to report the financial activity in program or summary form. Program codes are to be used only for revenues and expenditures, and never for assets, liabilities, or fund account.

6. The definitions of the Sub Classes are different than program breakdown

Subclass further breaks down the account. Program/function codes identify for what purposes the money was received/spent.

7. Familiarity.

Familiarity with the Chart of Accounts is essential for the bookkeeper and the accountant. At the outset, these persons must read the program and account definitions. Where possible, the existing accounts should be related to the new program and account codes. This identification (translation) will make the transition from the existing accounting system to the new Uniform Chart of Accounts much easier.

Programs/Sub-Groupings

01 Parish Balance Sheet Items

All balance sheet accounts (assets, liabilities and fund balances), since they do not relate to a specific program but rather to the parish as a whole, utilize the program code 01. If school books are part of the parish books, its balance sheet account numbers will use 02 so that if desired separate balance sheets can be produced for each entity even though there is only one set of books.

02 School Balance Sheet Items

School balance sheet accounts will end in 02 to be differentiated from the parish balance sheet.

10-19 General Parish Operation

This section would include all general receipts and disbursements not accounted for in the other programs listed below as well as administrative costs of running the parish, such as secretarial, bookkeeping, clergy, rectory, parish office, parish center etc.

20-29 General School Operations

This section would include all general receipts and disbursements not accounted for in the other programs listed below as well as administrative costs of running the school.

30-39 Parish Fund-raisers

This section would include all parish fund raisers such as auctions, scrip, bingo, parish dinners, parish dances, carnivals, festivals, Reno night, etc. Although there are designated revenue codes for these fund-raisers, the program codes will need to be used if a parish wishes to account for all revenues and expenses by fund-raiser.

40-49 School Fund-raisers

This section would include all school fund raisers such as auctions, scrip, bingo, gift wrap, dinners, dances, car washes, bake sales, etc. Although there are designated revenue codes for these fund-raisers, the program codes will need to be used if a school wishes to account for all revenues and expenses by fund-raiser.

50-69 Parish Programs

This section would include all parish programs such as liturgy music, RCIA, sacramental preparation, youth, social ministry, social action, evangelization, religious education, adult education, marriage and family life, Pastoral Council, etc.

70-79 School Programs

This section would include all school programs such as educational, extended care, athletic, music (band), etc.

80-89 Parish Facilities

This section would include tracking of expenditures by “parish” facility or building. School buildings are owned by a parish; therefore all major school facility capital expenditures will be carried on the parish books.

90-99 Other

This section would include any program not included under the other sections such as capital campaigns, cemeteries, etc.

Master Chart of Accounts Parish and School

Assets

10XX Cash & Cash Equivalents

1010-1029	Checking Account
1030	Payroll Account
1040	Savings/Money Market Accounts
1050	Special Purpose Checking Accounts
1060	Petty Cash
1080	Beneficial Interest Deposits in CASC's D&L Fund-Parish
1090	Beneficial Interest in Deposits in CASC's D&L Fund-School

12XX Receivables

1210	Accounts Receivable
1220	Tuition/Fees Receivable
1240	Provision for Bad Debt

125X Accounts Receivable Inter/Intra Company

1251	Accounts Receivable-Archdiocese
1252	Accounts Receivable-CASC
1253	Accounts Receivable-RPSC

13XX Other Assets

1310	Prepaid Expenses
------	------------------

14XX Inventory

1410-1419	Scrip Inventory
1420-1429	Bingo Inventory
1430-1449	Other Revenue Inventory Items
1499	<i>Undeposited Funds (to be used with Quickbooks system only)</i>

15XX Investments

151X Investment Pool

1510-1529	Beneficial Interest in CASC's Investment Pool - Unrestricted/Parish Designated
1530-1549	Beneficial Interest in CASC's Investment Pool - Donor Restricted
1550-1569	Beneficial Interest in CASC's Investment Pool- Endowed
1590	Other Investments*

** These are temporary accounts to be used only until funds are deposited in the CASC Deposit Fund or Investment Pool.*

16XX Land, Buildings and Equipment

1601	Construction in Progress (CIP)
1620-1629	Parish/School Furniture, Fixtures, and Equipment (FF&E)
1650-1659	Parish/School Vehicles
169X	Accumulated Depreciation

1692	Accum. Depreciation - Parish/School Furn, Fixt, & Equip.
1696	Accum. Depreciation - Parish/School Vehicles

Liabilities

21XX	Accounts Payable
2110	Accounts Payable-Archdiocese
2111	Accounts Payable-CASC
2112	Accounts Payable -RPSC
2120	Accounts Payable - Trade
2140	Accounts Payable - Other
22XX	Accrued Payroll & Withholding
2201	Accrued Payroll
2202	Accrued Pension
2203	Accrued Employer Payroll Tax
2204	Accrued Employee Medical Insurance
23XX	Exchange Account
2310	Exchange Account
26XX-28XX	Funds Held For Others
2620	Funds held (on Parish books) for Parish Schools
2630	Parish Organizations
2640	School Organizations
270X	Parish Special Collections -- Archdiocesan/National Collection Funds
2701	Bishops' Overseas Relief (Catholic Relief Service)
2702	Black Catholics/Latin America
2703	Campaign for Human Development
2704	Catholic Charities
2705	Catholic University
2706	Communications
2707	Holy Father
2708	Holy Land
2709	Mission Co-Op
2710	Operation Rice Bowl
2711	Priest Retirement
2712	Religious Retirement Fund
2713	World Mission
28XX	Deferred Revenue
2810	School Tuition
2811	School Fees
2900	Reduction in Beneficial Interest CASC- Awards Payable

Net Assets

3XXX	Net Assets
-------------	-------------------

3000	<i>Begin Yr. Equity Bal (to be used with Quickbooks system only)</i>
3010	Unrestricted
3050	Donor Restricted Assets
3070	Donor Endowment Assets
3901	<i>Current Yr. Equity Changes (to be used with Quickbooks system only)</i>

Revenues

41XX	Collections
4110	Sunday Collections
4115	Christmas
4120	Easter
4125	Other holy days
4130	School Collections
4140	Annual Appeal-Refund [Deficit]
4145	Parish Fundraising Collection
42XX	Sacramental Offerings
4201	Baptisms
4202	Marriage
4203	Funeral
4204	Other
43XX	Development/Fund-raisers
4301	Scrip Receipts
4305	Scrip Costs
4310	Bingo Receipts
4315	Bingo Games Materials Costs
433X	Other Fund Raisers
4320	Social Activities
4330	Festivals, Auctions, & Raffles Receipts
4340	Festivals, Auctions, & Raffles Costs
4350	Parish Organizations
4370	School Organizations
4380	Parish Drive (not AAA)
4381	Parish Drive Cost (not AAA)
4385	Matching Grant Income
4390	Other Activities and Events
44XX	Educational & Sacramental Fees
4401	Baptismal Preparation
4402	First Communion Preparation Fees
4403	Confirmation Preparation Fees
4404	CCD/Religious Education Fees
4405	RCIA Fees
4406	Marriage & Family Life Fees
4407	Youth Ministry Fees
4408	Community Outreach & Services Fees

4409	Adult Education Fees
4410	Preschool Fees
4411	Senior Program Fees
4412-4490	Other Program Fees
45XX	Gifts, Donations and Grants
4501	Unrestricted Parish/School Gifts & Bequests
4503	Subsidies - Archdiocese
4504	Subsidies - Other Parishes
4505	Government Grants
46XX	Other Operating Income
4610	Chaplain fees
4615	Publications -- Advertising Income
4620	Gifts Shop Sales
4621	Literature and Pamphlet Sales
4622	Votive Candles
4623	Poor Box
4640	Room & Board
4650	Rental Property Income
4655	Facility Rental Income
4656	Facility Rental Services Income
4660	Income from Student Services
47XX	Non Operating Income
4710	Interest Investment Income Earned on Parish Deposits with banks & Other Financial Institutions
4711	Increase in Beneficial Interest-CASC-Investment Income Earned on Unrestricted Funds in D & L Fund
4712	Distribution Beneficial Interest-CASC-Awards from Unrestricted Investment Pool Accounts
4713	Change in Beneficial Interest-CASC- Unrestricted Investment Pool Accounts
4720	Gain [Loss] on Sales of Assets
4725	Insurance Settlements
4730	Other Miscellaneous Revenue
48XX	School Income
4810	Basic Tuition
482X	Tuition Assistance
4821	Archdiocesan Scholarship & Family Grant
4822	B.A.S.I.C. Fund Grant
4823	Making Waves
4824	Knights of Columbus
4825	Guardsmen
4826-4829	Other Program Assistance
485X	Fees
4851	Registration
4852	Extended Care

4853	Student Activities
4854	Outdoor Activities
4855	Graduation
4856-4859	Other
488X	School Subsidies
4881	Home Parish
4882	Out of Parish Tuition Subsidy
4883	Archdiocesan
4884-4889	Other
49XX	Donor Restricted Donations
4910	Endowments Received
4911	Donor Restricted Gifts and Bequests
4920	Distribution Beneficial Interest-CASC Endowment Investment Pool Accounts
4921	Change in Beneficial Interest-CASC- Endowment Investment Pool Accounts
4922	Distribution Beneficial Interest-CASC- Restricted Investment Pool Accounts
4923	Change in Beneficial Interest-CASC Restricted Investment Pool Accounts.
4924	Increase in Beneficial Interest-CASC Income on Restricted Deposits in Parish Deposit & Loan Fund
4930	Net Assets Released from Restrictions
4940	Net Restricted Assets Used -- Donor Endowment
4950	Net Restricted Assets Used -- Donor Restricted
<u>Expenses</u>	
61XX	Compensation & Wages
610X	Personnel Costs - Parish
6101	Compensation: Priests
6102	Compensation: Priests (Supply)
6103	Compensation: Religious (non-school)
6104	Compensation: Deacons
6105	Salaries: Lay
615X	Salaries - School
6152	Salaries: Certified Staff (Teachers, Principal, Vice Principal)
6153	Salaries: Substitute Teachers
6154	Salaries: Teacher's Aides
6155	Salaries: Professional Staff Non-Teachers
6156	Salaries: Support Staff
6157	Salaries: Maintenance Staff
62XX	Payroll Taxes Employer
6201	Payroll Taxes - FICA
6202	Payroll Taxes - SUI
6203	Worker's Compensation Expense
63XX	Employee Benefits

6301	Auto Insurance -- Priests
6302	Continuing Education/Training(non-clergy)
6303	Retreat Fee/Continuing Education
6304	Health & Medical Insurance
6305	Life Insurance
6306	Long Term Disability
6307	Accidental Death and Dismemberment
6308	Employee Pension Expense
6309	Housing, Room & Board
6399	Allocated Payroll & Benefits
64XX	Transportation & Travel
6410	Transportation -- Air/Rail/Bus
6420	Transportation -- Auto Rental
6430	Mileage Reimbursement
6440	Conferences & Conventions
6450	Food and Lodging
6460	Other Travel Related Costs
70XX	Educational Expenses
7010-7019	Textbooks
7020-7029	Instructional Materials
7030-7039	Equipment Expense
7040-7049	Multimedia and Library Books & Expenses
7050-7059	Fees
7060-7069	Archdiocesan Fees
7070-7079	Training Expense
7080-7099	Other
71XX	Student Activities & Services
7110-7119	Food Service
7120-7129	Extended Care
7130-7139	Student Activities
7140-7149	Student Services
72XX	Property Costs
7201	Property Management Fees
7210	Janitorial
7215	Landscape
7220	Building Rent
7230	Maintenance & Repairs
7235	Property Taxes
7240	Security
7290	Other Property Costs
73XX	Utilities
7310	Refuse
7320	Heating
7330	Light & Power
7340	Water & Sewer

7350	Telephone
7360	Other
74XX	Furniture, Fixtures and Equipment
7410	Furniture, Fixtures and Equipment
7415	Rentals
7420	Depreciation -- Furniture, Fixtures and Equipment
7425	Depreciation -- Vehicles
7430	Maintenance Contracts -- Furniture, Fixtures and Equipment
7431	Repairs -- Furniture, Fixtures and Equipment
7435	Maintenance & Repair -- Vehicles
7450	Other Vehicle Costs
75XX	General & Administrative
7510	Postage
752X	Printing and Publications
7521	Parish/School Directory
7522	Bulletin
7525	Duplicating
7530	Outside Accounting Purchased Services
7540	Legal Services
7545	Armored Services
7550	Payroll Processing Services
7560	Outside Professional Purchased Services
7570	Subscriptions & Periodicals
7580	Supplies
7585	Office Supplies
7586	Other Supplies
7595	Interest Expense
7596	Bank Charges
7599	Other G&A Expenses
76XX	Other Operating Expenses
7605	Public Relations
7610	Dues
7614	Insurance Premium -- General Liability / Property
7616	Insurance Premium -- Vehicles
7617	Insurance Premium -- Student Accident
7618	Insurance Losses -- Not Covered by Policies
7620	Laundry and Dry Cleaning
7625	Worship Supplies
7630	Offertory Envelopes
7635	Book Rack
7636	Gift Shop Cost
7640	Votive Candles
7650	Entertainment/Appreciation
7700	Bad Debt
80XX	Other Expenses

8003	Chaplain Fees
8020	Property Transfer
8021	Parish Facility Rental Expenses
8022	Other Rental Property Expense
90XX	Subsidies
9003	School Subsidies
9004	Out of Parish School Subsidies
9005	Subsidies to others

Master Chart of Accounts Parish only

Assets

10XX Cash & Cash Equivalents

1010-1029	Checking Account
1030	Payroll Account
1040	Savings/Money Market Accounts
1050	Special Purpose Checking Accounts
1060	Petty Cash
1080	Beneficial Interest Deposits in CASC's D&L Fund-Parish
1090	Beneficial Interest Deposits in CASC's D&L Fund-School

12XX Receivables

1210	Accounts Receivable
1220	Tuition/Fees Receivable
1240	Provision for Bad Debt

125X Accounts Receivable Inter/Intra-Company

1251	Accounts Receivable-Archdiocese
1252	Accounts Receivable-CASC
1253	Accounts Receivable-RPSC

13XX Other Assets

1310	Prepaid Expenses
------	------------------

14XX Inventory

1410-1419	Scrip Inventory
1420-1429	Bingo Inventory
1430-1449	Other Revenue Inventory Items
1499	<i>Undeposited Funds (to be used with Quickbooks system only)</i>

15XX Investments

151X Investment Pool

1510-1529	Beneficial Interest in CASC's Investment Pool - Unrestricted/Parish Designated
1530-1549	Beneficial Interest in CASC's Investment Pool -- Donor Restricted
1550-1569	Beneficial Interest in CASC's Investment Pool- Endowed
1590	Other Investments*

** These are temporary accounts to be used only until funds are deposited in the CASC Deposit Fund or Investment Pool.*

16XX Land, Buildings and Equipment

1601	Construction in Progress (CIP)
1620-1629	Parish Furniture, Fixtures, and Equipment (FF&E)
1650-1659	Parish Vehicles

169X Accumulated Depreciation

1692 Accum. Depreciation -- Parish Furn., Fixtures, and Equip.
 1696 Accum. Depreciation -- Parish Vehicles

Liabilities

21XX Accounts Payable
 2110 Accounts Payable to the Archdiocese
 2111 Accounts Payable-CASC
 2112 Accounts Payable-RPSC
 2120 Accounts Payable - Trade
 2140 Accounts Payable - Other

22XX Accrued Payroll & Withholding
 2201 Accrued Payroll
 2202 Accrued Pension
 2203 Accrued Employer Payroll Tax
 2204 Accrued Employee Medical Insurance

23XX Exchange Account
 2310 Exchange Account

26XX-28XX Funds Held For Others
 2620 Funds held (on Parish books) for Parish Schools
 2630 Parish Organizations
 2640 School Organizations

270X Parish Special Collections -- Archdiocesan/National Collection Funds
 2701 Bishops' Overseas Relief (Catholic Relief Service)
 2702 Black Catholics/Latin America
 2703 Campaign for Human Development
 2704 Catholic Charities
 2705 Catholic University
 2706 Communications
 2707 Holy Father
 2708 Holy Land
 2709 Mission Co-Op
 2710 Operation Rice Bowl
 2711 Priest Retirement
 2712 Religious Retirement Fund
 2713 World Mission

2900 Reduction in Beneficial Interest CASC-Awards Payable

Net Assets

3XXX Net Assets
 3000 *Begin Yr. Equity Bal (to be used with Quickbooks system only)*
 3010 Unrestricted
 3050 Donor Restricted Assets

3070 Donor Endowment Assets
 3901 *Current Yr. Equity Changes (to be used with Quickbooks system only)*

Revenues

41XX Collections

4110 Sunday Collections
 4115 Christmas
 4120 Easter
 4125 Other holy days
 4130 School Collections
 4140 Annual Appeal Refund (Deficit)
 4145 Parish Fundraising Collection

42XX Sacramental Offerings

4201 Baptisms
 4202 Marriage
 4203 Funeral
 4204 Other

43XX Development/Fund-raisers

4301 Scrip Receipts
 4305 Scrip Costs
 4310 Bingo Receipts
 4315 Bingo Games Materials Costs

433X Other Fund Raisers

4320 Social Activities
 4330 Festivals, Auctions, & Raffles Receipts
 4340 Festivals, Auctions, & Raffles Costs
 4350 Parish Organizations
 4380 Parish Drive (not AAA)
 4381 Parish Drive Cost (not AAA)
 4385 Matching Grant Income
 4390 Other Activities and Events

44XX Educational & Sacramental Fees

4401 Baptismal Preparation
 4402 First Communion Preparation Fees
 4403 Confirmation Preparation Fees
 4404 CCD/Religious Education Fees
 4405 RCIA Fees
 4406 Marriage & Family Life Fees
 4407 Youth Ministry Fees
 4408 Community Outreach & Services Fees
 4409 Adult Education Fees
 4410 Preschool Fees
 4411 Senior Program Fees

4412-4490	Other Program Fees
45XX	Gifts, Donations and Grants
4501	Unrestricted Parish/School Gifts & Bequests
4503	Subsidies - Archdiocese
4504	Subsidies - Other Parishes
4505	Government Grants
46XX	Other Operating Income
4610	Chaplain fees
4615	Publications -- Advertising Income
4620	Gifts Shop Sales
4621	Literature and Pamphlet Sales
4622	Votive Candles
4623	Poor Box
4640	Room & Board
4650	Rental Property Income
4655	Facility Rental Income
4656	Facility Rental Services Income
47XX	Non Operating Income
4710	Interest Investment Income Earned on Parish Deposits with banks & other financial institutions
4711	Increase in Beneficial Interest-CASC-Investment Income Earned on Unrestricted Funds in Parish Deposit & Loan Fund
4712	Distribution Beneficial Interest-CASC- Awards from Unrestricted Investment Pool Accounts
4713	Change in Beneficial Interest-CASC-Unrestricted Investment Pool Accounts
4720	Gain [Loss] on Sales of Assets
4725	Insurance Settlements
4730	Other Miscellaneous Revenue
49XX	Donor Restricted Donations
4910	Endowments Received
4911	Donor Restricted Gifts and Bequests
4920	Distribution Beneficial Investment-CASC Endowment Investment Pool Accounts
4921	Change in Beneficial Interest-CASC- Endowment Investment Pool Accounts
4922	Distribution Beneficial Interest-CASC Restricted Investment Pool Accounts
4923	Change in Beneficial Interest-CASC Restricted Investment Pool Accounts.
4924	Increase in Beneficial Interest-CASC Income on Restricted Deposits in Parish Deposit & Loan Fund
4930	Net Assets Released from Restrictions
4940	Net Restricted Assets Used -- Donor Endowment
4950	Net Restricted Assets Used -- Donor Restricted

Expenses

610X	Personnel Costs - Parish
6101	Compensation: Priests
6102	Compensation: Priests (Supply)
6103	Compensation: Religious(non-school)
6104	Compensation: Deacons
6105	Salaries: Lay
62XX	Payroll Taxes Employer
6201	Payroll Taxes - FICA
6202	Payroll Taxes - SUI
6203	Worker's Compensation Expense
63XX	Employee Benefits
6301	Auto Insurance -- Priests
6302	Continuing Education/Training(non-clergy)
6303	Retreat Fee/Continuing Education
6304	Health & Medical Insurance
6305	Life Insurance
6306	Long Term Disability
6307	Accidental Death and Dismemberment
6308	Employee Pension Expense
6309	Housing, Room & Board
6399	Allocated Payroll & Benefits
64XX	Transportation & Travel
6410	Transportation -- Air/Rail/Bus
6420	Transportation -- Auto Rental
6430	Mileage Reimbursement
6440	Conferences & Conventions
6450	Food and Lodging
6460	Other Travel Related Costs
70XX	Educational Expenses
7010-7019	Textbooks
7020-7029	Instructional Materials
7030-7039	Equipment Expense
7040-7049	Multimedia and Library Books & Expenses
7050-7059	Fees
7060-7069	Archdiocesan Fees
7070-7079	Training Expense
7080-7099	Other
72XX	Property Costs
7201	Property Management Fees
7210	Janitorial
7215	Landscape
7220	Building Rent
7230	Maintenance & Repairs
7235	Property Taxes

7240	Security
7290	Other Property Costs
73XX	Utilities
7310	Refuse
7320	Heating
7330	Light & Power
7340	Water & Sewer
7350	Telephone
7360	Other
74XX	Furniture, Fixtures and Equipment
7410	Furniture, Fixtures and Equipment
7415	Rentals
7420	Depreciation -- Furniture, Fixtures and Equipment
7425	Depreciation -- Vehicles
7430	Maintenance Contracts -- Furniture, Fixtures and Equipment
7431	Repairs -- Furniture, Fixtures and Equipment
7435	Maintenance & Repair -- Vehicles
7450	Other Vehicle Costs
75XX	General & Administrative
7510	Postage
752X	Printing and Publications
7521	Parish/School Directory
7522	Bulletin
7525	Duplicating
7530	Outside Accounting Purchased Services
7540	Legal Services
7545	Armored Services
7550	Payroll Processing Services
7560	Outside Professional Purchased Services
7570	Subscriptions & Periodicals
7580	Supplies
7585	Office Supplies
7586	Other Supplies
7595	Interest Expense
7596	Bank Charges
7599	Other G&A Expenses
76XX	Other Operating Expenses
7605	Public Relations
7610	Dues
7614	Insurance Premium -- General Liability / Property
7616	Insurance Premium -- Vehicles
7617	Insurance Premium -- Student Accident
7618	Insurance Losses -- Not Covered by Policies
7620	Laundry and Dry Cleaning
7625	Worship Supplies

7630	Offertory Envelopes
7635	Book Rack
7636	Gift Shop Cost
7640	Votive Candles
7650	Entertainment/Appreciation
7700	Bad Debt
80XX	Other Expenses
8003	Chaplain Fees
8020	Property Transfer
8021	Parish Facility Rental Expenses
8022	Other Rental Property Expense
90XX	Subsidies
9003	School Subsidies
9004	Out of Parish School Subsidies
9005	Subsidies to others

Master Chart of Accounts School only

Assets

10XX Cash & Cash Equivalents

1010-1029	Checking Account
1030	Payroll Account
1040	Savings/Money Market Accounts
1060	Petty Cash
1090	CASC Deposit/Loan Fund -School

12XX Receivables

1210	Accounts Receivable
1220	Tuition/Fees Receivable
1240	Provision for Bad Debt

1250 Accounts Receivable-Inter/Intra Company

1251	Accounts Receivable-Archdiocese
1252	Accounts Receivable-CASC
1253	Accounts Receivable-RPSC

13XX Other Assets

1310	Prepaid Expenses
------	------------------

14XX Inventory

1410-1419	Scrip Inventory
1420-1429	Bingo Inventory
1430-1449	Other Revenue Inventory Items
1499	<i>Undeposited Funds (to be used with Quickbooks system only)</i>

15XX Investments

151X Investment Pool

1510-1529	Beneficial Interest in CASC's Investment Pool - Unrestricted/Parish Designated
1530-1549	Beneficial Interest in CASC's Investment Pool -Donor Restricted
1550-1569	Beneficial Interest in CASC's Investment Pool- Endowed
1590	Other Investments*

** These are temporary accounts to be used only until funds are deposited in the CASC Deposit Fund or Investment Pool.*

16XX Land, Buildings and Equipment

1620-1629	School Furniture, Fixtures, and Equipment
1650-1659	School Vehicles

169X Accumulated Depreciation

1692	Accum. Depreciation -- School Furn., Fixtures, and Equip.
1696	Accum. Depreciation -- School Vehicles

Liabilities

21XX	Accounts Payable
2110	Accounts Payable- Archdiocese
2111	Accounts Payable-CASC
2112	Accounts Payable-RPSC
2120	Accounts Payable - Trade
2140	Accounts Payable - Other
22XX	Accrued Payroll & Withholding
2201	Accrued Payroll
2202	Accrued Pension
2203	Accrued Employer Payroll Tax
2204	Accrued Employee Medical Insurance
23XX	Exchange Account
2310	Exchange Account
26XX-28XX	Funds Held For Others
2640	School Organizations
28XX	Deferred Revenue
2810	School Tuition
2811	School Fees
2900	Reduction in Beneficial Interest CASC-Awards Payable

Net Assets

3XXX	Net Assets
3000	Begin Yr. Equity Bal (<i>to be used with Quickbooks system only</i>)
3010	Unrestricted
3050	Donor Restricted Assets
3070	Donor Endowment Assets
3901	Current Yr. Equity Changes (<i>to be used with Quickbooks system only</i>)

Revenues

43XX Development/Fund-raisers

- 4301 Scrip Receipts
- 4305 Scrip Costs
- 4310 Bingo Receipts
- 4315 Bingo Games Materials Costs

433X Other Fund Raisers

- 4320 Social Activities
- 4330 Festivals, Auctions, & Raffles Receipts
- 4340 Festivals, Auctions, & Raffles Costs
- 4370 School Organizations
- 4380 Parish Drive (not AAA)
- 4381 Parish Drive Cost (not AAA)
- 4385 Matching Grant Income
- 4390 Other Activities and Events

44XX Educational & Sacramental Fees

- 4402 First Communion Preparation Fees
- 4403 Confirmation Preparation Fees
- 4410 Preschool Fees
- 4411 Senior Program Fees
- 4412-4490 Other Program Fees

45XX Gifts, Donations and Grants

- 4501 Unrestricted Parish/School Gifts & Bequests
- 4503 Subsidies - Archdiocese
- 4504 Subsidies - Other Parishes
- 4505 Government Grants

46XX Other Operating Income

- 4615 Publications -- Advertising Income
- 4650 Rental Property Income
- 4655 Facility Rental Income
- 4656 Facility Rental Services Income
- 4660 Income from Student Services

47XX Non Operating Income

- 4710 Interest Investment Income Earned on Parish Deposits with banks & other Financial Institutions
- 4711 Increase in Beneficial Interest-CASC-Investment Income Earned on Unrestricted Deposits in D & L Fund
- 4712 Distribution Beneficial Interest-CASC-Awards from Unrestricted Investment Pool Accounts
- 4713 Change in Beneficial Interest-CASC- Unrestricted Investment Pool Accounts
- 4720 Gain [Loss] on Sales of Assets
- 4725 Insurance Settlements

4730	Other Miscellaneous Revenue
48XX	School Income
4810	Basic Tuition
482X	Tuition Assistance
4821	Archdiocesan Scholarship & Family Grant
4822	B.A.S.I.C Fund Grant
4823	Making Waves
4824	Knights of Columbus
4825	Guardsmen
4826-4829	Other Program Assistance
485X	Fees
4851	Registration
4852	Extended Care
4853	Student Activities
4854	Outdoor Activities
4855	Graduation
4856-4859	Other
488X	School Subsidies
4881	Home Parish
4882	Out of Parish Tuition Subsidy
4883	Archdiocesan
4884-4889	Other
49XX	Donor Restricted Donations
4910	Endowments Received
4911	Donor Restricted Gifts and Bequests
4920	Distribution Beneficial Interest-CASC Endowment Investment Pool Accounts
4921	Change in Beneficial Interest-CASC Endowment Investment Pool Accounts
4922	Distribution Beneficial Interest-CASC Restricted Investment Pool Accounts
4923	Change in Beneficial Interest-CASC Restricted Investment Pool Accounts.
4924	Increase in Beneficial Interest-CASC Income on Restricted Deposits in Parish Deposit & Loan Fund
4930	Net Assets Released from Restrictions
4940	Net Restricted Assets Used -- Donor Endowment
4950	Net Restricted Assets Used -- Donor Restricted Expenses

Expenses

615X	Personnel Cost - School
6152	Salaries: Certified Staff (Teachers, Principal, Vice Principal)
6153	Salaries: Substitute Teachers
6154	Salaries: Teacher's Aides
6155	Salaries: Professional Staff Non-Teachers

6156	Salaries: Support Staff
6157	Salaries: Maintenance Staff
62XX	Payroll Taxes Employer
6201	Payroll Taxes - FICA
6202	Payroll Taxes - SUI
6203	Worker's Compensation Expense
63XX	Employee Benefits
6301	Auto Insurance -- Priests
6302	Continuing Education/Training(non-clergy)
6303	Retreat Fee/Continuing Education
6304	Health & Medical Insurance
6305	Life Insurance
6306	Long Term Disability
6307	Accidental Death and Dismemberment
6308	Employee Pension Expense
6309	Housing, Room & Board
6399	Allocated Payroll & Benefits
64XX	Transportation & Travel
6410	Transportation -- Air/Rail/Bus
6420	Transportation -- Auto Rental
6430	Mileage Reimbursement
6440	Conferences & Conventions
6450	Food and Lodging
6460	Other Travel Related Costs
70XX	Educational Expenses
7010-7019	Textbooks
7020-7029	Instructional Materials
7030-7039	Equipment Expense
7040-7049	Multimedia and Library Books & Expenses
7050-7059	Fees
7060-7069	Archdiocesan Fees
7070-7079	Training Expense
7080-7099	Other
71XX	Student Activities & Services
7110-7119	Food Service
7120-7129	Extended Care
7130-7139	Student Activities
7140-7149	Student Services
72XX	Property Costs
7201	Property Management Fees
7210	Janitorial
7215	Landscape
7220	Building Rent
7230	Maintenance & Repairs
7235	Property Taxes

7240	Security
7290	Other Property Costs
73XX	Utilities
7310	Refuse
7320	Heating
7330	Light & Power
7340	Water & Sewer
7350	Telephone
7360	Other
74XX	Furniture, Fixtures and Equipment
7410	Furniture, Fixtures and Equipment
7415	Rentals
7420	Depreciation -- Furniture, Fixtures and Equipment
7425	Depreciation -- Vehicles
7430	Maintenance Contracts -- Furniture, Fixtures and Equipment
7431	Repairs -- Furniture, Fixtures and Equipment
7435	Maintenance & Repair -- Vehicles
7450	Other Vehicle Costs
75XX	General & Administrative
7510	Postage
752X	Printing and Publications
7521	Directory
7522	Bulletin
7525	Duplicating
7530	Outside Accounting Purchased Services
7540	Legal Services
7545	Armored Services
7550	Payroll Processing Services
7560	Outside Professional Purchased Services
7570	Subscriptions & Periodicals
7580	Supplies
7585	Office Supplies
7586	Other Supplies
7595	Interest Expense
7596	Bank Charges
7599	Other G&A Expenses
76XX	Other Operating Expenses
7605	Public Relations
7610	Dues
7614	Insurance Premium -- General Liability / Property
7616	Insurance Premium -- Vehicles
7617	Insurance Premium -- Student Accident
7618	Insurance Losses -- Not Covered by Policies
7620	Laundry and Dry Cleaning
7650	Entertainment/Appreciation

7700	Bad Debt
80XX	Other Expenses
8022	Other Rental Property Expense

Chart of Accounts Description (including sample entries)

ASSETS

10XX CASH & CASH EQUIVALENTS

1010 Operating Checking Accounts

All checking accounts are be listed here in sequential order starting with 1010. All funds (including parish/school organizations) that are for general operating transactions should be recorded in these accounts. For each bank account, a separate account (from the general ledger chart of accounts) should be used.

1030 Payroll Checking

All checking accounts relating to parish/school payroll. This account will not be needed when parish/school is on Coordinated Payroll.

1040 Savings and Money Market Accounts

Funds deposited in a bank or savings and loan in regular interest-bearing accounts for current operating purposes. This includes funds deposited in Money Market Accounts.

1050 Special Purpose Checking Accounts

Use these accounts if funds are deposited for a special operating purpose and are to be used within one year.

1060 Petty Cash

Cash funds, currency and coin, kept on hand for minor expenses.

1080 Beneficial Interest -Deposits in CASC's D&L Fund -Parish

The investment of parish funds, both restricted and unrestricted in use, which are deposited in the Capital Asset Support Corporation's (CASC) Deposit and Loan Fund.

1090 Beneficial Interest -Deposits in CASC's D&L Fund School.

The investment of school funds, both restricted and unrestricted in use, which are deposited in the -Capital Assets Support Corporation's (CASC) Deposit and Loan Fund.

12XX RECEIVABLES

1210 Accounts Receivable

Amounts owed by outside parties. This account includes amounts due from other funds within the parish, r other Catholic organizations (except the Chancery, CASC, RPSC (see accounts 125X below).

1220 Tuition/Fees Receivable

Amounts owed to the school for tuition/fees for educational programs at time billed. A detailed record for each outstanding receivable must be maintained to support the balance in this account, showing by individual each bill and offsetting payments. Below are examples of the journal entries necessary to enter a tuition receivable for a current fiscal school year and one for a future fiscal school year.

In this example a new student begins attending the school at mid-year (December). The school sends a notice to the new student's family on November 15th to inform them of pro-rated tuition due for the school year.

	Debit	1220	Tuition/Fees Receivable	1,500	
	Credit	4810	Basic Tuition	1,500	

The new family sends tuition money to the school in late December paying for the remainder of the school year.

Debit 1010	Operating Checking Account	1,500
Credit 1220	Tuition/Fees Receivable	1,500

In this second example the school sends notices to families by May 31 of tuition due for the following school year. Because the fiscal year ends on June 30th, the tuition money is to be used for a future fiscal year.

Debit 1220	Tuition/Fees Receivable	20,000
Credit 2810	Deferred Revenue -- School Tuition	20,000

NOTE: See Account 2810 for explanation of recording Tuition/Fees Revenue

A family sends tuition money to the school in June to be used for the following school year. To record revenue in the proper fiscal year, see account 2810.

Debit 1010	Operating Checking Account	2,000
Credit 1220	Tuition/Fees Receivable	2,000

1240 Provision for Bad Debts

A provision for estimated uncollectable receivables. Below is an example of the journal entries necessary to record a provision for bad debts.

In the first example a provision for bad debts is established because the parish/school feels tuition of \$1,000 will not be collected but they continue collection efforts

Debit 7645	Bad Debts	1,000
Credit 1240	Provision for Bad Debts	1,000

Provision for bad debts is a “contra” asset account that stays on the Balance Sheet until such time as the school determines the receivable(s) is uncollectable, and all future collection efforts are useless, then an entry is made to permanently write off the Bad Debt.

Debit 1240	Provision for Bad Debts	1,000
Credit 1220	Tuition/Fees Receivable	1,000

125X Accounts Receivable-Inter/Intra Company

1251 Accounts Receivable-Archdiocese

Amounts owed by the Archdiocese Central Administrative Office (Chancery)

1252 Accounts Receivable-Capital Asset Support Corporation(CASC)

Amounts owed by the Capital Asset Support Corporation.

1253 Accounts Receivable-Real Property Support Corporation(RPSC)

Amounts owed by the Real Property Support Corporation.

13XX OTHER ASSETS

1310 Prepaid Expenses

All expenditures for goods and services (such as workers’ compensation insurance) paid in current fiscal year that are for a succeeding fiscal year. Prepaid expenses are assets because a service or product is “owed” to the parish/school until the service is provided. Below is an example of the journal entries necessary to enter a prepaid expense in the current fiscal year.

In this example the prepaid expense will be for annual workers' compensation, but because a portion of the expense is for a future fiscal year, the accounts affected will be cash and prepaid expense.

Debit 6203	Workers' Comp Expense(Jan.-Jun.portion)	5,000
Debit 1310	Prepaid Expenses(July-Dec.portion)	5,000
Credit 1010	Operating Checking Account	10,000

In the succeeding fiscal year, the prepaid expense is recognized as an expense even though the bill was paid in an earlier fiscal year.

Debit 6203	Workers' Comp Expense(Jul.-Dec.portion)	5,000
Credit 1310	Prepaid Expenses	5,000

14XX INVENTORY

1410- Scrip Inventory

A physical count of all scrip should be made at end of fiscal year at cost of items is recorded in this account. Below is an example of the journal entries necessary to record purchases of scrip as well as an end of year entry to adjust scrip inventory.

In this example scrip is purchased for fund-raising purposes during fiscal year #1.

Debit 4305	Scrip Costs	3,000
Credit 1010	Operating Checking Account	3,000

At the end of the fiscal year #1 an inventory is taken of scrip. Based on historical per unit purchase prices from earlier in the fiscal year, it is determined the scrip on hand has a value of \$1,000. The accounting records indicate there was no Scrip Inventory at the beginning of the fiscal year. An entry is made to Scrip Inventory and reduce Scrip Purchases.

Debit 1410	Scrip Inventory	1,000
Credit 4305	Scrip Costs	1,000

In the first month of fiscal year #2, a reversing entry is made to "empty" the inventory account and increase the expense account.

Debit 4305	Scrip Costs	1,000
Credit 1410	Scrip Inventory	1,000

During fiscal year #2 Scrip is purchased for fund-raising purposes.

Debit 4305	Scrip Costs	7,000
Credit 1010	Operating Checking Account	7,000

At the end of fiscal year #2 an inventory is taken of scrip once again. Based on historical per unit purchase prices from earlier in the fiscal year, it is determined the scrip on hand has a value of \$5,000.

Debit 1410	Scrip Inventory	5,000
Credit 4305	Scrip Costs	5,000

1420-29 Bingo Inventory

A physical count of bingo strips, etc. (inclusive of anything with a cash prize value) on hand should be made at the end of the fiscal year and cost of items is to be recorded in this account. Below is an example of the journal entries necessary to record purchases of bingo game materials as well as an end of year entry to adjust bingo game materials inventory.

In this example bingo game materials are purchased for fund-raising purposes.

Debit 4315	Bingo Game Materials Costs	1,500
------------	----------------------------	-------

Credit 1010 Operating Checking Account 1,500

At the end of the fiscal year #1 an inventory is taken of bingo game materials. Based on historical per unit purchase prices from earlier in the fiscal year, it is determined the bingo inventory on hand has a value of \$1,000. The accounting records indicate there was no Bingo Inventory at the beginning of the fiscal year. An entry is made to increase Bingo Inventory and reduce Bingo Game Materials.

Debit 1420 Bingo Inventory 1,000
 Credit 4315 Bingo Game Materials Costs 1,000

In the first month of fiscal year #2, a reversing entry is made to “empty” the inventory account and increase the expense account.

Debit 4315 Bingo Game Materials Costs 1,000
 Credit 1420 Bingo Inventory 1,000

During fiscal year #2 bingo is purchased for fund-raising purposes.

Debit 4315 Bingo Game Materials Costs 7,000
 Credit 1010 Operating Checking Account 7,000

At the end of fiscal year #2 an inventory is taken of bingo game materials once again. Based on historical per unit purchase prices from earlier in the fiscal year, it is determined the bingo inventory on hand has a value of \$5,000.

Debit 1420 Bingo Inventory 5,000
 Credit 4315 Bingo Game Materials Costs 5,000

1430-49 Other Revenue Inventory Items

Any operating or revenue generating items on hand at the end of the fiscal year with a unit or group value of greater than \$500.(e.g. Gift Shop Inventory)

1499 Undeposited Funds

This account is used by the Quickbooks system to record all receipts. When deposits are made this account is credited and the appropriate bank account debited. For further information refer to the Quickbooks user manual.

15XX INVESTMENTS-BENEFICIAL INTEREST AND OTHER INVESTMENTS

1510-29 Beneficial Interest in CASC- Investment Pool – Unrestricted/ Parish Designated

Record all deposits of unrestricted funds, which were made to/from the Capital Asset Support Corporation’s (CASC) Investment Pool (see policy section for further definition). If desired separate accounts can be used for each account in the Archdiocesan Investment Pool.

Below is an example of the journal entries necessary to record 1) the receipt of an unrestricted gift and the transfer of that money into the Investment Pool, 2) a withdrawal of money from the investment pool

In the first example a donor makes an unrestricted charitable contribution of \$20,000 that the parish transfers to the CASC Investment Pool. When the parish initially receives the gift, they would deposit it into their checking account.

Debit 1010 Operating Checking Account. 20,000
 Credit 4501 Unrestricted Parish/School Gifts & Beq. 20,000

At the end of the quarter, the Parish writes a check to the –CASC to transfer the money into the Investment Pool Account.

Debit	1510	Beneficial Interest in CASC- Inv. Pool -- Unrestr.	20,000	
	Credit	1010	Operating Checking Account	20,000

In the second example the parish receives \$5,000 from the Investment Pool account. When the check for the withdrawal is received from the CASC it would be deposited into the checking account and recorded as follows:

Debit	1010	Operating Checking Account	5,000	
	Credit	1510	Beneficial Interest in CASC-Inv. Pool -- Unrestr.	5,000

1530-49 Beneficial Interest in CASC’s Investment Pool -- Donor Restricted

Record funds that have been donated to parish/school for a specific purpose which were transferred to the Capital Asset Support Corporation’s (CASC) Investment Pool (see policy section for further definition).

Below is an example of the journal entries necessary to record 1) the receipt of a donor restricted gift and the transfer of that money into the Investment Pool, and 2) an award of money from the CASC.

In this example an estate makes an restricted donation of \$100,000 that the parish transfers to the Capital Asset Support Corporation’s(CASC) Investment Pool. When the parish initially receives the gift, they would deposit it into their checking account.

Debit	1010	Operating Checking Account.	100,000	
	Credit	4911	Donor Restr Gifts Received	100,000

At the end of the quarter, the Parish writes a check to the CASC to transfer the money into the Investment Pool Account.

Debit	1530	Beneficial Interest in CASC-Inv. Pool -- Donor Restr.	100,000	
	Credit	1010	Operating Checking Account	100,000

In the second example the parish requests an award of \$10,000 from the Investment Pool account to be used for its restricted purpose. When the check is received from the CASC, it would be deposited into the checking account and recorded as follows:

Debit	1010	Operating Checking Account	10,000	
	Credit	1530	Beneficial Interest in CASC-. Inv. Pool – Donor Restr.	10,000

1550-1569 Beneficial Interest in CASC- Investment Pool-Endowed Funds

Record funds that have been donated to parish/school for a specific Archdiocesan approved endowment which were transferred to the CASC-Investment Pool (see policy section for further definition and procedure for approval of an endowment).

Below is an example of the journal entries necessary to record 1) the receipt of an endowed and the transfer of that money into the Investment Pool, and 2) an award of money from the CASC

In this example an estate makes an endowed donation of \$100,000 that the parish transfers to the Capital Asset Support Corporation’s(CASC) Investment Pool. When the parish initially receives the gift, they would deposit it into their checking account.

Debit	1010	Operating Checking Account.	100,000	
	Credit	4910	Endowed Gifts Received	100,000

At the end of the quarter, the Parish writes a check to the CASC to transfer the money into the Investment Pool Account.

Debit	1550	Beneficial Interest in CASC-Inv. Pool –Endowed	.100,000
Credit	1010	Operating Checking Account	100,000

In the second example the parish requests an award of \$10,000 from the CASC to be used for its restricted purpose. When the check is received from the CASC, it would be deposited into the checking account and recorded as follows:

Debit	1010	Operating Checking Account	10,000
Credit	1550	Beneficial Interest in CASC-. Inv. Pool –Endowed	10,000

1590 Investment with Others

The market value of all gifts /donations on deposit with outside investment organizations or on hand at parish/school until the gifts/donations can be liquidated and deposited in an Archdiocesan Fund or Investment Pool.

NOTE: No stock certificates, bonds, cash or other negotiable instruments are to be in outside investment organizations over 6 months from date received.

16XX LAND, BUILDINGS AND EQUIPMENT (Refer to Fixed Asset Accounting Procedure Section for more detail)

1601 Construction in Progress (CIP)

Record all costs both hard and soft cost for construction projects in progress but not completed.

1620-29 Parish/School Furniture, Fixtures & Equipment (FF&E)

Equipment (either specific items or group of item such as computers purchased at one time only) valued in excess of \$50,000 and expected to last longer than 5 years is considered a fixed asset. When purchased it is recorded in these accounts. Equipment valued less than \$50,000 is recorded in an appropriate expense account, such as Furniture/Equipment (see account 7410) or Office Supplies (see account 7585). Note: It is not necessary at this time to go back to record prior year purchases. Only record new purchases.

1650-59 Parish/School Vehicles

These accounts include the cost of buses, autos, and all automotive equipment requiring state license plates which are used primarily for parish and/or school use.

169X Accumulated Depreciation

1692 Accumulated Depreciation -- Parish/School Furniture, Fixtures & Equipment

An allocation of a portion of the cost of carrying parish/school furniture, fixtures and equipment that represents the reduction in value over their useful lives. See account 1690 for an example of the entries necessary to record accumulated depreciation.

1696 Accumulated Depreciation -- Parish/School Vehicles

An allocation of a portion of the cost of carrying parish/school vehicles that represents the reduction in value over their useful lives. See account 1690 for an example of the entries necessary to record accumulated depreciation.

LIABILITIES

21XX ACCOUNTS PAYABLE

2110 Accounts Payable to the Archdiocese

Amounts owed to the Archdiocese for (e.g., general liability insurance) or services rendered. Usually this account will be used only at Year-End to reflect all unpaid bills from the Archdiocese at June 30th, which were for the fiscal year just ended. Below is an example of the journal entries necessary to enter a payable to the Archdiocese for employee health insurance billed for June which is paid in July.

In this example the Archdiocese takes out a policy for all parishes and schools and pays the premium to the insurance company on behalf of the parish and school. In turn, each parish and school is billed by the Archdiocese for its portion of the premium in June.

*Debit 7614 Insurance Premium -- General Liability 50,000
Credit 2110 Accounts Payable to the Archdiocese 50,000*

The following journal entry represents the actual payment to the Archdiocese made in July.

*Debit 2110 Accounts Payable to the Archdiocese 50,000
Credit 1010 Operating Checking Account 50,000*

2111 Accounts Payable to the CASC (Capital Asset Support Corporation)

Record any amounts owed to the CASC. This does not include planned deposits. See Account 2900.

2112 Accounts Payable to the RPSC (Real Property Support Corporation)

Record any amounts owed to the RPSC. This does not include transfers of property.

2120 Accounts Payable -- Trade

Amounts owed to outside vendors for supplies, goods, or materials purchased or services rendered. Usually this account will only be used at Year-End to reflect all unpaid bills at June 30th which were for the fiscal year just ended.

2140 Accounts Payable--Other

Any other unpaid, non-payroll, items not identified above.

22XX ACCRUED PAYROLL AND WITHHOLDINGS

2201 Accrued Payroll

Gross salaries and wages earned which have not been paid as of the end of an accounting period. This account is usually used only at the end of the fiscal year.

Below is an example of the journal entries necessary to enter an Accrued Payroll at the end of the fiscal year.

In this example the parish must record payroll for the final pay period of the fiscal year. The parish employees who have worked the final two weeks of the last month of the fiscal year are "owed" compensation. This is called accrued payroll and an entry must be made at the end of every fiscal year.

*Debit 6105 Salaries-Lay 6,000
Debit 6201 Salaries-FICA 700
Debit 6202 Salaries-SUI 300
Credit 2201 Accrued Payroll 6,000
2203 Accrued Payroll Tax 1,000*

2202 Accrued Pension

This records one half of estimated annual pension fees in this account at fiscal year end. Because the Archdiocesan employee pension plan contribution is paid annually on December 31st for the January - December period, at June 30 the parish owes for the current fiscal year one half (1/2) of the pension period (January - June). Below is an example of the journal entries necessary to record Accrued Pension.

In this example a parish is preparing to close its accounting records for fiscal year end on June 30th. The pension plan payment is not due until December 31st, however the parish has incurred 6 months of expense. The parish should recognize the 6 months of pension expense as follows:

Debit	6309	Employee Pension(Jan.-Jun. Portion)	15,000
		Credit	2202
		Accrued Pension	15,000

On December 31 the parish makes the annual pension plan contribution. The expense for the January through June was recognized on June 30th. The parish must recognize expenses for July through December. When the parish makes its contribution it does so as follows:

Debit	6309	Employee Pension(July-Dec.Portion)	15,000
Credit	2202	Accrued Pension(Jan.-Jun. Portion)	15,000
	Credit	1010	Operating Checking Account
			30,000

2203 Accrued Employer Payroll Tax

Any unpaid employer payroll tax relating to accrued payroll is recorded here.

2204 Accrued Employee Medical Insurance

Medical Insurance payments owed by employer for employee coverage and also deducted from the employee's payroll spouse/family coverage can remain in the account until the actual premium is remitted.

23XX EXCHANGE ACCOUNT

2310 Exchange Account

This is an accommodation clearing account to be charged or credited for receipts or disbursements which the parish/school will eventually reimburse or be reimbursed by another party. Use of this account is not intended to impact the Parish/School Income Statement. Funds received which are merely exchanged or accommodated through the parish bank account, typically cash for Annual Archdiocesan Appeal, fees to the Tribunal,, etc. Below is an example of the journal entries necessary to enter a transaction impacting the Exchange account.

In this example funds are collected from parishioners for the Archdiocese . These funds are not considered revenue. They are a liability because the parish must pass the money on to the Archdiocese. This liability is differentiated from the account Funds Held for Others (2600 account series).

Debit	1010	Operating Checking Account	450
	Credit	2310	Exchange Account
			450

When the collected funds are turned over to the Archdiocese, the following journal entry is made. Notice that only the Balance Sheet accounts are effected by these two journal entries.

Debit	2310	Exchange Account	450
	Credit	1010	Operating Checking Account
			450

26XX-28XX FUNDS HELD FOR OTHERS

2620 Parish School

Funds held for the parish school in a parish bank account. These funds are earmarked for the school but were received by the parish, other than collections from parishioners. This account is to be used only by the parish. Examples: (e.g. Bequests, gifts)

2630 Parish Organizations

Funds held for parish organizations. This account will show various funds which were raised by parish organizations for a specific purpose and were not included in the parish statement of revenues and expenses. Below is an example of the journal entries necessary to enter a transaction impacting the account Funds Held for Others -- Women's Guild.

In this example a Women's Guild has several fund-raisers during the current fiscal year. Before the end of fiscal year, the Women's Guild has \$12,000 in their bank account. They transfer \$10,000 to the parish to be used for general operating purposes and retain \$2,000 for seed money for the following year. The second entry is required to record the Women's Guild bank account on the books of the parish at least at the end of the fiscal year. An example of the entries appear below:

Debit	1010	Operating Checking Account	10,000	
		Credit	4340	Parish Organization
				10,000

Debit	1010	Operating Checking Account	2,000	
		Credit	2630	Funds Held for Parish Organizations
				2,000

2640 Parish /School Organizations

Funds held for parish school organizations such as Parent-Teacher Groups. This account will show various funds which were raised by various Parent-Teacher groups for a specific purpose and were not included in the parish and school statement of revenues and expenses.

2700 Special Collections -- Archdiocesan/National Collection Funds

Amounts received in special collections for the Archdiocese or national/local organizations. Funds are recorded in these liability accounts when received - then removed from these accounts when funds are remitted to the Archdiocese or agency.

- 2701 Bishops' Overseas Relief (Catholic Relief Service)
- 2702 Black Catholics/Latin America
- 2703 Campaign for Human Development
- 2704 Catholic Charities
- 2705 Catholic University
- 2706 Communications
- 2707 Holy Father
- 2708 Holy Land
- 2709 Mission Co-op
- 2710 Operation Rice Bowl
- 2711 Priests Retirement
- 2712 Religious Retirement Fund
- 2713 World Mission (Society for the Propagation of the Faith)

28XX DEFERRED REVENUE

2810 School Tuition

All tuition received in advance of the fiscal (school) year. Program and Sub-Grouping codes may be used to account for tuition ear-marked for specific purposes, e.g., Kindergarten, Middle School, etc. Below is an example of the journal entries necessary to record deferred revenue for school tuition.

In this example, the school receives tuition money by May for the following school year. Because the fiscal year ends on June 30th, the tuition money is to be used for a future year even though the school year begins in the same calendar year. (First, a notice is sent to families informing them how much tuition will be for the coming school year. This entry may or may not be initiated with an entry to tuition receivable. See account 1220 for an example of that entry.)

Debit	1010	Operating Checking Account	20,000	
	Credit	2810	Deferred Revenue -- School Tuition	20,000

On July 1st a new fiscal year begins. The balance of deferred revenue -- school tuition may now be applied to school tuition for the current year. The entry may be done at any time after July 1. The account names look the same but one is a liability (2810) and the other is a revenue (4810). A liability means the money received is "owed" to a future fiscal year and the revenue means the money received is to be used in a current fiscal year.

Debit	2810	Deferred Revenue -- School Tuition	20,000	
	Credit	4810	School Tuition	20,000

2811 School Fees

All charges received in advance of school year for non-educational services such as registration, student activities, etc. Below is an example of the journal entries necessary to record deferred revenue for school fees.

In this example, the school receives registration fees by May for the following school year. Because the fiscal year ends on June 30th, the registration fees are to be used for a future year even though the school year begins in the same calendar year. (First, a notice is sent to families informing them how much registration fees will be for the coming school year. This entry may or may not be initiated with an entry to fees receivable. See account 1230 for an example of that entry.)

Debit	1010	Operating Checking Account	100	
	Credit	2811	Deferred Revenue -- School Fees	100

On July 1st a new fiscal year begins. The balance of deferred revenue -- school registration fees may now be applied to school fees for the current year. The entry may be done at any time after July 1. The account names look the same but one is a liability (2811) and the other is a revenue (4851). A liability means the money received is "owed" to a future fiscal year and the revenue means the money received is to be used in a current fiscal year.

Debit	2811	Deferred Revenue -- School Fees	100	
	Credit	4851	School Registration Fees	100

2900 Reduction in Beneficial Interest in CASC-- Awards Payable

Amounts planned to be redeposited in the CASC's Deposit & Loan Fund. When funds are awarded to a parish with the stipulation that they will be repaid to the CASC, it is necessary that the parish/school record the awarded amount so their records agree with CASC's records. Repayment of these awards principal

only, is recorded in this account. Agreed Interest incurred is recorded at expense account 7595. Below is an example of the journal entries necessary to enter a award to the CASC Deposit & Loan Fund.

In this example the parish is awarded money from the CASC Deposit & Loan Fund to repair a roof on a facility.

Debit	1010	Operating Checking Account	100,000
	Credit	2900	-Reduction in Beneficial Interest in CASC -- Award(s) Pay.
			100,000

The following journal entry represents spending the money to repair the roof.

Debit	7230	Maintenance & Repairs	100,000
	Credit	1010	Operating Checking Account
			100,000

The following journal entry represents a partial re-payment to the CASC Parish Deposit & Loan Fund. In this example the parish is recording the first year's payments of principal plus interest).

Debit	2900	Reduction in Beneficial Interest in CASC	31,508
Debit	7595	Interest Expense	4,727
	Credit	1010	Operating Checking Account
			36,235

NET ASSETS

3XXX NET ASSETS

3000 Beginning Year Equity Balance

This is a system generated account to be used with Quickbooks only

3010 Unrestricted

The historical cumulative excess of revenue over expense in the accounting records of the fund from the beginning of the parish record keeping through the end of the last accounting month. (This term is synonymous with "equity" in accounting terms). Every fiscal year ends with a series of closing entries. These entries should result in zeroing out the revenue and expense accounts. The offsetting entry goes to Net Assets (3XXX). Below is an example of the journal entries necessary to record year end closing.

In this example a parish has the following account balances at the end of its fiscal year. (Revenue and Expense are abbreviated for the example.)

Note for Quickbooks users this entry is automatically done but it is closed to account 3901. See Quickbooks closing procedures at the end of this section for procedure to close the books.

Year	Account Number	Account Name	Balance
1	4110	Sunday Collections	100,000
1	4501	Unrestr. Gifts & Bequests	15,000
1	4710	Investment Income Earned	<u>15,000</u>
		Total Revenue	130,000
1	6101	Compensation: Priests	25,000

1	6105	Salaries: Lay	60,000
1	7590	Telephone	5,000
1	7614	Insurance Premium -- General Liability	<u>5,000</u>
		Total Expenses	95,000

Excess of Income Over Expenses 35,000

For the fiscal year this parish has an excess of income over expenses of \$35,000 (Total Revenue minus Total Expenses). At the beginning of the next fiscal year all revenue and expense accounts must be reset to zero. A closing entry will be made to reverse all revenue (debit entry) and expense (credit entry) accounts and increase Net Assets (credit entry).

Debit	4110	Sunday Collections	100,000
Debit	4501	Unrestr. Gifts & Bequests	15,000
Debit	4710	Investment Income Earned	15,000
Credit	6101	Compensation: Priests	60,000
Credit	6105	Salaries: Lay	25,000
Credit	7590	Telephone	5,000
Credit	7614	Insurance Premium -- General Liability	5,000
Credit	3010	Net Assets -- Unrestricted	35,000

3050 Donor Restricted

Donations, gifts, bequests (amount received in accordance with the terms of a will) and their respective investment income [loss] which are intended for a specified, defined or intended by donor to be used for a special or unique purpose. A separate account number is to be set up for each unique restriction. The parish should set up one master account for "small donor restricted gifts," but keep a detailed record of these receipts and their designated purpose. Unrestricted or designated gifts should be separately identifiable from donor restricted gifts and are part of Unrestricted Net Assets (A/C 3010)

3070 Donor Endowment

Income specified, defined or intended by donor of this contribution, to be used for a special or unique purpose. While this sounds a lot like Restricted funds, there is a major difference: with endowments, the original sum, or principal, is designated to remain wholly intact, and only the income from these investments can be used for the specified purpose. A separate account is to be set up for each type.

3901 Current Year Equity

This is a system generated account to be used with Quickbooks only. Quickbooks users must follow the Quickbooks closing procedures at the end of this section in order to properly allocate the net assets to the Unrestricted, Donor restricted and Donor Endowment accounts.

REVENUES

41XX COLLECTIONS

Funds received from parishioners and others for which no repayment, special service or special purpose is specified by the contributor. Funds received from parishioners through envelopes, checks and cash for general parish support.

4110 Sunday Collections

Funds received through normal Sunday collections which have not been designated to a specific service, scheduled special collection or special purpose.

4115 Christmas

Funds received during normal Christmas collection.

4120 Easter

Funds received during normal Easter collection.

4125 Other Holy Days

Funds received during normal Holy Day collections.

4130 School Collections

Funds received either through Sunday collections which were either published or designated for school support. Below is an example of the journal entries necessary to record school collections -- from the perspective of the parish accounting records. After this example is another set of journal entries which shows how to record the "subsidy" in the school accounting records.

In this example, the parish receives collections earmarked for school support.

<i>Debit</i>	<i>1010</i>	<i>Operating Checking Account</i>	<i>3,500</i>
	<i>Credit</i>	<i>4130 School Collections</i>	<i>3,500</i>

To record the payment to the school, the following entry is made.

<i>Debit</i>	<i>9003</i>	<i>School Subsidies</i>	<i>3,500</i>
	<i>Credit</i>	<i>1010 Operating Checking Account</i>	<i>3,500</i>

Below is an example of the journal entries necessary to record an operating subsidy from the home parish -- from the perspective of the school accounting records.

In this example, the home parish receives collections earmarked for school support then gives the money to the school in the form of a subsidy.

<i>Debit</i>	<i>1010</i>	<i>Operating Checking Account</i>	<i>3,500</i>
	<i>Credit</i>	<i>4881 Operating Subsidies -- Home Parish</i>	<i>3,500</i>

4140 Annual Appeal Refund(Deficit)

Excess collections (Offertory Program) or refund from the Chancery office of funds collected (Pledge Program) above the assessed amount. This can be negative (debit balance) if quota is not reached resulting in payment. Below is an example of the journal entries necessary to record collection and payment of Annual Appeal (Offertory Program).

In this example a parish is assessed \$15,000 for the Annual Appeal. It collects only \$14,000 which results in the parish paying \$1,000 out of its own cash reserves to cover the difference. The result is a net negative balance in the Annual Appeal account. The first set of entries is to record collection for the Annual Appeal.

<i>Debit</i>	<i>1010</i>	<i>Operating Checking Account</i>	<i>14,000</i>
	<i>Credit</i>	<i>2310 Exchange Account</i>	<i>14,000</i>

This second set of entries is to record payment of assessment of the Annual Appeal.

Debit	4140	Annual Appeal	1,000
Debit	2310	Exchange Account	14,000
Credit	1010	Operating Checking Account	15,000

4145 Parish Fundraising Collection

Cash receipts from pledges or collection for special parish fund raisers.

42XX SACRAMENTAL OFFERINGS

Any offerings made to and retained by the Parish. Offerings received from funerals, baptisms, weddings or other parochial functions, unless otherwise specified by the donor. Offerings made directly to Clergy are not recorded here.

4201 Baptisms

Any offering made to and retained by the parish for performing Baptismal Service.

4202 Marriage

Any offering made to and retained by the parish for performing Matrimonial Service.

4203 Funeral

Any offering made to and retained by the parish for performing Funeral Service.

4204 Other

Any offering made to and retained by the parish for performing other sacramental service.

43XX DEVELOPMENT/FUND-RAISERS

These accounts represent funds collected from a parish fund raiser held to supplement operating funds or for a special need. The amounts recorded in the fund-raiser accounts (43XX) are the net results of the fund-raising events if a parish/school organization manages the event using a separate approved bank account and submits a report to the parish/school with the net receipts. The exception to reporting net receipts is scrip and bingo functions which must be recorded in the parish/school books using the appropriate revenue, expense and inventory accounts.

4301 Scrip Receipts

All revenue that is received from sales of scrip.

4305 Scrip Costs

The net cost of all scrip is entered here. At year end this account is adjusted for Scrip Inventory value (see account 1410). Below is an example of the journal entries necessary to record purchases of scrip as well as an end of year entry to adjust Scrip Inventory.

In this example Scrip is purchased for fund-raising purposes.

Debit	4305	Scrip Costs	3,000
Credit	1010	Operating Checking Account	3,000

At the end of fiscal year an inventory is taken of Scrip. If there is Scrip, then a valuation must be made using actual purchase unit price.

Debit	1410	Scrip Inventory	600
Credit	4305	Scrip Costs	600

4310 Bingo Receipts

Includes all revenue received from playing bingo. These funds may be transferred by the organizations sponsoring bingo. Funds received from running concession stands for bingo are also included in this account.

4315 Bingo Games Materials Costs

The purchase of all Bingo items is entered here such as ‘scratch-offs’, strips, etc. At year end this account is adjusted for strip value (see account 1420). Below is an example of the journal entries necessary to record purchases of bingo games materials as well as an end of year entry to adjust bingo games materials inventory.

In this example bingo games materials are purchased for fund-raising purposes.

Debit	4315	Bingo Games Materials Costs	1,500	
	Credit	1010	Operating Checking Account	1,500

At the end of fiscal year an inventory is taken of bingo games materials. If there are materials, then a valuation must be made using actual purchase unit price.

Debit	1420	Bingo Inventory	300	
	Credit	4315	Bingo Games Material Costs	300

433X Other Fund Raisers

4320 Social Activities

Net funds collected from social activities such as lunches, bake sales, dinners, etc. If other organizations (i.e. not the parish/school) sponsor the event, only the organization’s contribution to the parish/school should be credited to this account. Below is an example of the journal entries necessary to record revenue from social activities.

In this example a parish organization holds a fund-raiser dinner with the proceeds to benefit the parish. The dinner brings in \$3,900 in ticket sales (gross revenues) and it cost \$1,900 to put on the event including the cost of food, beverages and supplies. The amount to record in the accounting records is the net difference between gross revenues and gross expenses -- \$2,000.

Debit	1010	Operating Checking Account	2,000	
	Credit	4320	Social Activities	2,000

4330 Festivals, Auctions, & Raffle Receipts

Gross funds collected from festivals, auctions, & raffles. If organizations (i.e. not the parish/school) sponsor the event and maintain a separate bank account, only the organization’s contribution to the parish/school should be credited to this account.

4340 Festival, Auctions & Raffle Costs

The expenses paid for the parish/school fund raising events such as festivals, auctions and raffles.

4350 Parish Organizations (many more can be added here)

Any receipts (donations) received during current year from fund-raising activities of various parish organizations such as Fil-Am Clubs, Women’s Guilds, Men’s Clubs, etc.

4370 School Organizations (many more can be added here)

Any receipts (donations) received during current year from fund-raising activities of various school organizations such as parent-teacher groups, athletic boosters, etc.

4380 Parish Drive Receipts (not AAA)

Funds collected from parishioners for special purposes approved by ADSF including capital improvements. These funds are collected in the same fiscal year they are intended to be used. Do not include Annual Archdiocesan Appeal. Otherwise, Parish Drives are normally subject to AAA and will be considered Ordinary Income.

4381 Parish Drive Costs (not AAA)

Costs associated with parish drive fund raisers.

4385 Matching Grants Income

Unrestricted income received from development activities and events such as annual giving programs, school alumni annual appeal, etc. when this portion was received from a corporation, foundation, etc. as a match to an individual or group gift. This account only reflects the matching portion received from the corporation, foundation, etc. The other portion would be recorded in the appropriate fund raising category.

4390 Other Activities and Events

44XX EDUCATIONAL & SACRAMENTAL FEES

These accounts represent Fees collected for parish/school educational programs.

4401 Baptismal Preparation

Funds received to help defray the cost of operating the Baptismal Preparation program

4402 First Communion Preparation Fees

Funds received to help defray the cost of operating the First Communion Preparation program.

4403 Confirmation Preparation Fees

Funds received to help defray the cost of operating the Confirmation Preparation program.

4404 CCD/Religious Education Fees

Funds received to help defray the cost of operating the CCD/Religious Education program.

4405 RCIA Fees

Funds received to help defray the cost of operating the RCIA program.

4406 Marriage & Family Life Fees

Funds received to help defray the cost of operating the Marriage & Family Life program.

4407 Youth Ministry Fees

Funds received to help defray the cost of operating the Youth Ministry program.

4408 Community Outreach & Services Fees

Funds received to help defray the cost of operating the Community Outreach program.

4409 Adult Education Fees

Funds received to help defray the cost of operating the Adult Education program.

4410 Preschool Fees

Funds received to help defray the cost of operating the Pre-School program.

4411 Senior Programs Fees

Funds received to help defray the cost of operating the Senior program.

4412-90 Other Programs Fees

Funds received to help defray the cost of operating other programs. A separate account can be established for each program or if small the fees of multiple programs can be grouped together.

45XX GIFTS, DONATIONS (UNRESTRICTED) AND GRANTS

4501 Unrestricted Parish/School Gifts & Bequests

Gifts, donations or bequests (amounts received in accordance with the terms of a will) of funds, stock, bonds, real estate and other property given to the parish/school by parishioners with no specified use or for general operating purposes. Also, funds received which the parish/school has identified for a designated use but the donor gave without any intent of restricting their use. Report any amount received whether directly from a will or trust or through the conversion of bequeathed assets to cash

4503 Subsidies -- Archdiocese

Funds given to the parish from the Archdiocese for operating expenses that are not to be repaid. Funds that come to the parish as a specific subsidy grant from the Archdiocese only.

4504 Subsidies -- Other Parishes

Funds given to the parish from another parish that are not intended for repayment.

4505 Government Grants

Proceeds received from government agencies that resulted from a specific grant proposal; normally issued for a specific purpose, program or period of time.

46XX OTHER INCOME

4610 Chaplain fees

Includes any funds paid to the parish for chaplain services by any institution or organization.

4615 Publications -- Advertising Income

Income derived from the sales of a space for advertising purposes, i.e., bulletin/newsletter ads.

4620 Gift Shop Sales

Sales from a Religious Gift Shop maintained as a parish/school program. Reported in this account are the receipts. The cost of operating the Gift Shop is reported as expenses in account 7636. Below is an example of the journal entries necessary to record revenue from Religious Gift Shop Sales. Also below is an example of the journal entries necessary to record expenses incurred in operating a Religious Gift Shop.

In this example, a parish operates a Religious Gift Shop. Gross revenues from the gift shop for one month equal \$1,900. Gross expenses associated with operating the gift shop for the same month are \$1,100. Gross revenues are recorded in one entry and gross expenses in another entry. The \$800 net income (gross revenues minus gross expenses) will be reflected in the Parish Summary Profit and Loss Statement at "Excess [Deficiency] of current year's revenues/expenses."

<i>Debit</i>	<i>1010</i>	<i>Operating Checking Account</i>	<i>1,900</i>
<i>Credit</i>	<i>4620</i>	<i>Gift Shop Sales</i>	<i>1,900</i>
<i>Debit</i>	<i>7636</i>	<i>Gift Shop Costs</i>	<i>1,100</i>
<i>Credit</i>	<i>1010</i>	<i>Operating Checking Account</i>	<i>1,100</i>

4621 Literature and Pamphlet Sales

Proceeds from the sales of books, literature, publications and pamphlets other than for a parish education program.

4622 Votive Candles

Cash donated for lighting of vigil and votive candles. Includes all offerings for candles and all proceeds from the sales of candles as well as all offerings made by the faithful at various shrines in the church. Reported in this account is the gross revenue. The cost of the candles is reported as expenses in account 7640. Below is an example of the journal entries necessary to record revenues from Votive Candle Sales. Also below is an example of the journal entries necessary to record the cost of purchasing votive candles.

In this example, a parish maintains several shrines in the church. Gross revenues from votive candle donations for one month equal \$450. The gross expense of candles is \$100. Gross revenues are recorded in one entry and gross expenses in another entry. The \$350 net income (gross revenues minus gross expenses) will be reflected in the Parish Summary Profit and Loss Statement at "Excess [Deficiency] of current year's revenues/expenses."

Debit	1010	Operating Checking Account	450	
	Credit	4622	Other Income -- Votive Candles	450
Debit	7640	Votive Candles	100	
	Credit	1010	Operating Checking Account	100

4623 Poor Box

Cash donated and designated for poor which are received by parish either through the church poor boxes or collections.

4640 Room & Board

Any payments for the room, board or care of retired diocesan or religious priests, visiting clergy or other boarders.

4650 Rental Property Income

Funds received for the lease or rental of parish or school properties including month to month arrangements but not single event facility rental. Below is an example of the journal entries necessary to record revenues from Rental Property Income.

In this example the parish has leased a house for \$1,000 per month. When the rent check is received the following entry is made.

Debit	1010	Operating Checking Account	1,000	
	Credit	4650	Rental Property Income	1,000

4655 Facility Rental Income

Receipts from the single event leases or use of parish or school property. Below is an example of the journal entries necessary to record revenues from Facility Rental Income.

In this example a wedding reception is to be held at the church's hall. The hall rental for this single event is \$1,000.

Debit	1010	Operating Checking Account	1,000	
	Credit	4655	Facility Rental Income	1,000

If the parish sends an invoice to the wedding party, the entries are different. When the invoice is mailed, Accounts Receivable is debited and Facility Rental Income is credited. When the parish receives money from the wedding party, cash is debited and accounts receivable is credited.

Debit	1210	Accounts Receivable	1,000	
	Credit	4655	Facility Rental Income	1,000
Debit	1010	Operating Checking Account	1,000	
	Credit	1210	Accounts Receivable	1,000

4656 Facility Rental Services Income

Funds received for catering affairs such as weddings and other types of receptions. Below is an example of the journal entries necessary to record revenues from Facility Rental Services Income.

In this example a wedding reception is to be held at the church's hall and a cleaning fee of \$200 is charged by the parish.

Debit	1010	Operating Checking Account	200	
	Credit	4656	Facility Rental Services Income	200

If the parish sends an invoice to the wedding party, the entries are different. When the invoice is mailed, Accounts Receivable is debited and Facility Rental Services Income is credited. When the parish receives money from the wedding party, cash is debited and accounts receivable is credited.

Debit	1210	Accounts Receivable	200	
	Credit	4656	Facility Rental Services Income	200

Debit	1010	Operating Checking Account	200	
	Credit	1210	Accounts Receivable	200

4660 Income from Student Services

Proceeds from the sales of candy, soda, and other student services fund-raising activities. Fees associated with student activities are reported in account 4853.

47XX NON OPERATING INCOME**4710 Interest/Investment Income on Parish Deposits w/h banks & other financial institutions.**

Interest income earned and dividends from funds deposited with savings and loans, money-market funds, interest-bearing checking accounts, and notes receivable. Below is an example of the journal entries necessary to record interest/investment income earned.

In this example the parish has funds in a Savings account earning 3% interest. Each month or quarter the parish earns interest.

Debit	1040	Savings Account	150	
	Credit	4710	Interest/Investment Income-Parish Deposit	150

4711 Increase in Beneficial Interest-CASC- Income on Unrestricted Deposits in Deposit and Loan Fund

To record the increased beneficial interest in CASC for the interest and/or dividends from unrestricted funds deposited in the Deposit & Loan Fund.

4712 Distribution-Beneficial Interest-CASC-Awards from Unrestricted Investment Pool Accounts

Include the quarterly distributions received from the CASC's Investment Pool statements for unrestricted Investment Pool accounts. The distribution amount is shown on the bottom of the Investment Pool statements. Record this amount whether it is reinvested in your account or paid to you via a check.

Below is an example of the journal entries necessary to record 1) a distribution that is reinvested into the Investment Pool, and 2) a distribution that is paid to you via a check.

In this example the parish has a \$250 distribution on a \$20,000 unrestricted investment that is transferred to the Investment Pool.

Debit	1510	Beneficial Interest in CASC Inv. Pool -.- Unrestr.	250	
	Credit	4712	Distribution-Beneficial Interest-CASC- Unrestr. Inv Pool	250

In this example the parish receives a \$250 distribution on a \$20,000 unrestricted investment that is paid to them via a check. When the check is received in the parish office, it should be deposited into the parish checking account and recorded as follows:

Note: No entry is made to account 4712

Debit	1010	Parish Checking Account.	250	
	Credit	1510	Beneficial Interest in -CASC- Inv. Pool-Unrestr. Inv Pool	250

4713 Change in Beneficial Interest –CASC- Unrestricted Investment Pool Accounts

Each quarter, the investment pool unit value either increases or decreases based upon actual investment performance. The purpose of this account is to record the total increase or decrease in your beneficial interest share of CASC's unrestricted investment due to changes in the pool unit value. This amount should be calculated each quarter based on the information from your investment pool statement.

Caution: (A) You must be careful when calculating the change in market value of your account, as the investment pool account may increase due to cash additions to the pool. For correct accounting for cash additions, see the examples under Account 1510-1529. (B) The investment pool may also increase for distributions that have been reinvested. For the correct accounting for distributions that have been reinvested, see the first example under Account 4712 above. (C) The investment pool account may decrease due to cash withdrawals from the pool. For correct accounting for withdrawals from the pool, see the examples under Account 1510-1529.

The recommended method to calculate the Change in Market Value of the Investment Pool Account is as follows:

Beginning Number of Units x Beginning Net Unit Value = Beginning Market Value
Beginning Number of Units x Ending Net Unit Value = Ending Market Value
Ending Market Value – Beginning Market Value = Change in Market Value

In this example, a business entity has 100 beginning pool units, with a beginning unit value of \$1,000 and an ending unit value of \$1,100.

100 units x \$1,000 = \$100,000 Beginning Market Value
100 units x \$1,100 = \$110,000 Ending Market Value
\$110,000 - \$100,000 = \$10,000 Change in Market Value

The journal entry necessary to record this change in market value is as follows:

Debit	1510	Investment in Arch. Inv. Pool -- Unrestr.	10,000	
	Credit	4713	Change in Beneficial Interest-CASC Unrestr. Inv Pool	10,000

4720 Gain [Loss] on Sales of Assets

Gain [Loss] from the sale of parish or school fixed assets, including land, land improvements, building, equipment, furniture, fixtures, tools, vehicles, etc. Disposition must be reflected in the proper fixed asset account. Below is an example of the journal entries necessary to record gain [loss] on sales of assets.

In this example the parish has a 4 year old computer it wishes to sell for \$500. The computer is not fully depreciated.

The computer was originally purchased with cash for \$2,800.

Debit	1620	Furniture, Fixtures & Equipment	2,800	
	Credit	1010	Operating Checking Account	2,800

The computer was placed on a 7 year depreciation schedule using the straight line method (equal amounts depreciated over the life of the asset). \$2,800 is divided by 7 years resulting in \$400 depreciation expense each year.

Debit	7420	Depress. -- Furn., Fixtures & Equip.	400	
	Credit	1692	Accum. Deprec. -- Furn., Fixtures & Equip.	400

After 4 years the computer asset and accumulated depreciation account have the following balances:

Year	Account Number	Account Name	Balance
4	1620	Furniture, Fixtures & Equipment	2,800
4	1692	Accum. Deprec. -- Furn., Fix. & Equip	(1,600)

The computer's "Book" value is the difference between purchase price and accumulated depreciation. In this example the book value of the computer after 4 years is \$1,200. When the "Book" value is greater than the resale price, then a loss (rather than a gain) on the sale of the asset occurs.

	Furniture, Fixtures & Equipment	2,800
(minus)	Accum. Deprec. -- Furn., Fix. & Equip	(1,600)
equals	Book value	1,200
	Book value	1,200
(minus)	Sales price of used asset	(500)
equals	Loss of Sale of Assets	700

To record the loss on sale of the computer asset, the following entries are made:

Debit	1010	Operating Checking Account	500
Debit	4720	Loss on Sale of Assets	700
Debit	1692	Accum. Deprec. -- Furn., Fix. & Equip	1,600
Credit	1620	Furniture, Fixtures & Equipment	2,800

4725 Insurance Settlements

Funds received from the insurance settlements or claims paid for items stolen or damaged, whether from fire, theft, accident, etc.

4730 Other Miscellaneous Revenue

All other revenue not specified in the above revenue accounts would be recorded in this account.

48XX-49XX SCHOOL INCOME

4810 Basic Tuition

Record either on an accrual basis the annual tuition/student fees or on a cash basis all periodic payments received in the form of tuition/student fees billed for each student. Note: this account is to record only payment from the students parents, guardian or other individual committed to support the student by paying their annual tuition/fee bill. It does not include awards/grants from institution grants/awards such as the Archdiocese and TIME (Together in the Mission of Education),Knights of Columbus, etc.. They should be recorded in the appropriate account 482x below

482X Tuition Assistance

Record all tuition assistance/support awarded to individual students annual tuition and student fees for the current school year. All grants/awards not specific to a student should not be recorded in these accounts.

4821 Archdiocesan Subsidy & Family Grant

4822 B.A.S.I.C. Fund Grant

4823 Making Waves

4824 Knights of Columbus

4825 Guardsmen

4826-29 Other Tuition Assistance Programs

485X Fees

Funds received to defray the cost of non-educational services.

4851 Registration

- School registration fees.
- 4852 Extended Care**
Charges for before and after school care.
- 4853 Student Activities**
Participation fees for school sponsored activities, e.g., athletics, cheerleading, choir, band, etc.
- 4854 Outdoor Activities**
Participation fees for school sponsored activities, e.g., field trips and other out-of-school educational excursions
- 4855 Graduation**
Participation fees for graduation ceremony.
- 4856-59 Other**
For student charges not defined elsewhere, e.g., books, computers, etc.

488X School Subsidies
Charges for on-going operations, not capital improvements.

- 4881 Home Parish**
Money received from the parish primarily responsible for the school. Below is an example of the journal entries necessary to record a subsidy from the Home Parish. The entries are from the perspective of the school accounting records.

In this example the Home Parish has contributed \$10,000 towards school operations.

Debit	1010	Operating Checking Accounts	10,000
	Credit	4881	Operating Subsidies -- Home Parish 10,000

- 4882 Out of Parish Tuition Subsidy**
Money received from another parish to help defray tuition of students from that parish per Archdiocesan policy. Below is an example of the journal entries necessary to record Out of Parish Tuition Subsidy. The entries are from the perspective of the school accounting records.

In this example the parish school receives \$5,000 from another parish for out of parish tuition subsidy.

Debit	1010	Operating Checking Accounts	5,000
	Credit	4882	Out of Parish Tuition Subsidy 5,000

- 4883 Archdiocesan**
Money received from Archdiocese to help defray operating costs. Below is an example of the journal entries necessary to record Archdiocesan subsidy. The entries are from the perspective of the school accounting records.

In this example the parish school receives \$15,000 from The Archdiocese.

Debit	1010	Operating Checking Accounts	15,000
	Credit	4883	Operating Subsidies -- Archdiocese 15,000

- 4884-89 Other**
Money received from sources other than the parish, out of parish and Archdiocese.

49XX DONOR RESTRICTED DONATIONS

- 4910 Endowments Received**
Donations received in current year which donor directed be used as an endowment (only income can be used, principal can not be used). Below is an example of the journal entries necessary to record a transfer

of an endowed gift to the CASC Investment Pool (for an example of the changes in the investment due to earned investment income see account 4920 for an example).

In this example an estate makes an endowed donation of \$100,000 which the parish invests in the Archdiocesan Investment Pool.

Debit	1010	Operating Checking Account	100,000		
		Credit	4910	Endowments Received	100,000

Debit	1550	Beneficial Interest-. Inv. Pool@CASC - Endowment	100,000		
		Credit	1010	Operating Checking Account	100,000

4911 Donor Restricted Gifts and Bequests

Donations received in current year for which donor restricted as to use (both income and principal can be used). Note if they are not used in the current year, they will need to be transferred to the CASC and so identified as donor restricted funds. This will mean that there will be an increase in the Beneficial Interest – Deposit @ CASC A/C # 1080 Parish or A/C # 1090 School. If the funds are transferred to the CASC investment pool then there will be an increase in the Beneficial Interest-Investment Pool-Donor Restricted A/C#1530

4920 Distribution Beneficial Interest @ CASC—Distribution Endowment Investment Pool Accounts

Include the quarterly awards from the Investment Pool statements for Endowment accounts. The award amount is shown on the bottom of the Investment Pool statements. Record this amount whether it is reinvested in the CASC or paid to you via a check.

Below is an example of the journal entries necessary to record 1) a distribution that is reinvested into the Investment Pool, and 2) a distribution that is paid to you via a check.

In this example the parish receives a \$2,000 award on a \$200,000 endowment that they reinvest into the Investment Pool.

Debit	1550	Beneficial Interest-. Inv. Pool@CASC -- Endowment	2,000		
		Credit	4920	Distribution Beneficial InterestCASC- Endow.	2000

In this example the parish receives a \$2,000 distribution on their \$200,000 endowment that is paid to them via a check. When the check is received in the parish office, it should be deposited into the parish checking account and the Net Assets Released should be recorded as follows:

Note: no entry is made to Account 4920 in this example

Debit	1010	Parish Checking Account.	2,000		
		Credit	1550	Beneficial <u>Interest in CASC-</u> Endow Inv.	2,000
Debit	4940	Net Restricted Assets Used - Endowment	2,000		
		Credit	4930	Net Assets Released from Restrictions	2,000

4921 Change in Beneficial Interest- CASC-Market Value of Endowment Investment Pool Accounts

Each quarter, the investment pool unit value either increases or decreases based upon actual investment performance. The purpose of this account is to record the total increase or decrease in your Beneficial Interest of Endowment Investment Pool Account due to changes in the pool unit value. This amount should be calculated each quarter based on the information from your investment pool statement.

Caution: (A) You must be careful when calculating the change in market value of your account as the investment pool account may increase due to cash additions to the pool. For correct accounting for cash additions, see the examples under Account 1530-1549. (B) The investment pool may also increase for distributions that have been reinvested. For the correct accounting for distributions that have been reinvested, see the first example under Account 4920 above. (C) The investment pool account may decrease due to cash withdrawals from the pool. For correct accounting for withdrawals from the pool, see the examples under Account 1530-1549.

The recommended method to calculate the Change in Market Value of the Investment Pool Account is as follows:

Beginning Number of Units x Beginning Net Unit Value = Beginning Market Value
Beginning Number of Units x Ending Net Unit Value = Ending Market Value
Ending Market Value – Beginning Market Value = Change in Market Value

In this example, a business entity has 200 beginning pool units, with a beginning unit value of \$2,000 and an ending unit value of \$2,250.

200 units x \$2,000 = \$400,000 Beginning Market Value
200 units x \$2,250 = \$450,000 Ending Market Value
\$450,000 - \$400,000 = \$50,000 Change in Market Value

The journal entry necessary to record this change in market value is as follows:

<i>Debit</i>	<i>1540</i>	<i>Beneficial Interest in CASC-. Inv. Pool – Endowment</i>	<i>50,000</i>	
	<i>Credit</i>	<i>4921</i>	<i>Change in Market Value of Endowment Inv Pool</i>	<i>50,000</i>

4922 Distribution Beneficial Interest CASC-Restricted Investment Pool Accounts

Include the quarterly distributions from the Investment Pool statements for Restricted accounts. The distribution amount is shown on the bottom of the Investment Pool statements. Record this amount whether it is reinvested in your account or paid to you via a check.

Below is an example of the journal entries necessary to record 1) a distribution that is reinvested into the Investment Pool, and 2) a distribution that is paid to you via a check.

In this example the parish receives a \$1,000 award on a \$100,000 Restricted Investment Pool Account that they reinvest into the Investment Pool.

<i>Debit</i>	<i>1530</i>	<i>Beneficial Interest in CASC -Inv. Pool -- Restricted</i>	<i>1,000</i>
	<i>Credit</i>	<i>4922</i>	<i>Distribution Beneficial Interest-CASC- Donor Rest'd. 1,000</i>

In this example the parish receives a \$1,000 award on a \$100,000 Restricted Investment Pool Account that is paid to them via a check. When the check is received in the parish office, it should be deposited into the parish checking account and the Net Assets Released should be recorded as follows:

<i>Debit</i>	<i>1010</i>	<i>Parish Checking Account.</i>	<i>1,000</i>	
	<i>Credit</i>	<i>1530</i>	<i>Distribution Beneficial Interest CASC- -Donor Rest'd.</i>	<i>1,000</i>
<i>Debit</i>	<i>4950</i>	<i>Net Restricted Assets Used - Restricted</i>	<i>1,000</i>	
	<i>Credit</i>	<i>4930</i>	<i>Net Assets Released from Restrictions</i>	<i>1,000</i>

4923 Change in Beneficial Interest-CASC-Market Value of Restricted Investment Pool Accounts

Each quarter, the investment pool unit value either increases or decreases based upon actual investment performance. The purpose of this account is to record the total increase or decrease in your Restricted Investment Pool Account due to changes in the pool unit value. This amount should be calculated each quarter based on the information from your investment pool statement.

Caution: (A) You must be careful when calculating the change in market value of your account as the investment pool account may increase due to cash additions to the pool. For correct accounting for cash additions, see the examples under Account 1530-1549. (B) The investment pool may also increase for distributions that have been reinvested. For the correct accounting for distributions that have been reinvested, see the first example under Account 4922 above. (C) The investment pool account may decrease due to cash withdrawals from the pool. For correct accounting for withdrawals from the pool, see the examples under Account 1530-1549.

The recommended method to calculate the Change in Market Value of the Investment Pool Account is as follows:

Beginning Number of Units x Beginning Net Unit Value = Beginning Market Value
Beginning Number of Units x Ending Net Unit Value = Ending Market Value
Ending Market Value – Beginning Market Value = Change in Market Value

In this example, a business entity has 150 beginning pool units, with a beginning unit value of \$1,000 and an ending unit value of \$1,100.

150 units x \$1,000 = \$150,000 Beginning Market Value
150 units x \$1,100 = \$165,000 Ending Market Value
\$165,000 - \$150,000 = \$15,000 Change in Market Value

The journal entry necessary to record this change in market value is as follows:

<i>Debit</i>	<i>1530</i>	<i>Investment in Arch. Inv. Pool – Restricted</i>	<i>15,000</i>
	<i>Credit</i>	<i>4923</i>	<i>Change in Beneficial Interest-CASC-Market Value of Restrict.-</i>
			<i>15,000</i>

4924 Increase in Beneficial Interest-CASC- Income Earned on Restricted Deposits in Deposit and Loan Fund

Interest income earned and/or dividends from restricted funds deposited in the Deposit & Loan Fund.

4930 Net Assets Released from Restrictions

The amount of donor restricted and endowment funds used during the current year to fund operating and capital expenses. Below is an example of the journal entries necessary to record Net Assets Released from Restrictions.

In this example a school takes receipt of and deposits a donor restricted gift of \$1,000,000. The gift is restricted from use in the year it is received and is deposited into the CASC Investment Pool -- Donor Restricted. One year later some of the funds are to be used for school operations. To record the Net Assets Released from Restrictions, two entries must be made.

Entry #1-Year 2

<i>Debit</i>	<i>1010</i>	<i>Operating Checking Accounts</i>	<i>100,000</i>
	<i>Credit</i>	<i>1530</i>	<i>-Beneficial Interest in CASC Inv.Pool Donor Restr.</i>
			<i>100,000</i>

Entry #2-Year 2

<i>Debit</i>	<i>4950.</i>	<i>Net Restricted Assets Used</i>	<i>100,000</i>
	<i>Credit</i>	<i>4930</i>	<i>Net Assets Released from Restrictions</i>
			<i>100,000</i>

NOTE: In the Financial Statements Account 4930 is shown in current year revenue section with accounts 4940 and 4950 shown below in the summary of charges in donor restricted donations and income as a reduction of Beneficial Interest CASC- donor restricted assets.

4940 Net Restricted Assets Used -- Donor Endowment

The amount of awards for donor endowment funds used during the year for specified purposes. This account reduces the income Beneficial Interest in CASC-Investment Pool

4950 Net Restricted Assets Used -- Donor Restricted The amount of donor restricted funds received from CASC and used during the year for specified purposes. In addition to income the fund balance of these restricted funds may also be used for specified purposes.

EXPENSES

61XX COMPENSATION AND WAGES

610X PERSONNEL COSTS -- PARISH

6101 Compensation: Priests

Compensation paid to Archdiocesan priests for services including car allowance and self-employment tax reimbursement. This does not include auto insurance reimbursements, educational expenses and retreat fees paid per Archdiocesan policy which are recorded in other accounts.

6102 Compensation: Priests (Supply)

Compensation paid to visiting priests who are contracted to provide services to the parish. This compensation is not subject to income tax withholding or social security/Medicare withholding.

6103 Compensation: Religious (non-school)

Compensation including pension and health fees paid to religious orders for priests, brothers, and sisters assigned to work in the pastoral services of the parish.

6104 Compensation: Deacons

Compensation paid to deacons assigned to the parish.

6105 Salaries: Lay

Taxable wages paid to all lay employees.

615X SALARIES-- SCHOOL

6152 Salaries: Certified Staff

Wages to both lay and religious for all directly involved in educational activities (e.g. principal, vice-principal and teachers).

6153 Salaries: Substitute Teachers

Wages to both lay and religious paid to substitute teachers.

6154 Salaries: Teacher's Aides

Wages to both lay and religious paid to teacher's aides.

6155 Salaries: Professional Staff -- Non-Teachers

Wages to both lay and religious or those not involved in educational or administrative activities, e.g., librarian, day-care personnel, guidance counselors, athletic coach, band instructor, etc.

6156 Salaries: Support Staff

Wages both lay and religious for support personnel (e.g. office help, secretaries, etc).

6157 Salaries: Maintenance Staff

Wages to both lay and religious for maintenance personnel.

62XX PAYROLL TAXES EMPLOYER

6201 Payroll Taxes -- FICA

Employer's portion of social security tax.

6202 Payroll Taxes -- SUI

Reimbursement to the Chancery for unemployment tax (SUI).

6203 Worker's Compensation Expense
Premium for worker's compensation insurance to cover on-the-job injuries suffered by employees: lay, clergy and religious.(See Account 1310 for example of year end entry.)

63XX EMPLOYEE BENEFITS

6301 Auto Insurance - Priests
Any auto insurance paid to priests.

6302 Continuing Education/Training Non-Clergy
Costs associated with job-related education or training, including tuition, registration fees and supplies for courses or seminars directly related to improvement of job skills

6303 Retreat Fee/Continuing Education
Expenses for retreats and continuing education attended by clergy (including clergy study week).

6304 Health & Medical Insurance
Employer's portion of medical insurance premium for employees and resident priests. This will also include the special surcharge for priests additional medical fees.

6305 Life Insurance
Employer's portion of Life insurance premium for employees.

6306 Long Term Disability
Premium payments made for employee's Long Term Disability Insurance.

6307 Accidental Death and Dismemberment
Premium payments made for employee's Accidental Death and Dismemberment Insurance.

6308 Employee Pension expense
Contributions paid to lay pension fund.

6309 Housing Room and Board
Expenditures related primarily to the cost of housing for priests but may also include cost of temporary housing for school executives and teachers. Include room and board allowance, rent, food, supplies, maintenance, janitorial, utilities, minor equipment applicable to residence in this account.

6399 Allocated Payroll & Benefits
Include any payroll costs which are allocated between parish and school.

64XX TRANSPORTATION & TRAVEL

6410 Transportation -- Air/Rail/Bus
Cost of ticket for travel incurred on official parish and school business except travel to conferences and conventions.

6420 Transportation -- Auto Rental
Cost of gasoline, car rentals, parking, tolls, etc. incurred on official parish or school business except travel to conferences and conventions.

- 6430 Mileage Reimbursement**
Reimbursement per mile for use of employee's personal automobile for official parish or school business, except for travel to conferences and conventions.
- 6440 Conferences & Conventions**
Costs of transportation for employees to attend conferences and conventions. Food and lodging incurred, registration fees paid to attend and all other expenses when an employee attends a conference or convention.
- 6450 Food and Lodging**
Cost of meals and lodging incurred on an overnight stay on official business except for travel to conferences and conventions.
- 6460 Other Travel Related Costs**
Payments for any other travel costs not identified in the above 64XX accounts.

70XX EDUCATIONAL EXPENSES

- 7010-19 Textbooks**
Expenditure for all printed materials used in the classroom including the cost of manuals and collateral materials.
- 7020-29 Instructional Materials**
Expenditure for consumable materials such as pencils, paper, chalk, etc.
- 7030-39 Equipment Expense**
Cost of non-capital, non-consumable items including capital equipment maintenance.
- 7040-49 Multimedia and Library Books & Expenses**
All multimedia and library related expenses.
- 7050-59 Fees**
Cost of external charges for educational services, e.g., testing fees.
- 7060-69 Archdiocesan Fees**
Fees levied by Archdiocese. Principally, these fees are the annual administration charge.
- 7070-79 Training Expense**
Expenditures relating to staff training.
- 7080-99 Other**
Cost of any educational charges and materials not specified in the above 70XX accounts.

71XX SCHOOL: STUDENT ACTIVITIES & SERVICES

- 7110-19 Food Service**
Costs associated with food service for students. These accounts should include the non-capital costs of the cafeteria as well as food provision contracts.
- 7120-29 Extended Care**
These accounts are for non-personnel costs of providing non-school care.

7130-39 Student Activities

Costs of non-education related activities such as uniform costs, league fees, etc.

7140-49 Student Services

Costs of non-education related service

72XX PROPERTY COSTS

Expense to maintain the buildings and grounds.

7201 Property management Fees

Fee paid to outside property management firms to management non-pastoral buildings of the parish

7210 Janitorial

Cost of all janitorial supplies and equipment, service charges and equipment rental.

7215 Landscape

Cost of all supplies and materials to established and maintain landscaping and lawns, including service charges and equipment rental.

7220 Building Rent

Cost of rent paid to an outside entity for use of building. Not for Use of RPSC buildings.

7230 Maintenance & Repairs

Expenses for all supplies and parts to repair and maintain facilities, including service charges and equipment rental. Expenses incurred for heating, plumbing, electrical supplies and parts to repair and maintain plumbing, electrical and heating (including asbestos).

7235 Property Taxes

Local taxes paid for non-exempt real property and assessments paid for proportionate share of construction of streets, sewers, water, sidewalks under local Improvement Districts.

7240 Security

Cost of all security expenses, including alarm or guard services and security devices installed.

7290 Other Property Costs

Any additional property costs not described in the above accounts.

73XX UTILITIES

7310 Refuse

Cost of removing refuse from facilities such as scavenger and debris box charges.

7320 Heating

Expenditures for all coal, steam, electricity, gas, fuel oil, and wood used to heat facilities, including transportation costs involved in securing them. If electricity and/or gas are used for heating as well as other purposes and the bills cannot be divided between heat and other power usage, the expenditure is recorded under whichever account is deemed to have the greater value.

7330 Light & Power

Expenditures for electricity for artificial lighting and power, except when used for heat (see account 7315).

7340 Water & Sewer

Expenditure for water used and for sewage disposal.

7350 Telephone
Cost of installation, monthly operation, long distance, repair, and other telephone charges.

7360 Other

74XX FURNITURE, FIXTURES, & EQUIPMENT

7410 Furniture, Fixtures, & Equipment

Minor purchases and improvements to real property, such as patching parking lots, etc., not to exceed \$5,000. If purchase exceeds \$5,000, then item(s) should be capitalized and depreciated (see accounts 1620-1629). Expenditures related to purchases of furniture, fixtures, and equipment whose individual unit value is \$5,000 or less.

7415 Rentals

Expenditures for rented equipment or furniture. Equipment leases should also be included in this account.(See account 7525 for rental of copying equipment.)

7420 Depreciation -- Furniture, Fixtures, & Equipment

Allocations of the cost or carrying value of parish/school furniture, fixtures, and equipment (from depreciation schedules related to accounts 1620-1629) over their useful life.

7425 Depreciation -- Vehicles

Allocations of the cost or carrying value of parish/school vehicles (from depreciation schedules related to accounts 1650-1659) over their useful life.

7430 Maintenance Contracts -- Furniture, Fixtures, & Equipment

Expenditures for all maintenance contracts such as copier machines, computers, elevators and any other fees for upkeep of parish/school furniture, fixtures, and equipment.

7431 Repairs -- Furniture, Fixtures, & Equipment

Expenditures related directly to the repair of parish/school furniture, fixtures, and equipment. Note: this does not include maintenance contracts which are charged to account 7430.

7435 Maintenance & Repair -- Vehicles

Expenditures related to repair of parish/school owned vehicles.

7450 Other Vehicle Costs

Any costs related to parish/school vehicles (such as registration, smog inspection) not deemed to be a repair cost.

75XX GENERAL & ADMINISTRATIVE

7510 Postage

All costs for stamps, postage meter, bulk rate charges, post office box rental, courier services, UPS, etc.

752X Printing and Publications

7521 Parish Directory

All cost associated with the producing a parish directory.

7522 Bulletin

All printing and publication costs associated with the bulletin.

7525 Duplicating

Costs incurred from use and/or mimeograph equipment, etc. (Exclude cost of copy paper; see account 7585).

- 7530 Outside Accounting Purchased Services**
Expenses for outside accounting services, including audits, bookkeeping, tax preparation.
- 7540 Legal Services**
Legal expenses, including attorney fees, court fees, judgments, awards and related expenses.
- 7545 Armored Services**
- 7550 Payroll Processing Services**
Fees paid for processing payroll and all reports.
- 7560 Outside Professional Purchased Services**
Expenditures paid to non-employees, speakers and consultants, temporary help, etc.
- 7570 Subscriptions & Periodicals**
Costs of subscriptions to magazines and newspapers, including religious periodicals and secular publications such as newspapers.
- 7580 Supplies**
Include all liturgical, office, classroom and other supplies; expenses incurred in providing services to parishioners, including socials such as coffee and donuts, etc.
- 7585 Office Supplies**
Supplies related to the office/business/program function of the rectory or parish office and school.
- 7586 Other Supplies**
Expenditures of any supply item used by parish/school not identified elsewhere in chart of accounts.
- 7595 Interest Expense**
Interest payments made to others on debt obligations (should not include principal portion).
- 7596 Bank Charges**
Charges automatically deducted from the checking account by the bank are entered in this expense account. Examples are bank service charges, printing of new checks, and stop check fees.
- 7599 Other G&A Expenses**
Expenditures for any other general & administrative costs not identified elsewhere in the chart of accounts.

76XX OTHER OPERATING EXPENSES

- 7605 Public Relations**
The cost of all general and miscellaneous materials and services used to promote the parish or school activities including advertising such as Yellow Pages, newspaper ads, etc.
- 7610 Dues**
Payments/fees to membership organizations such as The National Association of Church Personnel.
- 7614 Insurance Premium -- General Liability/Property**
All payments made to the Archdiocese for General Liability and Property insurance.

- 7616 Insurance Premium -- Vehicles**
Premium paid for vehicle insurance.
- 7617 Insurance Premium -- Student Accidents**
Premium paid for student accident insurance by school.
- 7618 Insurance Losses -- Not Covered by Policies**
Uninsured insurance loss payments made by the parish, and deductible amounts paid for insured losses.
- 7620 Laundry and Dry Cleaning**
Cost of cleaning vestments, altar linens and other liturgical church or rectory furnishings.
- 7625 Worship Supplies**
Vestments, candles, booklets, missalettes, hymnals, supplies necessary for the church (excluding votive candles; see account 7640).
- 7630 Offertory Envelopes**
Cost to print and mail (if bulk rate is included in cost of printing) weekly offertory envelopes.
- 7635 Book Rack**
All expenses relating to the printing and publication of the books and pamphlets sold by the parish/school.
- 7636 Gift Shop Costs**
Costs associated with operating gift shop other than books and pamphlets..
- 7640 Votive Candles**
Cost of votive candles only.
- 7650 Entertainment and Appreciation**
Costs associated to entertain parishioners and show appreciation of clergy.
- 7700 Bad Debt**
Provision or actual write off of receivable deemed uncollectable.
NOTE: See Account "1230 Provision for Bad Debts" for an explanation of the appropriate journal entries.
- 80XX OTHER EXPENSES**
- 8003 Chaplain Fees**
Fees paid for chaplain services.
- 8020 Property Transfer**
The transfer of Construction-in-Progress projects to RPSC at time of completion or at time of purchase.
Parish A completes a school classroom buildings which costs \$200,000. At time of completion of project the entry on the parish books is.
- | | | |
|---------------------------------------------|------------------|------------------|
| <i>Debit 8020 Property Transfer</i> | <i>\$200,000</i> | |
| <i>Credit 1601 Construction in Progress</i> | | <i>\$200,000</i> |
- 8021 Parish Facility Rental Expense**
All expenses in the rental of a parish facility for non-parish events (wedding reception, etc.).
- 8022 Other Rental Property Expense**
Long term lease expenses.

90XX SUBSIDIES

9003 School Subsidies

Grants given to help subsidize parish school.

9004 Out of Parish School Subsidies

Grants given to help subsidize out of parish schools.

9005 Subsidies to others

Grants given to help subsidize other parishes.

Fixed Asset Accounting Procedure

The Archdiocese of San Francisco has determined that all Parish/ School fixed assets will be recorded in the accounting records as outlined in this procedure. This procedure applies to parish/school property (land & land improvements), buildings, building improvements, furniture, fixtures, vehicles and other assets as described in this document.

By definition a fixed asset is a cost of a tangible item, which is used in the mission of the church and has a useful life of over one year. Therefore, in accounting terms the use of the fixed assets needs to be matched over the life that they are used within the mission of the church.

Assets Descriptions, Useful Lives and Capitalization Values:

1. Fixed Asset Definitions

- a. **Land** -the value at time of purchase of a physical location of property without recognition of the buildings or improvements located thereupon. Note for accounting purposes land is not depreciated, as its useful life normally is infinite
- b. **Construction in Progress**-The value of all construction and planning started but not finished. This applies to soft costs (see Building below for definition) as well as hard cost. It includes Land Improvements, Building and Building Improvements.
- c. **Land Improvements**-The value at time of purchase for any infrastructure items such as sidewalks, parking lots, landscaping, sewer, water/electrical lines built to bring utilities to the property site. Note: this type of fixed asset occurs only at the time when a parcel of land is being developed to accommodate a new facility. Normal replacement and improvements to existing developed land are expensed at the time of purchase.
- d. **Building**- The cost to construct or purchase a building. The cost to construct a building not only includes the labor and materials, but all related “soft costs” such as, property taxes paid on the property, legal costs, brokerage commissions, architect and consultant costs. Note: the definition of Building also includes any fixtures that are attached to the building and are considered not movable such as bathrooms, doors, lightning fixtures, etc.
- e. **Building Improvements**-Items expended to increase the available useable space or enhancement the total value of a building are building improvements that may be depreciated over their useful life. Items that are required to maintain a building’s existing use such as a roof repair, painting, etc. are not considered an enhancement to the building and thus are expensed at the time of purchase.

- f. **Furniture, Furniture and Equipment-** Any tangible movable property that is not attached to the building such as chairs, desks, church pews, etc. needed to make the interior of a building useable. These items are depreciated over their useful life.
 - g. **Vehicles-** Any auto, van or bus that is owned and operated by the parish/school. These -items are depreciated over their useful life. Note: There are very few instances where the Archdiocese owns vehicles. Note: No vehicle can be purchased without the prior approval of the Archbishop or his Vicar for Administration.
2. **Useful Life-** The useful life of fixed assets which are to be used in depreciating their value on a straight line basis are:
- a. **Land-** No depreciable life. The asset is carried on the books till sale at its original cost.
 - b. **Construction in Progress.** As these items are not completed and put into use, there is no depreciation taken until they are finished and transferred to the appropriate land improvement, building or building improvement asset account.
 - c. **Land Improvements-**The useful life is 40 years
 - d. **Building-**The useful life is 40 years
 - e. **Building Improvements.** Normally these items are expensed at time of incurring the costs. For those few times that building improvements are capitalized their useful life will be the remaining life left on the building. If the building is fully depreciated then the useful life on the improvements will be 40 years.
 - f. **Furniture, Fixtures and Equipment.** The useful life for these types of items is 5 years.
 - g. **Vehicles.** The useful life for these types of items is 5 years.
3. **Asset Value for Capitalization**
- a. **Land-** All land purchased or gifted must be recorded as a fixed asset no matter what its value.
 - b. **Building-** Any new building construction over \$200,000 should be recorded as a fixed asset. Note: please refer to building improvements above for further restrictions on building improvements on existing buildings.

- c. **Furniture, Fixtures and Equipment-** All individual items purchased or a group of like items purchased at one time that exceed \$50,000 should be recorded as a fixed asset. All other items will be expensed at time of purchase. If a group of items is purchased at one time but delivery and payment is staggered over more than six months it will not be considered a group purchase for fixed asset accounting.
- d. **Vehicles-** All vehicles whose value exceeds \$15,000 will be recorded as a fixed asset. Note: no vehicle is to be purchased/leased by a parish/school without the written approval of the Archbishop or his Vicar for Administration.. In addition, all vehicles must be registered in the Archdiocese Corporate Sole name through the Chancery office.

Parish/School Fixed Asset Recordkeeping

Land, Land Improvements, Buildings, Building Improvements and Other Assets. A Parish/School will not maintain these assets on their accounting records. They will only record the costs they expend while these assets are in construction. They will use the **Construction-in-Progress** account to accumulate the expenditures. After the asset is put into use, the value accumulated in the Construction-in-Progress account will be transferred to the Real Property Support Corporation who will maintain the assets net book value.

Furniture, Fixtures, Equipment, and Vehicles. For these fixed assets that are recorded on the parish/schools books a separate asset envelope is to be prepared with the following information. Asset number (if one is assigned), Asset description including serial number or other identifying items, date purchased, costs, date sold, required, scrapped, etc. and the value received at time of retirement.

The parish/school is required to maintain the original invoice and other documents that support the cost recorded as a fixed asset. These documents are to be maintained in an individual Archdiocesan fixed asset envelope for each asset.

Year End Closing Procedures

The Archdiocese of San Francisco's fiscal period begins on July 1st and ends June 30th of the following year. Before starting a new fiscal period, you need to perform the following year end closing functions:

- A.** Record all necessary entries for current fiscal year (receipts, payables, all bank account balances, inventories, Net Assets Released, etc)

 - B.** Transfer the current Fiscal Year's Equity Change to the following accounts
 - a. 3010 Unrestricted Net Assets
 - b. 3050 Donor Restricted Assets, and
 - c. 3070 Donor Endowment Assets

 - C.** Complete and submit the Archdiocese Annual Report along with a diskette of the Trial Balance from QuickBooks.

 - D.** Protect QuickBooks' records for the fiscal year just ended and Backup your Datafile

 - E.** Make sure you have done every step on the Year End Closing Procedure Checklist
-

PLEASE NOTE THAT THIS TRAINING IS BASED ON THE EXISTING CHART OF ACCOUNTS THROUGH JUNE 30TH, 2005. CHANGES TO THE CHART EFFECTIVE JULY 1ST ARE NOT INCLUDED IN THIS SECTION.

WE WILL BE SENDING YOU AN UPDATE ON ALL OF THE ACCOUNT CHANGES THAT ARE EFFECTIVE JULY 1ST.

A. Record Adjusting Entries and Reconciliation of Accounts

Before you can proceed with closing QuickBooks records, you need to perform your normal monthly closing procedure. In addition, there are other transactions you may need to record such as year-end inventory adjustments.

The following is a list of general ledger accounts you may need to adjust and reconcile before you can process year-end closing procedures. It is **highly recommended** that you read the **Chart of Accounts Description** section of your **Parish/School Financial Accounting and Reporting System Manual** for accounts descriptions and adjusting entries examples.

The following is a brief explanation of the closing reconciliation process you should perform for all assets and liabilities accounts. For a detailed explanation with examples, please refer to the **Parish/School Financial Accounting and Reporting System Manual**.

Note: Depending upon how you customized your chart of accounts, you may need to do more reconciliation work before closing.

10XX – Cash and Cash Equivalents

Need to make sure that **all** cash accounts and transactions are recorded

Need to reconcile all bank accounts to what is recorded in your general ledger accounts. You may have differences for Outstanding Checks that have not yet been cashed, as well as Deposits in Transit that have not yet been processed by the bank.

All bank accounts which are in the name or using the Tax ID number of the parish/school are considered to be an asset of the parish/school. These accounts must be reported in the financial records of the parish/school. To be included are the parish/school organizations' fund balances as of June 30th.

108X and 109X – Deposit and Loan Fund Deposits

Record all deposits, earned interest, and withdrawals for all funds deposited into the Capital Assets Support Corporation Deposit and Loan. You will need to make sure that you have recorded all activity from each monthly statement that is sent from the Capital Assets Support Corporation. If the account contains restricted funds, make sure the interest income from those funds is recorded as restricted revenue in Account 4921 Donor Restricted Gifts and Bequests.

If you have a separate general ledger account for each Deposit and Loan fund, then make sure each general ledger account ties to the June 30th Deposit and Loan statement. If you have only one general ledger account for all Deposit and Loan funds, then the total of all the June 30th Deposit and Loan statements should tie to your ending general ledger account balance.

15XX – Investments

151X-154X Investment Pool – Record all deposits, withdrawals, investment distributions, and change in market value from each quarterly Investment Pool statement. It is highly recommended that you read the description of account 1510-49, 4712, 4920,

4921 in the Financial Reporting Manual for descriptions and examples of recording activity from the Investment Pool.

Additions – *Additions to the investment pool should be recorded to the Investment Pool asset accounts 1510-49.*

Withdrawals – *Withdrawals from the Investment Pool should be recorded to the Investment Pool asset accounts 1510-49.*

Investment Distributions – *Each Investment Pool Account receives a distribution each quarter (4% annual rate). You may receive a check for the distribution or reinvest the distribution back into the Account. Either way, the earned income from the distribution needs to be recorded to your income statement. You need to pay careful attention to whether the Investment Pool Account is Unrestricted, Restricted or Endowed. You should record the income into the appropriate general ledger account for the type of Account. This way you are sure you are tracking your Restricted and Endowed assets separately from your Unrestricted assets. For Restricted Accounts, the income should be recorded to Account 4921 Donor Restricted Gifts and Bequests. For Endowment Accounts, the income should be recorded to Account 4920 Income From Endowments. For Unrestricted Accounts, the income should be recorded to 4912 Investment Income on Investment Pool Accounts.*

Change in Market Value – *Your Investment Pool Accounts will also increase or decrease due to the change in the unit value of the Investment Pool account between the beginning of the quarter and the end of the quarter. The amount of the Change in the Market Value should be recorded to your income statement. You need to pay careful attention to whether the Investment Pool Account is Unrestricted, Restricted or Endowed. You should record the income into the appropriate general ledger account for the type of Account. This way you are sure you are tracking your Restricted and Endowed assets separately from your Unrestricted assets. For Restricted Accounts, the income should be recorded to Account 4921 Donor Restricted Gifts and Bequests. For Endowment Accounts, the income should be recorded to Account 4920 Income From Endowments. For Unrestricted Accounts, the income should be recorded to 4912 Investment Income on Investment Pool Accounts.*

Note: *We will go through an example of where to get the above information from your Investment Pool statement when we go through Part C – Completing and submitting the Archdiocese Annual Report.*

If you have a separate general ledger account for each Investment Pool account, then make sure each general ledger account ties to the July 1st Investment Pool statement. If you have only one general ledger account for all Investment Pool Accounts, then the total of all the July 1st Investment Pool statements should tie to your ending general ledger account balance.

12XX – Receivables

1210 Accounts Receivable

1220 Tuition / Fees Receivable

1240 Provision for Bad Debts

Any money owed to a parish/school at the end of the fiscal year must be recorded. This includes tuition, fees, and other services performed in the past that remain unpaid as of June 30th.

13XX – Other Assets

1310 Prepaid Expenses

All expenditures for good and services paid in the current fiscal year that are for the succeeding fiscal year. Prepaid expenses are assets because a service or product is “owed” to the parish/school until the service is provided.

14XX – Inventory

1410 Scrip Inventory – A physical count of all scrip should be made at the end of the fiscal year and the total cost of items on hand recorded through a General Journal Entry. Please refer to your Financial Accounting and Reporting System Manual for additional description and example.

1420-1429 Bingo Inventory – A physical count of all Bingo games materials should be made at the end of the fiscal year and the total cost of items on hand recorded through a General Journal Entry. Please refer to your Financial Accounting and Reporting System Manual for additional description and example.

16XX – Land, Buildings and Equipment

All tangible assets, such as land, buildings and equipment, whose useful life is over one year and whose value is in excess of \$5,000 should be recorded in the books as a fixed asset. An appropriate depreciation (account number 742X) expense must be taken each year throughout the useful life of the asset.

Please refer to the following sections of the Financial Accounting and Reporting System Manual for additional description and examples:

Account 16xx – Land, Buildings and Equipment

Account 169X – Accumulated Depreciation

Account 742X – Depreciation Expense

21XX – Accounts Payable

2110 Accounts Payable to the Archdiocese – Record all amounts owed to the Archdiocese for goods and/or services rendered. This account reflects all unpaid bills from the Archdiocese at June 30th which were for the fiscal year just ended.

2120 Accounts Payable – Trade - Record amounts owed to outside vendors for supplies, goods, or material purchased or services rendered. This account reflects all unpaid bills at June 30th which were for the fiscal year just ended.

2140 Accounts Payable – Other – Any other unpaid, non-payroll items not identified above.

22XX – Accrued Payroll and Withholdings

All employee related payables at the end of the fiscal year.

2201 Accrued Payroll – Gross salaries and wages earned which have not been paid at the end of an accounting period.

For example, the teacher’s salary agreement covers August through July of the following year. At June 30th, you need to record accrued payroll for the month of July as this payroll was earned in the fiscal year just ended.

2202 Accrued Pension – Record one half of the estimated annual pension fees in this account at the end of the fiscal year. Since the Archdiocesan employee pension plan is paid annually for the prior January – December period, at June 30th the parish owes for the current fiscal year one half of the pension period.

2203 Accrued Employer Payroll Tax – Any unpaid employer payroll taxes relating to accrued payroll.

2204 Accrued Employee Medical Insurance – Medical insurance payments owed by the employer for employee coverage and also deducted from the employee’s payroll for spouse/family coverage can remain in this account until the premium is remitted.

26XX-28XX – Funds Held for Others

These are funds held for parish or school organizations. If a parish/school organization is allowed to maintain their own checking account, then at the end of the year (it should be done quarterly), the reconciled balance of that parish/school organization account needs to be recorded as a Cash Asset of the parish/school. The offset is this Liability account.

28XX – Deferred Revenue

2810 School Tuition – All tuition received in advance of the fiscal school year.

2811 School Fees – All charges received in advance of the school other than tuition, such as registration, student activities, etc.

If you receive cash payments for tuition and fees which are for the next fiscal school year, these should not be recorded as income on your income statement as they relate to the next year. These amounts should be recorded to the Deferred Revenue liability account. In the following year, an adjustment should be made to reduce the liability account and bring the money into that year’s income.

2900 – Capital Assets Support Corporation Parish Deposit and Loan Fund – Loans Payable

You need to record all loans payable to the Capital Assets Support Corporation Deposit and Loan Fund as well as any Accrued Interest Expense payable to the Capital Assets Support Corporation as of June 30th, 2005.

4930 Net Assets Released from Restriction

The amount of donor restricted and endowment funds used during the current year to fund operating and capital expenses.

4940 Net Restricted Assets Used – Donor Endowment

The amount of income from donor endowment funds used during the year for specified purposes.

4950 Net Restricted Assets Used – Donor Restricted

The amount of donor restricted funds used during the year for specified purposes. In addition to income, the fund balance of these restricted funds may also be used for specified purposes.

The important thing to remember about these three accounts, is that the sum of the three accounts should always equal zero. At the end of the fiscal year, you should review the balances in these accounts and ascertain that the total of the three accounts balances out to zero.

Account 4930 increases operating or unrestricted income and net assets. Accounts 4940 and 4950 decreases restricted and endowed income and assets. The amount of the increase and the decrease should offset themselves.

For example, if you have \$20,000 in restricted funds in the Capital Assets Support Corporation Deposit and Loan, and you withdraw \$5,000 to use for the restricted purpose. The following entries would be made when you receive the check from the Capital Assets Support Corporation Deposit and Loan:

Debit	1010 Operating Checking Account	5,000	
	Credit 1080 Deposit and Loan Fund		5,000
	Debit 4950 Net Restricted Assets Used – Restricted		5,000
	Credit 4930 Net Assets Released from Restriction		5,000

Notice that amounts in 4950 and 4930 offset each other. The amount in Account 4930 is considered current unrestricted operating income. The amount in Account 4950 will reduce the total amount of restricted assets you have on hand.

B. Transfer the Year's Equity Change to Unrestricted, Restricted and Endowed Net Assets

The total Net Assets of the parish/schools should be maintained in three Net Assets accounts:

- 3010 Unrestricted Net Assets*
- 3050 Donor Restricted Net Assets*
- 3070 Donor Endowment Net Assets*

Net Assets are the cumulative excess of revenue over expenses in the accounting records of the fund from the beginning of the parish record keeping through the end of the last accounting month. The above three accounts maintain the cumulative excess in the Unrestricted, Restricted and Endowment funds.

The current year net income or loss is automatically recorded to Account 3901 Retained Earnings by the QuickBooks system. In order to close out the year properly, you must reclassify the current year net income from Account 3901 to the proper Net Asset account above (3010, 3050 and 3070).

After all adjusting entries have been made, the following reports need to be printed to assist you in closing out the current year net income to the proper Net Asset account:

- ***Profit and Loss Statement*** – *This is a report summarizing your income and expense accounts and the difference resulting in either profit or loss.*
- ***Balance Sheet*** – *This report shows your financial position by listing assets, liabilities and the net assets accounts.*
- ***Trial Balance*** – *This report summarizes your debits and credits subtotaled by each account type on your chart of accounts.*

Using your Trial Balance and Profit and Loss reports, you must classify the Net Income or Loss to the proper Net Asset account, as follows:

3010 Unrestricted Net Assets – *This will include all unrestricted account activity which is all accounts not described below for Account 3050 and 3070.*

3050 Donor Restricted Net Assets – *These are donations, gifts and bequests which are intended for a specified period of time or intended by the donor to be used for a special or unique purpose. The following accounts (per the Chart of Accounts as of 6/30/05) should be closed out to Account 3050:*

4911 - Donor Restricted Gifts and Bequests

4921 - Income from Donor Restricted Gifts and Bequests

4950 - Restricted Assets Used – Donor Restricted

3070 Donor Endowment Net Assets – *These are donations, gifts and bequests which are intended for a specific purpose (typically scholarship) and whose original sum, or principal, is designated to remain wholly intact. Only the income from these investments can be used for the specified purpose. The following accounts (per the Chart of Accounts as of 6/30/05) should be closed out to Account 3070:*

4910 - Endowments Received
4920 – Income from Endowments
4940 – Restricted Assets Used – Donor Endowment

Since all accounts in the 49XX series of accounts relate to Donor Restricted or Endowment income, the total of these accounts needs to be reclassified to either Account 3050 Donor Restricted Net Assets or Account 3070 Donor Endowment Net Assets.

The total amount that needs to be reclassified will show as Net Income on your Balance Sheet. The QuickBooks system automatically closes out this amount to Account 3901 as of July 1st, so if you ran a Balance Sheet on July 1st, you would see the prior year Net Income in Account 3901. As such, your offset to reclassifying the current year Net Income is Account 3901. The net affect of this is that Account 3901 should be zero as of July 1st, and your Net Assets should be properly classified as Unrestricted, Restricted, or Endowment.

Please see the example on the following pages:

UNADJUSTED BALANCE SHEET AS OF JUNE 30TH, 2005

Test Company
Balance Sheet
 As of June 30, 2005

	◇ <u>Jun 30, 05</u> ◇
ASSETS	
Current Assets	
Checking/Savings	
1540 · Investment-Inv Pool-Endowment ▶	150,000.00 ◀
10xx · Cash & Cash Equivalents	
1010 · Parish/School Checking	125,000.00
1080 · AD Deposit/Loan Fund-Parish	75,000.00
10xx · Cash & Cash Equivalents - Other	<u>5,000.00</u>
Total 10xx · Cash & Cash Equivalents	<u>205,000.00</u>
Total Checking/Savings	<u>355,000.00</u>
Total Current Assets	<u>355,000.00</u>
TOTAL ASSETS	<u>355,000.00</u>
LIABILITIES & EQUITY	
Equity	
3xxx · Net Assets	
3010 · Unrestricted	25,000.00
3050 · Donor Restricted Assets	50,000.00
3070 · Donor Endowment Assets	<u>100,000.00</u>
Total 3xxx · Net Assets	175,000.00
Net Income	<u>180,000.00</u>
Total Equity	<u>355,000.00</u>
TOTAL LIABILITIES & EQUITY	<u>355,000.00</u>

Begin

Current



Note: The Current Year Net Income that needs to be classified into the appropriate Net Assets class, is shown under Net Income. In this example, that amount is \$180,000.

UNADJUSTED BALANCE SHEET AS OF JULY 1ST, 2005

**Test Company
Balance Sheet
As of July 1, 2005**

	◇ <u>Jul 1, 05</u> ◇
ASSETS	
Current Assets	
Checking/Savings	
1540 · Investment-Inv Pool-Endowment ▶	150,000.00 ◀
10xx · Cash & Cash Equivalents	
1010 · Parish/School Checking	125,000.00
1080 · AD Deposit/Loan Fund-Parish	75,000.00
10xx · Cash & Cash Equivalents - Other	<u>5,000.00</u>
Total 10xx · Cash & Cash Equivalents	<u>205,000.00</u>
Total Checking/Savings	<u>355,000.00</u>
Total Current Assets	<u>355,000.00</u>
TOTAL ASSETS	<u>355,000.00</u>
LIABILITIES & EQUITY	
Equity	
3901 · Retained Earnings	180,000.00
3xxx · Net Assets	
3010 · Unrestricted	25,000.00
3050 · Donor Restricted Assets	50,000.00
3070 · Donor Endowment Assets	<u>100,000.00</u>
Total 3xxx · Net Assets	<u>175,000.00</u>
Total Equity	<u>355,000.00</u>
TOTAL LIABILITIES & EQUITY	<u>355,000.00</u>

***Prior
Year***

Note: If you run a balance sheet as of July 1st before any adjustments, you will see that QuickBooks automatically closed out the prior year Net Income of \$180,000 to Account 3901 Retained Earnings.

PROFIT AND LOSS AS OF JUNE 30TH, 2005

**Test Company
Profit & Loss
July 2004 through June 2005**

	◇ <u>Jul '04 - Jun 05</u> ◇
Income	
41xx · Collections - Total	
4110 · Sunday Collections	▶ <u>300,000.00</u> ◀
Total 41xx · Collections - Total	300,000.00
49xx · Donor Restricted Donations	
4910 · Endowment / Gifts Received	50,000.00
4911 · Donor Restricted Gifts/Bequest	<u>30,000.00</u>
Total 49xx · Donor Restricted Donations	80,000.00
4930 · Net Assets Released from Restri	5,000.00
4950 · Net Restrict Asst Used-Dnr Rest	<u>-5,000.00</u>
Total Income	380,000.00
Expense	
610x · Personnel Costs - Parish	
6101 · Compensation-Priest	75,000.00
6105 · Salaries - Lay	<u>125,000.00</u>
Total 610x · Personnel Costs - Parish	200,000.00
Total Expense	<u>200,000.00</u>
Net Income	<u>180,000.00</u>

Note: The Profit and Loss statement is used to identify which accounts need to be closed out to Unrestricted, Restricted and Endowment Net Assets. In the above example:

Restricted Accounts – Total to Close to Restricted Assets = \$25,000

4911 Donor Restricted Gifts/Bequests -	\$30,000
4950 Net Restricted Assets Used -	(\$5,000)

Endowment Accounts – Total to Close to Endowment Assets = \$50,000

4910 Endowment Gifts Received -	\$50,000
---------------------------------	----------

Unrestricted Accounts – The remainder of the accounts would be unrestricted.

The journal entry to reclassify the Net Income to the appropriate Net Assets Account is as follows:

Debit	3901	Retained Earnings	180,000	
	Credit	3050	Donor Restricted Net Assets	25,000
	Credit	3070	Endowment Net Assets	50,000
	Credit	3010	Unrestricted Net Assets	105,000

ADJUSTED BALANCE SHEET AS OF JUNE 30TH, 2005

Test Company
Balance Sheet
As of June 30, 2005

	◇ <u>Jun 30, 05</u> ◇
Current Assets	
Checking/Savings	
1540 · Investment-Inv Pool-Endowment ▶	150,000.00 ◀
10xx · Cash & Cash Equivalents	
1010 · Parish/School Checking	125,000.00
1080 · AD Deposit/Loan Fund-Parish	75,000.00
10xx · Cash & Cash Equivalents - Other	<u>5,000.00</u>
Total 10xx · Cash & Cash Equivalents	<u>205,000.00</u>
Total Checking/Savings	<u>355,000.00</u>
Total Current Assets	<u>355,000.00</u>
TOTAL ASSETS	<u>355,000.00</u>
LIABILITIES & EQUITY	
Equity	
3901 · Retained Earnings	-180,000.00
3xxx · Net Assets	
3010 · Unrestricted	130,000.00
3050 · Donor Restricted Assets	75,000.00
3070 · Donor Endowment Assets	<u>150,000.00</u>
Total 3xxx · Net Assets	<u>355,000.00</u>
Net Income	<u>180,000.00</u>
Total Equity	<u>355,000.00</u>
TOTAL LIABILITIES & EQUITY	<u>355,000.00</u>

This will be zeroed out as of July 1st.

These amounts are now updated to include the current year Net Income.

This will be zeroed out as of July 1st.

ADJUSTED BALANCE SHEET AS OF JULY 1ST, 2005

**Test Company
Balance Sheet
As of July 1, 2005**

	◇ <u>Jul 1, 05</u> ◇
ASSETS	
Current Assets	
Checking/Savings	
1540 · Investment-Inv Pool-Endowment ▶	150,000.00 ◀
10xx · Cash & Cash Equivalents	
1010 · Parish/School Checking	125,000.00
1080 · AD Deposit/Loan Fund-Parish	75,000.00
10xx · Cash & Cash Equivalents - Other	<u>5,000.00</u>
Total 10xx · Cash & Cash Equivalents	<u>205,000.00</u>
Total Checking/Savings	<u>355,000.00</u>
Total Current Assets	<u>355,000.00</u>
TOTAL ASSETS	<u>355,000.00</u>
LIABILITIES & EQUITY	
Equity	
3xxx · Net Assets	
3010 · Unrestricted	130,000.00
3050 · Donor Restricted Assets	75,000.00
3070 · Donor Endowment Assets	<u>150,000.00</u>
Total 3xxx · Net Assets	<u>355,000.00</u>
Total Equity	<u>355,000.00</u>
TOTAL LIABILITIES & EQUITY	<u>355,000.00</u>

Note: After posting the closing Net Asset adjustment, the only accounts that should remain in the Equity section on July 1st are Account 3010, 3050, and 3070. You should not post any entries on July 1st so that you can have a clean balance sheet. If current year entries are posted on July 1st, then you will see a Net Income number in the Equity section as well.

C. Complete and submit the Archdiocese Annual Report along with a diskette of the Trial Balance from QuickBooks

After all the adjusting entries have been made, and the Current Year Net Income is properly closed out to the appropriate Net Assets Accounts, the Archdiocese Annual Report can now be completed.

In order to complete the report, you will need to print out a final adjusted Balance Sheet, Profit and Loss, and Trial Balance.

The following are some key areas of the report that should be noted:

- ***The Annual Report must tie to the QuickBooks reports.*** Please make sure that the Net Income, Total Assets, Total Liabilities and Total Net Assets on your QuickBooks report tie to the following lines:

	<u>Schedule</u>	<u>Parish</u>	<u>School</u>
<i>Net Income</i>	<i>Summary Revenue & Expense</i>	<i>line 31</i>	<i>line 30</i>
<i>Total Assets</i>	<i>Balance Sheet</i>	<i>line 12</i>	<i>line 10</i>
<i>Total Liabilities</i>	<i>Balance Sheet</i>	<i>line 20</i>	<i>line 19</i>
<i>Total Net Assets</i>	<i>Balance Sheet</i>	<i>line 24</i>	<i>line 23</i>

We have provided a Key for the Balance Sheet and the Summary Revenue and Expense Report, which shows which QuickBooks account roll up into each line item. If you have added accounts to your chart of accounts, then you will have to determine where to include these into the Annual Report. All accounts must be included in the Annual Report in order for it to tie out to the QuickBooks reports.

- **Balance Sheet Report** -

The Total Assets must equal the Total Liabilities plus Net Assets. We have added a reconciliation on the bottom of the Balance Sheet this year, to make sure that these numbers equal each other.

You also need to make sure that in the Net Asset section your Net Assets are properly classified as Unrestricted, Donor Restricted and Donor Endowment.

- **Summary Revenue and Expense Report** –

The top part of the report (lines 1-26 for parish, lines 1-25 for school) represent only the Unrestricted revenues and expenses for the parish or school. Net Unrestricted Income/(Loss) is shown on line 26 for parish and line 25 for school.

Restricted revenues and expenses are shown in the Change in Donor Restricted Net Assets section. This should include all activity in the 49xx series of accounts (with the exception of Account 4930 Net Assets Released from Restrictions, which should be shown in the Unrestricted section on line 11 for parish, or line 9 for school. The total Restricted Income/(Loss) is shown on line 30 for parish and line 29 for school.

Total Net Income/(Loss) which is the sum of the Unrestricted plus the Restricted Net Income/(Loss) is shown on line 31 for parish, line 30 for school.

The Net Assets at the end of the year is the sum of the Net Assets at the beginning of the year plus the current year Total Net Income/(Loss). This amount on line 33 for parish and line 32 for school must tie to the Total Net Assets from the Balance Sheet which is on line 24 for parish and line 23 for school. We have added a reconciliation at the bottom of the Summary Revenue and Expense Report to ensure the two numbers tie.

- **Schedule 1a Cash and Cash Equivalents** –

List all cash accounts, including Parish/School Organizations. The ending balance should be the reconciled bank balance as shown in your general ledger. The total of these accounts must tie to Line 1 Cash and Cash Equivalents on the Balance Sheet.

- **Schedule 1b Capital Assets Support Corporation Deposit and Loan** –

List all accounts on Deposit with the Capital Assets Support Corporation Deposit and Loan. The ending balance in each account as shown in your general ledger should tie to the June 30th statement of the Deposit and Loan account. The total of these accounts must tie to Line 2 Deposits in Capital Assets Support Corporation Parish Deposit and Loan on the Balance Sheet.

- **Schedule 3 Capital Assets Support Corporation Investment Pool** –

List all accounts invested in the Capital Assets Support Corporation Investment Pool. The Ending Balance of each account should tie to the June 30th statement of the Investment Pool. The total of these accounts must tie to Line 7 for parish or Line 5 for school on the Balance Sheet.

You must list the beginning balance, cash additions, Investment Distributions, Increase/(Decrease) in Market Value of the Investment, Withdrawals and Ending Balance for each account. This information can be obtained directly from your Investment Pool statements. You will need to add the four quarters' statements together to get the totals for each account.

Please see the end of Section C for examples of where to find the information on your Investment Pool statement.

- **Other Schedules** –

Pay careful attention on the other schedules for where the total of the schedule is to tie to the Balance Sheet or the Summary of Revenue and Expense. There will be a reconciliation showing if there is a difference.

- **Schedule 18 – Other Comments** –

Please explain any unusual or large changes in the Balance Sheet, the Summary of Revenue and Expense, and the Other Schedules. This will help avoid misinterpretation of the statements.

- **Signatures** –

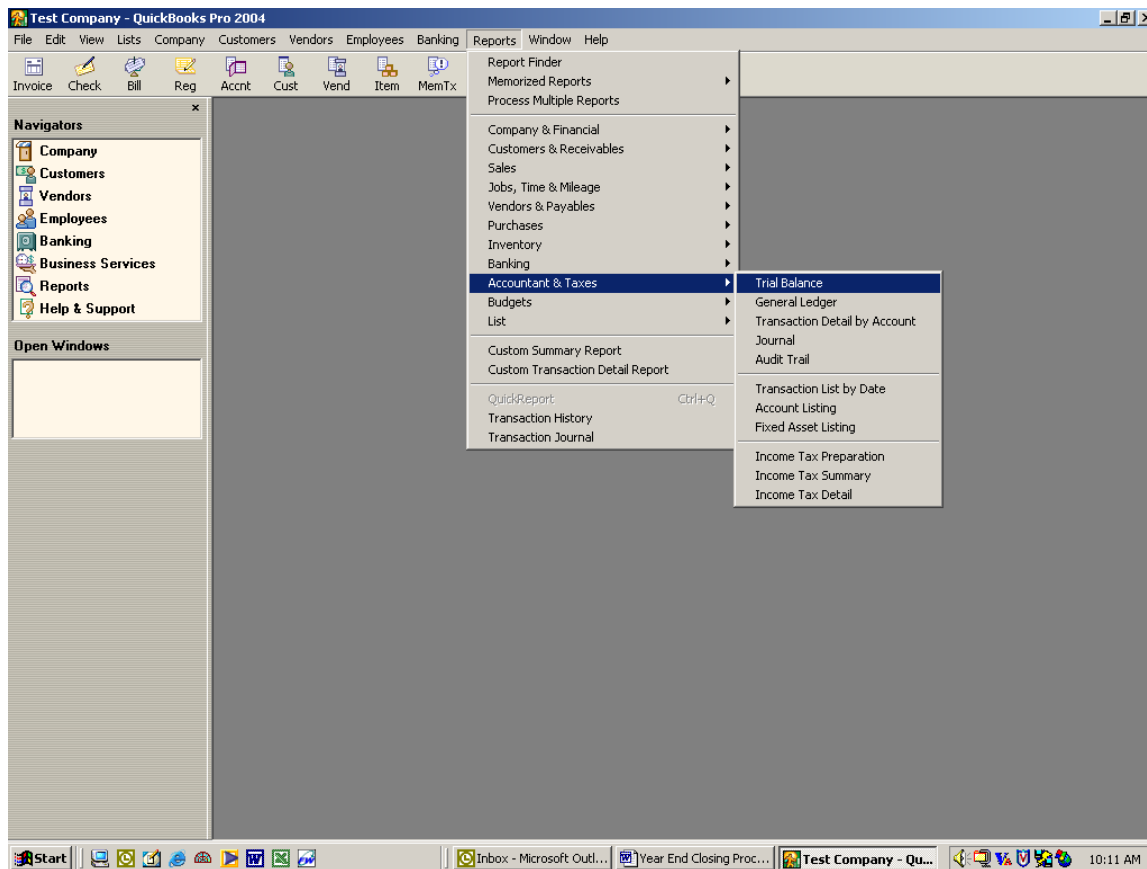
The report needs to be signed by the actual indicated persons. The signatures will not be accepted if they are typed or signed by one person on behalf of the actual indicated person.

The Parish reports must be signed by the Preparer, the Pastor, and the Finance Committee Chairperson. The School reports must be signed by the Preparer, the Principal, the Pastor, the School Board Chairperson, and the parish Finance Committee Chairperson.

- **Diskette of Trial Balance** –

This year, we are asking that along with the Financial Report, you also submit a diskette with your QuickBooks TrialBalance in Excel format. Please make sure you run the trial balance in the greatest level of detail available so that all Accounts and SubAccounts are shown.

To run the Trial Balance in QuickBooks, Select Reports, Accountant and Taxes, and Trial Balance from the Main Menu.



The Trial Balance Report will display. Please make sure you have selected the Trial Balance as of June 30th, 2005. Please make sure that the Trial Balance ties to the information you are submitting on your Financial Report.

Test Company - QuickBooks Pro 2004

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

Invoice Check Bill Reg Acct Cust Vend Item MemTx Find Abacus Backup

Trial Balance Ask a help question Ask How Do I?

Modify Report... Memorize... Print... E-mail Export... Hide Header Collapse Refresh

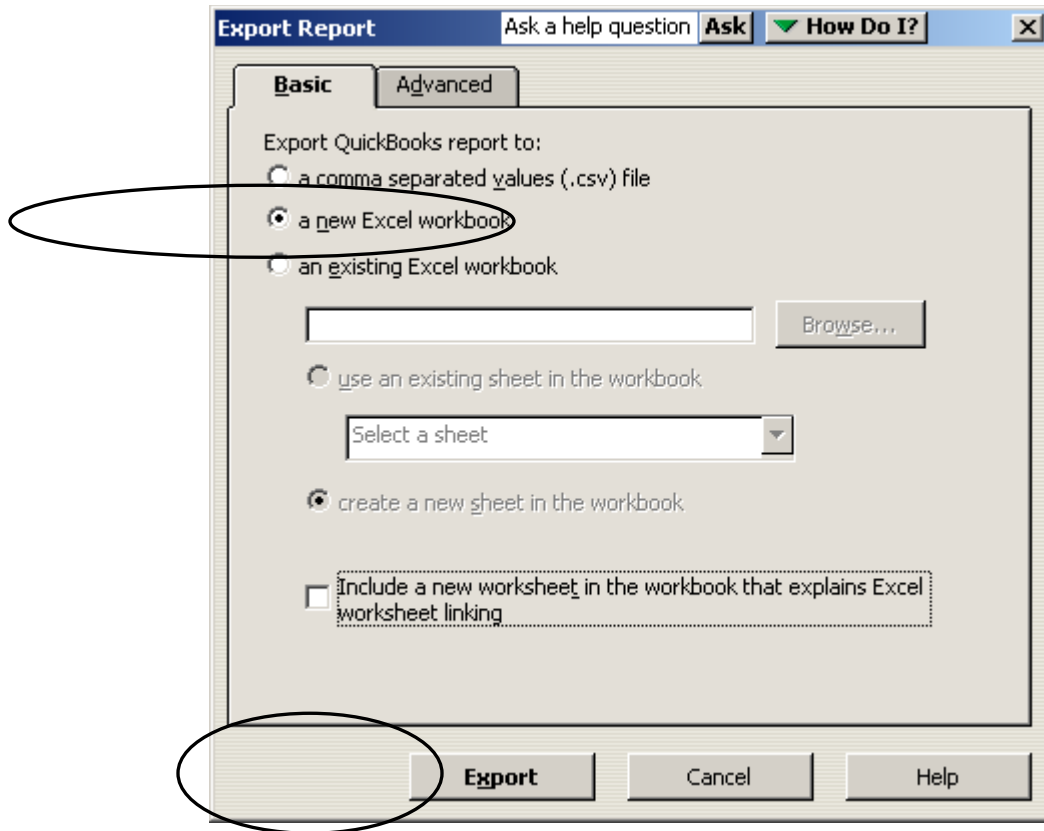
Dates Custom Ac of 06/30/2005 Sort By Default

10:15 AM
06/03/05
Accrual Basis

**Test Company
Trial Balance
As of June 30, 2005**

	Jun 30, 05	
	Debit	Credit
1540 - Investment-Inv Pool-Endowment	150,000.00	
10xx - Cash & Cash Equivalents	5,000.00	
1010 - Parish/School Checking	125,000.00	
1080 - AD Deposit/Loan Fund-Parish	75,000.00	
3901 - Retained Earnings	180,000.00	
3010 - Unrestricted		130,000.00
3050 - Donor Restricted Assets		75,000.00
3070 - Donor Endowment Assets		150,000.00
4110 - Sunday Collections		300,000.00
4910 - Endowment / Gifts Received		50,000.00
4911 - Donor Restricted Gifts/Bequest		30,000.00
4930 - Net Assets Released from Restri		5,000.00
4950 - Net Restrict Asst Used-Dnr Rest	5,000.00	
6101 - Compensation-Priest	75,000.00	
6105 - Salaries - Lay	125,000.00	
TOTAL	740,000.00	740,000.00

To Export the file to Excel, select the Export button. The following will appear.



Select the button for Exporting QuickBooks report to a new Excel workbook. Select the Export button on the bottom of the window.

QuickBooks will automatically open Excel and export the report into a new workbook. After this has occurred, go to the report in Excel and save the file to a floppy disk. Please name the file with your Parish or School name and submit the file along with the hardcopy of your signed Financial Reports.

If you have any questions regarding your account, please call Helen Lee at (415) 614-5513,
or Mary Connolly at (415) 614-5515.

Example 1 (See Investment Pool Statement on previous page)
Investment Pool – Recording activity from a Restricted Investment Pool Account

1. Investment Pool Additions- *In this example, the only addition to the Investment Pool was due to a reinvestment of Distributions (which is recorded as shown below under distributions). There are no other Additions to record)*

2. Investment Pool Distributions – *In this example, there is a \$562.35 distribution that is reinvested into the Investment Restricted fund. This is recorded as follows:*

Debit 1530 Investment In Arch Inv Pool – Restricted

562.35

Credit 4921 Income Donor Restricted Gifts 562.35

3. Change in Market Value of Investment Pool –*To record the total increase/(decrease) in investment due to the change in the unit value of the investment. The best way to calculate the Change in Market Value of the Investment Pool Account is as follows:*

Beginning Number of Units x Beginning Net Unit Value = Beginning Market Value
Beginning Number of Units x Ending Net Unit Value = Ending Market Value
Ending Market Value – Beginning Market Value = Change in Market Value

In this example, there are 46.60 beginning units, with a beginning unit value of \$1,374.195 and an ending unit value of \$1,366.622.

*46.60 X \$1,374.195 = 64,038 Beginning Market Value * there will always be a small rounding difference compared to stmt
46.60 X \$1,366.622 = 62,287 Ending Market Value
62,287 – 64,038 = (1,751) Decrease in Market Value*

To record this change in market value
Debit 4921 Income Donor Restricted Gifts 1,751
Credit 1530 Investment in Arch Inv Pool – Donor Restricted 1,751

4. Investment Pool Withdrawals - *In this example, the parish withdrew \$12,552.19 in funds from the Restricted Investment Pool. When the check is received from the Archdiocese it should be deposited into the checking account and recorded as follows:*

Debit 1010 Operating Checking Account 12,552.19
Credit 1530 Investment in Arch Inv Pool –Restricted 12,552.19

Since the Restricted funds are now being used for their purpose, you must record the Net Asset Release and Use as follows:

Debit 4950 Net Restricted Assets Used – Restricted 12,552.19
Credit 4930 Net Assets Released from Restrictions 12,552.19

When you actually use the funds, you need to record the entry that shows what purpose the funds were used for.

Debit 1620 Furniture, Fixture and Equipment 12,552.19
Credit 1010 Operating Checking Account 12,552.19

Reporting this on Schedule 3 of Financial Report –*The above example would be reported on Schedule 3 as follows.*

Column A Beginning Balance (from statement) - \$64,043

Column B Cash Additions to Pool (see 3 above)– 0
Column C Investment Distributions(see 1 above) - \$562.35
Column D Increase/(Decrease) in Market Value (see 4 above) – (\$1,751)
Column E Withdrawals (see 2 above) - \$12,552.19
*Column F Ending Balance = A + B + C + D – E = \$50,302 ** ties to statement*

EXAMPLE 2 FOR SCHEDULE 3 – INVESTMENT POOL ACCOUNTS

ONE PETER YORKE WAY, S.F., CA 94109

BALANCED INVESTMENT POOL

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXXXXXXXXXX

STATEMENT DATE
 January 28, 2005

Investment Pool XXXXXXXXXXXXXXXXXXXXXXXX
 Account: _____ **XX.XX-XXXX.XX-XXX.XXX**

	NUMBER OF UNIT UNITS	X	NET VALUE	=	TOTALS (Fair Market Value)
PREVIOUS STATEMENT	171.00		\$ 1,280.858		\$ 219,027.74

CURRENT ACCOUNT ACTIVITY

New unit value at 12/31/2004			\$ 1,374.195		
ADDITIONS / REINVESTMENTS Credited 1/01/2005	28.66		\$ 1,374.195		\$ 39,387.31
WITHDRAWALS	0.00		\$ 1,374.195		\$ 0.00

ENDING ACCOUNT BALANCE

199.66 \$ 1,374.195 \$ 274,375.87

DISTRIBUTION: Check in the amount of \$ **2,039.46**

Distribution is based on 1.00% X the number of units in your account at the end of the previous quarter X the average of the previous restated 12 quarterly net unit values. The 12 quarter average unit value for this distribution period is \$1,192.658.

PLEASE NOTE: Additions to the Investment Pool will only be accepted during the first five business days of the quarter. Additions must be at least \$1,000.00.

If you have any questions regarding your account, please call Helen Lee at (415) 614-5513, or Mary Connolly at (415) 614-5515.

**Example 2 (See Investment Pool Statement on previous page)
Investment Pool – Recording activity from a Endowment Investment Pool Account**

1. Investment Pool Distributions – In this example, there is a \$2,039.46 distribution from the Endowment Investment Pool account that is paid to the school via a check. When the check is received from the Archdiocese, it should be deposited into the operating checking account and the Net Assets should be released as follows:

Debit 1010	Operating Checking Account	2,039.46	
	Credit 4920	Income from Endowments	2,039.46
Debit 4940	Net Assets Used – Donor Endowment	2,039.46	
	Credit 4930	Net Assets Released from Restrictions	2,039.46

2. Investment Pool Withdrawals - In this example, there were no additional cash withdrawals from the investment pool other than the distribution received by check shown above.

3. Investment Pool Additions- In this example, there was a cash addition to the Endowment Investment Pool Account of \$39,387.31. That cash was then transferred to the Investment pool.

As the cash is collected from donors, the following entry is made:

Debit 1010	Operating Checking Account	39,387.31	
	Credit 4910	Endowments Received	39,387.31

At the end of the quarter, the cash is transferred to the Investment pool and recorded as follows:

Debit 1540	Inv in Arch Pool – Endowment	39,387.31	
	Credit 1010	Operating Checking Account	39,387.31

4. Change in Market Value of Investment Pool –To record the total increase/(decrease) in investment due to the change in the unit value of the investment. The best way to calculate the Change in Market Value of the Investment Pool Account is as follows:

Beginning Number of Units x Beginning Net Unit Value = Beginning Market Value
 Beginning Number of Units x Ending Net Unit Value = Ending Market Value
 Ending Market Value – Beginning Market Value = Change in Market Value

In this example, there are 171.00 beginning units, with a beginning unit value of \$1,280.858 and an ending unit value of \$1,374.195.

171.00 X \$1,280.858 = 219,027 Beginning Market Value
 171.00 X \$1,374.195 =234,987 Ending Market Value
 234,987 – 219,027 = 15,960 Increase in Market Value

To record this change in market value

Debit 1540	Investment in Arch Inv Pool –Endowment	15,960	
	Credit 4920	Income from Endowments	15,960

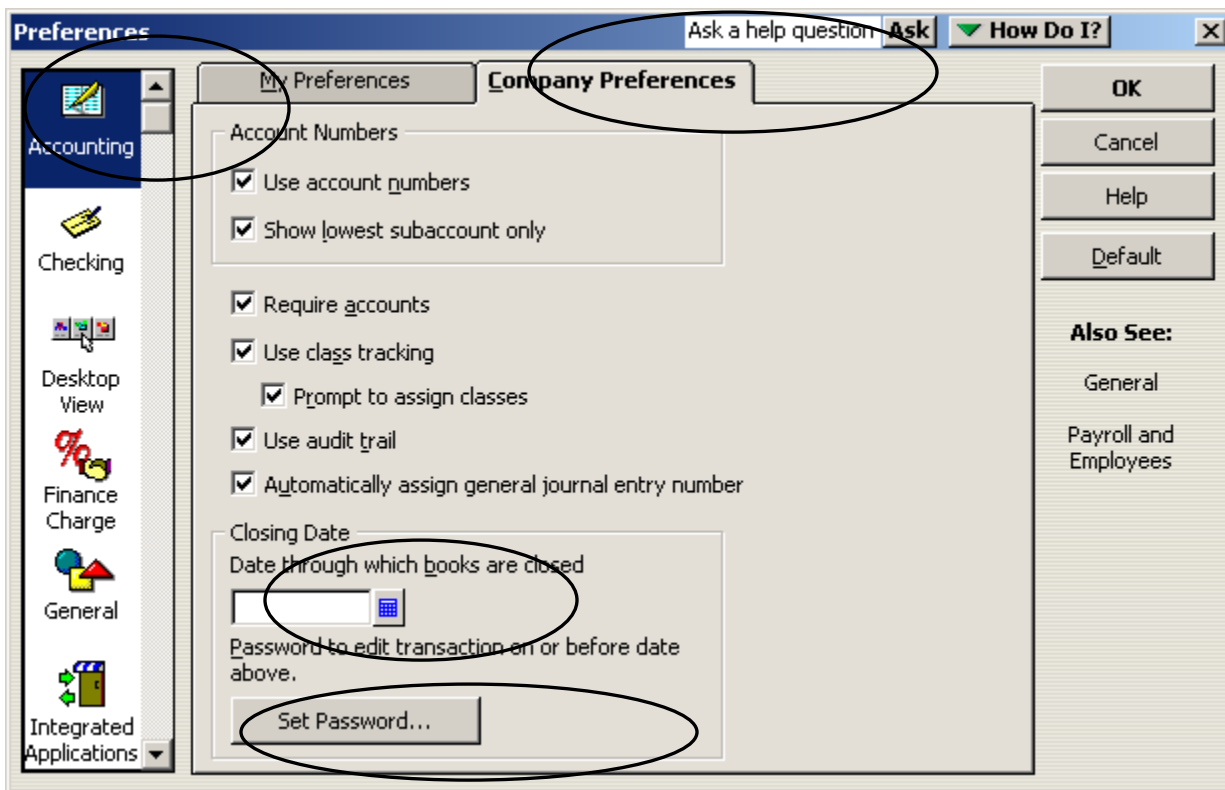
Reporting this on Schedule 3 on Financial Report –The above example would be reported on Schedule 3 as follows.

Column A Beginning Balance (from statement) - \$219,028
 Column B Cash Additions to Pool (see 3 above)– \$39,387
 Column C Investment Distributions(see 1 above) - \$2,039.46
 Column D Increase/(Decrease) in Market Value (see 4 above) – \$15,960
 Column E Withdrawals (see 2 above) - \$2,039.46
 Column F Ending Balance = A + B + C + D – E = \$274,375 ** ties to statement

D. Protect QuickBooks records for the year just ended

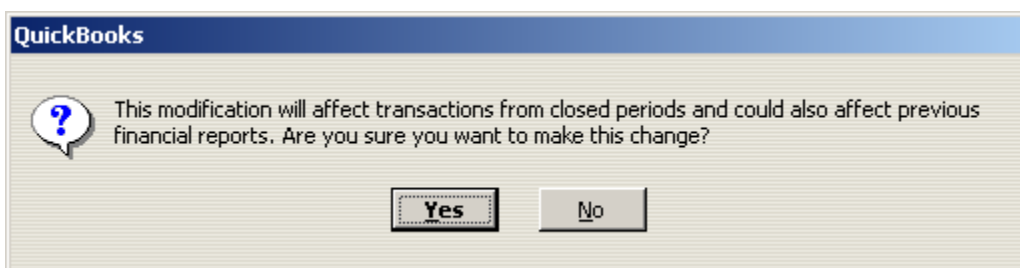
The final steps to closing out the year are (1) Protect your QuickBooks records for the year just ended so that you do not accidentally go back and make entries into last year's reconciled and tied amounts by setting a Closing Date. (2) Make two backups of your QuickBooks file and store one onsite and one offsite in a secure location.

(1) To set a Closing Date for the year just ended, Select Edit, Preferences from the Main Menu. The following window will display:

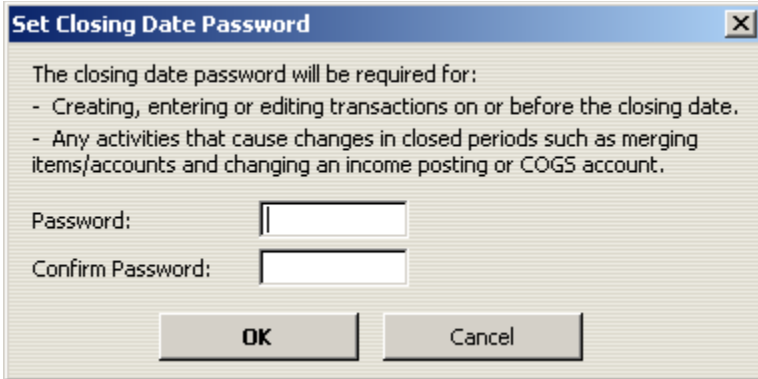


Make sure you have selected Accounting Preferences on the far Left, and the Company Preferences tab on the top.

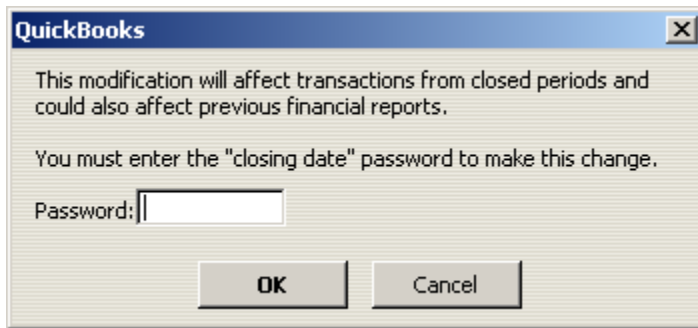
On the bottom half of the window, you can set the Closing Date. You should set the closing date to the year just ended. After setting the closing date, a warning message will display if you try to enter a transaction prior to that date. The warning message will display as follows:



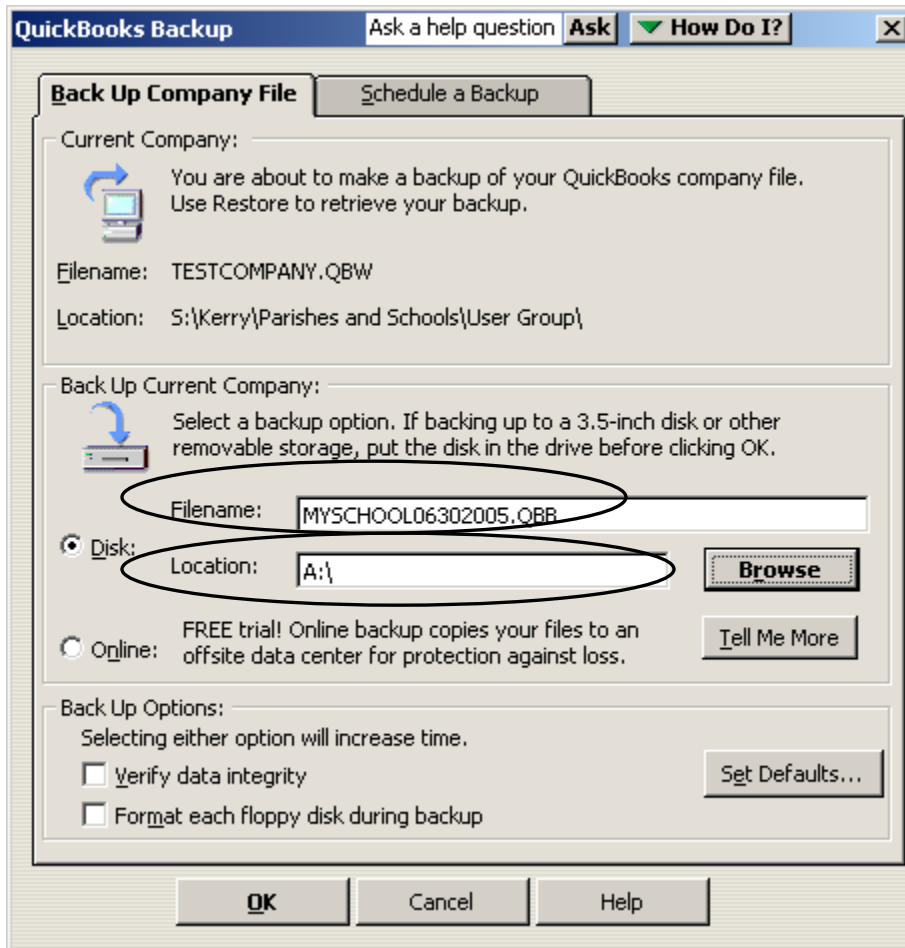
You may also set a Password, so that you will not be able to add a transaction prior to the closing date unless you enter the Password. To set a Password, select the Set Password button, and the following dialog box will appear.



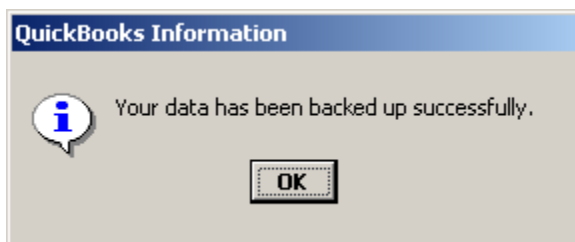
If you set the password, if you try to enter a transaction prior to the closing date the following will appear:



2. To make a backup of your QuickBooks file, Select File, Backup from the Main Menu. The following will display:



Make sure you name your Filename something that makes sense, such as the name of your parish and the year ending date. Set the location of where you want to backup the file, i.e. a disk or a network drive. Then select OK. You will get a message when your data has been successfully backed up.



E. Year End Closing Procedure Checklist

- Record all deposits through June 30th
- Record all bills for goods or services received prior to June 30th. These bills will either have been paid before June 30th, or shown as an Accounts Payable.
- Record all Bank, Investment and Petty Cash Accounts. Make sure all bank accounts for organizations using the parish/school Tax ID Number are recorded.
- Record Interest Earned on:
 - Savings Accounts
 - Capital Assets Support Corporation Deposit and Loan Accounts
 - Capital Assets Support Corporation Investment Pool Accounts
- Reconcile all Bank, Investment and Petty Cash Accounts. Obtain copies of the June statements of account for the Deposit and Loan and the Investment Pool Account from the Capital Assets Support Corporation.
- Record ending Inventories for:
 - Bingo games materials
 - Scrip
 - Gift Shop Materials
 - Other Supplies (material amounts only)
- Reconcile/Analyze Other Asset and Liability Accounts
 - Accounts Receivable - Trade
 - Tuition/Fees Receivable
 - Prepaid Expense
 - Accounts Payable – Trade
 - Deferred Revenue
 - Other Accrued Expenses
 - Payroll
 - Pension
 - Taxes
 - Insurance
 - Interest
 - Loan Payable to Archdiocese
- Create and record any Adjusting Entries
- Print preliminary Financial Statements
 - Trial Balance
 - Profit and Loss Statements
 - Balance Sheet

- Analyze Current Year Restricted accounts
 - Donor Endowment
 - Donor Restricted
 - Unrestricted

- Create and Record journal entry to transfer the year's Net Income change to:
 - Donor Endowment
 - Donor Restricted
 - Unrestricted

- Print Final Year-End Financial Statements and other reports that you may want to keep as a hard copy
 - Trial Balance
 - Profit and Loss Statements
 - Balance Sheet
 - General Ledger
 - Detailed Transactions by Account/Date
 - Other Reports

- Prepare the Annual Parish/School Financial Reports and Schedules for submission to the Chancery Office. Make sure the reports tie out to the QuickBooks file. Create diskette with QuickBooks Trial Balance in Excel format.

- **IMPORTANT: The Annual Parish/School Financial Reports and the diskette with the Trial Balance is due to the Chancery Office on or before September 15th, 2005.**

- Protect your QuickBooks records for the year just ending by providing a closing date and an optional Password.

- Backup your QuickBooks datafile

NOTES
