



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

203.1.1 - Accounting Entries - Parishes

Endowments

Endowments (and independent Foundations established prior to October 1, 1992) are required to be reported on the Financial reports if the endowment or Foundation is solely and irrevocably for the benefit of the parish or school.

Endowments are to be recorded as an asset at market value. When the endowment is established, the following entry is made:

Donations received by a Parish for an Endowment Account, whether through a Fund Drive or gift, are to be recorded as follows:

DR 4XX – Permanently Restricted – Endowment Account
CR 110 – Permanently Restricted Revenue

At least quarterly, the change in the market value of the endowment is to be recorded. The change generally will have two components: investment income and realized/unrealized gain or loss. Investment income is to be recorded as follows:

DR 4XX – Permanently Restricted – Endowment Account
CR 111 – Permanently Restricted – Investment Income

Both realized as well as unrealized gain or loss is to be recorded as follows:

DR 4XX – Permanently Restricted – Endowment Account
CR 112 - Permanently Restricted – Realized/Unrealized Gain(Loss)

This transaction would reflect an increase in value. To reflect a decrease in value, the debit and credit would be reversed.

If a distribution is taken from an endowment, the following entries would be made:

DR 4XX – Parish Operating Account
CR 4XX – Permanently Restricted – Endowment Account

DR 113 – Net Assets Released from Restrictions – Permanently Restricted
CR 81 – Net Assets Released from Restrictions

If the endowment is solely for the benefit of the Parish's elementary school, and with pre-approval by the Diocesan Finance Office, account 540 Other School Income is credited instead of account 81. If the endowment is strictly for the benefit of cemetery maintenance, account 48 – Cemetery Income and Expense is credited.

PAF Savings Account Earnings



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

203.1.1 - Accounting Entries - Parishes

Each month, the Parish will receive a statement identifying interest that was paid on PAF savings accounts. This interest is recorded as follows:
DR 4XX – PAF Savings Account
CR 70 – Other Parish Income
If the PAF account is solely for the benefit of the Parish’s elementary school, account 540 Other School Income is credited instead of account 70.

Construction Accounting

During construction projects, Parishes are required to place all funds raised for the project into a separate PAF account dedicated to the project. When invoices pertaining to the project are paid, the following entry is made:

DR 4410 Leasehold Improvements
CR 4XX PAF Construction Account

If the invoice is being paid through a bridge loan from the Parish Aid Fund, the entry would be:

DR 4410 Leasehold Improvements
CR 5910 Loans Due to Parish Aid Fund

As donations are made towards the project, the following entry will be made:

DR 4XX PAF – Construction Account
CR 60 Fund Drives

When those funds are used to pay the loan, the following entry will be made:

DR 5910 Loans Due to Parish Aid Fund
CR 4XX PAF – Construction Account

Reserve Account Transfers

Transfers of funds between reserve accounts are recorded as asset only transactions. For example, if a reserve has been established in the PAF for Repairs and Maintenance, the income is recorded at the time the reserve is established or increased. When the Parish deems it necessary to expend moneys from the Reserve, the funds are transferred into the Parish checking account from the PAF using the following entry:

DR 4XX Parish Checking Account
CR 4XX PAF Repairs & Maintenance

When invoices are paid using these funds, the following entry will be made:



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

203.1.1 - Accounting Entries - Parishes

DR 320 Maintenance Supply & Repair
CR 4XX Parish Checking Account

Collections by Parishes for Secondary School Support

If a parish takes up a special collection or places a special envelope in its stewardship packet specifically designated as Secondary School Support Only, one of the unlisted Liability accounts (account 42 to 45) under Designated Collections should be credited with this receipt. When the disbursement is made to the Secondary School, the Liability would be reduced by the amount remitted by debiting the account. This accounting only applies for funds raised to assist the parish in meeting its commitment to subsidize the tuition of students from its parish attending a Catholic secondary school. Amounts disbursed in excess of the balance in this account are to be recorded in expense account 340 – Secondary School Support Paid.