

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

INTRODUCTION

Parish Accounting, because of the motivations underlying parish efforts, is much more than accounting in its normal sense. Therefore, the approach in this system is centered on the theme of “The Mission of the Church to the World,” more specifically, “The Mission of the Parish Family to the Parish and to the World.”

Accounting is a method of recording, classifying and summarizing in a uniform manner, in terms of money, activities and events and the subsequent interpretation of the results. Therefore, an accounting system can be very valuable in applying prudent management to the materialities of church affairs. With this in mind, this parish accounting system is introduced as a tool to effect standardization and uniformity of accounting within the parishes of the Archdiocese.

Accounting records are basically historical records representing past events and therefore appear on the surface to have limited value. However, they are invaluable sources of vital facts to be used in interpretation of the past and to apply as guides in future planning for the utilization of available resources.

With the size of the facilities that a parish maintains and the operations it encompasses, the Pastors, Parish Councils and parishioners are continually faced with plans and decisions, which require reliable information. Some of the very pressing problems facing the Church today lie in the realm of finances, and still others are very much dependent on them.

In order to meet the need of the many considerations involved and all of the people of the Diocese, a uniform system of accounting to provide the accumulation of accurate information must be adopted. The implementation of a uniform system will improve the recording of parish financial data, improve the accounting for all Diocesan funds, improve budgetary procedures and establish a firm basis for future planning.

Just as in anything else, we will only get out of the system what is put into it. Therefore, it is important for consistency purposes to attempt to properly classify each expenditure. However, there will be “gray areas” of identification, which should not be belabored. In such cases, a judgment of reasonableness should be exercised.

Where questions arise, inadequacies are found or improvements developed, the Archdiocese office should be notified so that necessary changes can be made in the overall system and all parishes subsequently notified.

We would like to gratefully acknowledge the assistance of those who helped in formulating these procedures, especially that of a Certified Public Accountant who is a member of one of our parishes, and for the benefits gained from the work done by several other Dioceses in the development of their accounting systems.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

The Chart of Accounts has been arranged in categories and sections of related accounts. These groupings of accounts will assist in making comparisons and evaluations of related expenses classification for the various parish activities. The general category headings of the disbursement groupings are:

**SALARIES
PERSONNEL RELATED EXPENSES
PARISH OPERATIONS-MAINTENANCE
PARISH OPERATIONS – GENERAL
CAPITAL EXPENDITURES
PARISH PROGRAMMING AND SERVICES**

Within these general categories are sections, which group the actual accounts.

**FUNCTIONAL ACTIVITY
(See NOTE on next page)**

Some of these accounts, such as the maintenance accounts, may apply to various physical plant facilities for which expenditures should be separated. There are many other accounts that can relate to various parish activities, such as Religious Education Programs, which for evaluation and planning should be separated.

The segregation of these costs necessitates expanding the basic chart of accounts. This has been done by establishing Functional Activity groupings that can be found in parishes.

This functional distribution provides for both the physical plant and the activities that are normally associated with these facilities. These functional activities are:

CHURCH – This functional activity is found in every parish and should include any account classification which relates to the physical church structure and parish activities, which cannot readily be identified with one of the other functions described below. **(See NOTE on next page)**

RELIGIOUS EDUCATION, K-12 – This functional activity is found in every parish and should include any account classification that would have expenditures for the parish's formal religious education for grades K-12. It should include direct program expenses, i.e., salaries and materials, used in support of religious education programs for grades K-12. Do not include allocations of overhead for religious education programs. **(See NOTE on next page)**

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

RECTORY – This functional activity is found in most parishes and should include the account classifications which pertain to the physical rectory structure and the expenditures that relate to the direct operation of the rectory and the normal household expenses of the resident clergy paid directly by the parish. (See **NOTE below**)

CONVENT – This functional activity is found in some parishes and should include the account classifications which pertain to the physical convent structure or living quarters of resident nuns and the expenditures which relate to the direct operation of the convent and the normal household expenses paid directly by the parish. (See **NOTE below**)

PARISH HALL – This functional activity is found in some parishes and should include expenditure pertaining to the physical structure and the activities directly relating to its use of a general parish nature and which do not properly belong under the Religious Education function. (See **NOTE below**)

SCHOOL – All cost for this activity should be handled in accordance with the school accounting manual.

NOTE

For the 1994-1995 fiscal year and thereafter, it will only be necessary to have two functional distributions, Religious Education, K-12, and all other parish expenses.

If the parish wishes, it may continue using the previous functional distribution categories for internal parish use and then combine the Church, rectory, convent, and parish hall categories for the parish annual financial report.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

The account code for use in numerical identifying a receipt or disbursement account is a four (4) digit code.

The first digit of the four-digit code is used to identify the functional activity for which the entry applies. The functional activities, as described in the previous section, are coded as follows:

- 1xxx – All other parish except Religious Education, K-12*
- 2xxx – Religious Education, K-12 *
- 3xxx – Rectory
- 4xxx – Convent
- 5xxx – Parish Hall

***See NOTE on Page 3**

The three (3) digits following the functional activity code identify the specific receipt or disbursement account to which the accounting entry is being made.

Every entry should be identified by a four (4) digit code. For example:

Repairs to the Rectory building	Code 3433
Salary of a Lay Religious Education Teacher	Code 2355
Candles for Church service	Code 1715

All receipts and disbursements for the parish school should be coded and classified according to the NCEA School Accounting Manual. Since the account codes in the NCEA Manual cover almost the full range of numbers, duplication between parish and school account codes can be avoided by insuring that the school code is a least five (5) digits. Most school codes in the manual are five (5) or more digits. For those that are not, low order zeros (0) should be added when used to make it a five (5) digit code.

The use of account codes will greatly facilitate the classification and summarizations of receipts and disbursements. The three digits of the parish codes, which identify the account classifications, have been aligned according to the various groupings of accounts.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

RECEIPTS

ACCOUNT CODE	ORDINARY COLLECTIONS (100)
101	Envelope Collections
102	Plate Collections
103	Pew Rent Collections
104	Special Parish Collections
107	Other Parish Collections
108	Extra Parochial Collections (see next page for detail)
109	Mass Stipends – Stole Fees (Parish)
	OTHER CONTRIBUTIONS (110)
111	Parish Assessments
112	Gifts & Bequests – Designated
113	Gifts & Bequests – Other
114	Gifts from the Diocese or Parishes
116	Parish Organizations – Donations
118	Altar, Votive & Candle Offerings
119	Other Contributions
	INCOME FROM PARISH ASSETS (120)
121	Sale of Parish Property
124	Interest Income
126	Rental Income
	CAPITAL FUND DRIVES (130)
131	Parish Capital Fund Drives
135	FFOH PARISH REBATES
137	ACTS PARISH REBATES

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

RECEIPTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
NOTE	Detail of Account:
108	Extra Parochial Collections
	Holy Father (Peter's Pence)
	Catholic Relief Services
	Holy Land (Good Friday)
	Latin America
	Black and Indian Home Missions
	Propagation of the Faith
	Mission Sunday
	Holy Childhood
	Easter – Support of Priesthood Past and Present
	Catholic Charities – Christmas
	Rice Bowl – During Lent
	Catholic Communications
	Mission Cooperation Plan
	Church in Central and Eastern Europe
	Archbishop's Annual Appeal
	Catholic Campaign for Human Development
	Retirement Fund for Religious
	Home Mission Appeal
	Catholic University of America

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

RECEIPTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	PARISH MINISTRY PROGRAM (140)
141	Adult Education Fees
142	Student Fees
145	Book Rent Fees
146	Book Sales Receipts
147	Supplies Sales Receipts
149	Other Religious Education Activities
	COMMUNICATION APOSTOLATE (150)
151	Archdiocesan Newspaper
152	Bulletin Advertising Receipts
	SPECIAL ACTIVITIES (160)
161	Socials, etc., Receipts
162	Cafeteria Receipts
163	Bus Receipts
165	Athletic Receipts
167	Parish Organization Receipts
	CEMETERY
171	Cemetery Receipts
	OTHER INCOME (180)
181	Reimbursed Expenses
182	Vending Machines
183	Loans to Others Repaid
184	Insurance Recovery
189	Other Income
	RECEIPTS FROM BORROWING (190)
191	Loan Proceeds

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS

ACCOUNT CODE	CHART OF ACCOUNTS
	SALARIES - CHURCH
311	Pastor
312	Associate(s)
313	Additional Clergy Assistance
314	Other Parish Spiritual Services
317	Music Director, Choir & Organist
318	Other
	SALARIES – OPERATIONS (320-330)
321	Administrative Services
322	Office
324	Housekeeper
325	Maintenance Personnel
328	Cafeteria
329	Bus Driver
331	Other
	SALARIES – PARISH MINISTRY PROGRAM (350)
351	Coordinators – Religious
352	Coordinators – Lay
354	Teachers – Religious
355	Teachers – Lay
359	Other Parish Ministry Salaries
	CONTRACT SERVICES (360)
361	Contract Services – Church
363	Contract Services – Operators
365	Contract Services – Other (Parish Ministry Programs)

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	PERSONNEL RELATED EXPENSES (370,380)
371	Payroll Taxes – Employer’s Share – FICA
373	FSA Fee
375	Insurance – Health – Lay
375A	Insurance – Dental – Lay
376	Insurance – Life – Lay
377	Insurance – Workman’s Compensation
378	Archdiocesan Retirement Plan – Lay
381	Retirement and Disability Fund – Priest
382	Priest Retreats – Continuing Education
383	Insurance – Health – Dental – Priests
385	Seminars, Conferences, Workshops
	PARISH OPERATIONS (400, 500)
	PARISH OPERATIONS – MAINTENANCE (420,430,440)
421	Contracted Services – Grounds Maintenance
422	Maintenance – Grounds
423	Repairs – Grounds
424	Supplies – Grounds
431	Contracted Services – Building Services
432	Repairs – Grounds
433	Repairs – Buildings
434	Supplies – Buildings
441	Contract Services – Equipment
442	Repairs – Equipment
445	Repairs – Plumbing, Heating & Electrical
451	Repairs - Furniture

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	PARISH OPERATIONS – GENERAL (500,510)
501	Utilities
505	Telephone
506	Laundry & Cleaning
508	Food
509	Household
512	Contract Service- Other
514	Rent – Equipment
515	Rent – Facilities
	INSURANCE (520)
521	Insurance – Special Multi- Peril
525	Insurance – Liability
526	Insurance – Vehicle
529	Insurance – Other
	TRAVEL (530,540)
531	Auto Usage Reimbursement
533	Auto Expense
534	Auto Repair
539	Other Travel
541	Bus Expense
542	Bus Repair
546	Bus Leased Expense

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	ADMINISTRATION (550)
551	Office Supplies
552	Paper Stock
553	Printing – General
555	Postage
	PROFESSIONAL SERVICES (560)
561	Accounting Fees
562	Legal Fees
563	Architectural and Engineering Fees
565	Fund Raising Fees
566	Computer Fees
569	Other Professional Fees
	COST OF BORROWING (570)
571	Interest Expense
	OTHER PARISH OPERATIONS (580)
581	Dues & Subscriptions
582	Licenses, Taxes and Assessments
584	Taxes – Property
586	Rental Property
587	Reimbursable Expenses
589	Miscellaneous Operations Expense

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	CAPITAL EXPENDITURES (600)
	EQUIPMENT CAPITAL EXPENSE (610)
611	Autos
612	Bus
614	Audio Visual Equipment
615	Athletic Equipment
616	Maintenance Equipment
617	Office Equipment
618	Furniture & Fixture
619	Other Equipment
	BUILDINGS – CAPITAL EXPENSE (630)
	Buildings – Purchases
632	Buildings – New Construction
633	Buildings – Additions
634	Buildings – Improvement
637	Buildings – Architectural & Engineering
	LAND – CAPITAL EXPENSE (640)
641	Land Acquisition
642	Site Improvement
645	Land Engineering
647	Rental Property
	DEBT REDUCTION (650)
651	Principal Payment

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

DISBURSEMENTS (continued)

ACCOUNT CODE	CHART OF ACCOUNTS
	PARISH PROGRAMMING & SERVICES (700)
	LITURGICAL SUPPLIES (710)
711	Altar Vestments, Chalices, Ciborium, etc.
712	Altar Bread & Wines
713	Altar Supplies – Other
715	Candles
716	Choir
717	Liturgical Publications
	PARISH MINISTRY SUPPLIES (720)
721	Homily Material
722	Library
724	Books – Rental
725	Books
726	Subscriptions & Publications
727	Supplies for Resale
728	Rent – Audio Visual Materials
	COMMUNICATION APOSTOLATE (740)
741	Archdiocesan Newspaper
742	Bulletin – Parish
743	Radio & Television
746	Advertising
747	Public Relations

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
CHART OF ACCOUNTS**

ASSETS

ACCOUNT CODE	CHART OF ACCOUNTS
	CASH
9011	Petty Cash Fund
9014	Undeposited Funds
9020	Cash in Bank – Operating Account
9028	Archdiocesan Fund Deposits
9029	Other Deposits
	RECEIVABLES
9031	Employee Advances
9032	Other Accounts Receivable
	INVESTMENTS
9041	Investments – Donated Securities
9042	Investments – Real Property
	LIABILITIES
	CURRENT LIABILITIES
9061	Federal Income Tax Withheld
9062	State Income Tax Withheld
9063	FICA Withheld
9067	Notes Payable (Short Term) – Archdiocese
9068	Contracts Payable
	LONG TERM LIABILITIES
9071	Notes Payable (Long Term) – Archdiocese
9075	Notes Payable to Banks and other institutions
	OTHER LIABILITIES
9081	Funds Held in Trust
	EQUITY
9091	Equity Account (Parish Fund Balance)

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
RECEIPTS (100-199)**

ACCOUNT CODE	ORDINARY COLLECTIONS (100)
101	Envelope Collections – Receipts in envelopes from regular Sunday and Holy Day collections. Exclude any collections remitted to the Chancery.
102	Collections – Coin and currency received in the collection not specifically identified for a particular purpose.
103	Pew Rent Collections – Parish income where it is identified as pew rent.
104	Special Parish Collections – Other collections (such as fuel collections) that are to remain in the parish. Exclude special collections to be remitted to the Chancery.
107	Other Parish Collections – Collections from Missions, Novenas and other spiritual services.
108	Extra Parochial Collections – This account is credited with the receipts from all collections for specific purposes that are not retained in the parish. Debit this account when the disbursement is made of these funds. Since all the money received from these collections is disbursed, the net of this account is normally zero. (See Chart of Accounts listing for detail of collections.)
109	Mass Stipend – Stole Fees
	OTHER CONTRIBUTIONS (110)
111	Parish Assessments - Receipts from assessments leveled by parish on its parishioners (the funds collected will remain in the parish).
112	Gifts & Bequests – Designated - Monies or value in kind received by the parish and designated for a specific purpose by the donor such as the purchase of a new Tabernacle, a statue, carpeting, living room furniture, etc., are to be credited to this account.
113	Gifts & Bequests – Other - Monies or value in kind received and not designated by the donor for a specific purpose are to be credited to this account.
114	Gifts from the Diocese or Parishes – Monies or value in kind from the Archdiocese or other parishes without any obligation to repay.
116	Parish Organization Donations – Monies or value in kind donated by parish organizations.
118	Altar, Votive or Candle Offerings – Monies collected from the offerings made for these or similar items.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
RECEIPTS (100-199) - CONTINUED**

ACCOUNT CODE	INCOME FROM PARISH ASSETS (120)
121	h Property – Proceeds received from the sale of land, buildings, furnishings, equipment, and vehicles. Record gross amounts less any direct costs of sales (commissions, etc.) excluding the cost of the asset.
124	Interest Income – Income received on all deposits and interest bearing receivables or bonds.
126	Rental Income – Record gross amount received from the rent of property equipment.
	CAPITAL FUND DRIVES (130)
131	Parish Capital Fund Drives – Gross receipts from specific capital fund drives. Additional accounts should be used if more than one capital fund drive is being conducted at the same time.
135	FFOH Parish Rebates- Rebates received from the FFOH Capital Campaign
137	ACTS Parish Rebates- Rebates received from the Annual Appeal
	RELIGIOUS EDUCATION RECEIPTS (140)
141	Adult Education Fees – Monies received from adult participants in Religious Education Programs.
142	Student Fees – Monies received from students participating in Religious Education Programs.
145	Book Rent Receipts – Receipts from the rental of parish books or publications.
146	Book Sales Receipts – Receipts from the sale of books, magazines, pamphlets or other publications.
147	Supplies Sales Receipts – Receipts from the sale of materials other than books, magazines and pamphlets.
149	Other Religious Education Activities – Monies received from all activities specifically for the benefit of the Religious Education Program are to be credited to this account.
	COMMUNICATION APOSTOLATE (150)
151	Archdiocesan Newspaper – Receipts, e.g., subscriptions, which are designated for the Archdiocesan Newspaper. If these receipts are forwarded to the Archdiocese, debit the expense account.
152	Bulleting Advertising Receipts – Credited to this account are all monies received from businesses and other accounts paying for advertising space placed in the parish weekly bulletin.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
RECEIPTS (100-199) - CONTINUED**

ACCOUNT CODE	SPECIAL ACTIVITIES (160)
161	Socials, etc., Receipts – Gross receipts from parish socials bazaars, dances, etc.
162	Cafeteria Receipts – Gross receipts from cafeteria operation (not school). Not specifically related to another activity.
163	Bus Receipts – Gross receipts from bus operations (not school related).
165	Athletic Receipts – Gross receipts from non-school athletic activities
167	Parish Organization Receipts – All monies received by a parish organization (dues, etc.) which cannot be included in another receipt account when an organization’s financial reporting is consolidated with the parish report.
	CEMETERY OPERATIONS (170)
171	Cemetery Receipts – All receipts derived from a parish operated cemetery. (a subsidiary detail of cemetery income should be maintained for proper management purposes.)
	OTHER INCOME (180)
181	Reimbursed Expenses – Credit amounts received from others for expenses paid, or to be paid on behalf of others. Charge the amount paid out to the respective expense account.
182	Vending Machines – Credit proceeds from vending machine operations.
183	Loans to Others Repaid – Principal amounts received from monies loaned out.
184	Insurance Recovery – Money received from insurance covering the loss of church property from fire, theft, or other causes are to be credited to this account.
189	Other Income – Revenue receipts that cannot be recorded in any of the above stated revenue account because the definition of them does not permit it, are to be credited to this account; and example being the sale of waste or junk. If revenue from any one source becomes substantial in amount, it may become desirable to establish a new account.
	RECEIPTS FROM BORROWING (190)
191	Loan Proceeds – Credit any amounts received as a result of borrowing.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800)**

ACCOUNT CODE	SALARIES – CHURCH (310)
311	Pastor – Pastor or Administrator’s salary only.
312	Associates – Salary of permanently assigned associate(s).
313	Additional Clergy Assistance – Priests temporarily assigned to the parish as well as extra clergy assistance on Sunday and Holy Day Masse as well as Confessions.
314	Other Parish Spiritual Services – The cost of personnel for services such as retreat, parish missions, Forty Hours, Novenas, guest preachers, etc.
317	Music Director, Choir and Organist – Gross salaries paid to choir members, directors and organists and musicians.
318	Other – Gross salary paid to others.
	SALARIES – OPERATIONS (320-330)
321	Administrative Services – Gross salaries paid to personnel to assist in administering to the materialities of the parish.
322	Office – Gross salaries paid to office staff.
324	Housekeeper – Gross salary paid to housekeeping personnel, including extra and part time help.
325	Maintenance Personnel – Gross salaries paid to parish maintenance personnel.
328	Cafeteria – Gross salaries paid directly to cafeteria employees performing services not related to school operations. (if a separate accounting is kept, send a copy of the report with the annual parish report.
329	Bus Driver – Gross salaries paid directly to employed bus drivers for non-school functions.
331	Other – Other salaries paid related to parish services.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED**

ACCOUNT CODE	SALARIES – PARISH MINISTRY PROGRAMS (350)
3 51	Coordinators – Religious –Religious personnel employed by the parish to coordinate Parish Ministry Programs
352	Coordinators – Lay – Lay personnel employed by the parish to coordinate Parish Ministry Programs
354	Teachers – Religious – Contracted amounts paid to religious for teaching in the Parish Ministry Program.
355	Teachers – Lay - Gross salaries paid to lay teachers for parish Religious Education Program.
359	Other Religious Education Salaries – Gross salaries paid for other Religious Education personnel relating to instructions, such as classroom assistants.
361	Contract Services – Church Stipends paid for additional clergy assistance, music directors, choir members, organists, musicians and others providing services for the church.
363	Contract Services – Operations – Amounts paid for contract services for office help and assistance in administering the materialities of the parish. Also include contract services for housekeeping.
365	Contract Services – Other – Stipends paid for coordinators, teachers, speakers and assistants in the religious education, RCIA and Youth ministries.
	PERSONNEL RELATED EXPENSES (370-380)
371	Payroll Taxes – All expenditures made on behalf of the parish employees for social security and unemployment taxes, if any, are debited to this account. Amounts withheld from the employees are not entered in this account. The amount of the total expense that is to be allocated is to be based on the ratio that the total taxable wages paid for the period and allocated bears to the total taxable wages paid by the parish for that period.
373	FSA Fee- Flexible Spending Account fee paid monthly for each participating employee.
375	Insurance – Health – All payments on behalf of employees under a health insurance plan are debited to this account. For those employees such as custodians whose time is prorated, this amount is to be prorated on the same basis, as was their salary for the period. Should employees be required to reimburse the parish for a portion of the cost of such insurance by way of a payroll deduction, the amount received from the employee is to be credited to this account.
375A	Insurance – Dental – All payments on behalf of employees under a dental insurance plan are debited to this account. For those employees such as custodians whose time is prorated, this amount is to be prorated on the same basis, as was their salary for the period. Should employees be required to reimburse the parish for a portion of the cost of such insurance by way of a payroll deduction, the amount received from the employee is to be credited to this account.
376	Insurance – Life – (Same as Health Insurance)
377	Insurance – Workman’s Compensation –Debit this account for the insurance premiums for workmen’s compensation.
378	Archdiocesan Retirement Plan – Lay – Debit this account for parish’s portion of lay retirement costs.
381	Retirement & Disability Fund - Debit this account for parish’s portion of clergy retirement program costs. (Parish contribution for Priest TDA Annuity) (also include foreign priest and religious order – contribution equivalent to TDA annuity for archdiocesan priests)
382	Priest Retreats – Debit amounts paid for parish priests annual retreat and continuing education fees.
383	Priest Health & Dental Care – All payments made for clergy health and dental insurance.
385	Seminars, Conferences, Workshops – Debited to this account are all the expenses (except travel, but including food and lodging) in connection with conferences, workshops and special meetings related to the welfare of the parish.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED**

ACCOUNT CODE	PARISH OPERATIONS (400,500)
421	Contracted Services – Grounds Maintenance – Debited to this account are all the costs for the repair and upkeep of grounds by personnel who are not on the payroll of the parish some of the items to be included in this account are: re-seeding lawns, replacing shrubbery, repairing and replacing walks, driveways and parking areas.
422	Maintenance – Grounds –All costs relating to the maintenance of grounds that are not covered under Grounds-Contract Services or supplies.
423	Repairs – Grounds – Includes the cost other than routine maintenance of grounds such as repair of fences, parking lot surfaces, storm damaged trees.
424	Supplies – Grounds – Debits to this account are to include the costs of materials and other supplies used by the parish employees for the maintenance and upkeep of the grounds. This would include such items as fertilizer, weed control supplies, etc. where a prorating is needed, square footage should be used if applicable.
431	Contracted Services – Building Maintenance – Expenditures including labor and other expenses, for the repair of buildings by personnel who are not on the payroll of the parish are to be debited to this account. These repairs consist of the following: repainting exterior or interior, redecorating walls, resurfacing and refinishing floors replacing or repairing windows, doors, radiators and ventilating ducts, electric lighting system, sewers, toilets and other bathroom furnishings, boilers and elevators.
432	Maintenance – Buildings – All costs relating to the maintenance of buildings that are not covered under Buildings – Contract Services, Repairs and Supplies.
433	Repairs – Buildings - Debits to this account are to include all costs of material and other expenses, except salary for the repair of buildings by parish employees to their original state such as roof repair, window replacement. Does not include additions or major improvements.
434	Supplies – Building – Debits to this account are to include all costs of materials and supplies used by the parish employees in maintaining and caring for the buildings. In the event the total costs are not readily identifiable as to functional distribution, they are to be prorated on the basis of square feet occupied. This would include such items as wax, cleaning materials, mops, etc.
441	Contract Services – Equipment – All costs expended for the repair and upkeep by personnel not on the parish payroll, of equipment that is not built in item, are debited to this account. A few examples of the items normally repaired by outside service men and the cost of which is recorded her are: typewriters, adding machines, loud speakers, etc.
442	Repairs- Equipment – Debits to this account are to include all costs of materials and other expenses, except salary, for the repair of equipment by parish employees. Does not include repairs to plumbing, heating and electrical or vehicles or furnishings.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED**

445	Repairs – Plumbing, Heating & Electrical – Includes repairs of the specific nature included in the account title.
451	Repairs – Furniture –Includes the cost of refinishing and repairing broken or damaged furnishings.
501	Utilities – Debit this account with the expense of lights, gas, fuel and water. If separate meters are not used for each divisional account classification, prorating should be made on the basis of a square footage ration of each division served.
505	Telephone – Includes all charges for telephone and telegraph, including an answering service. In case of reimbursement for private non parish call, the receipt is to be credited to this account.
PARISH OPERATIONS – GENERAL (500,510)	
506	Laundry & Cleaning –All costs incurred in cleaning and laundry are to be debited to this account. This would not include the salary of a housekeeper for those services performed at the parish, but for outside services only. All salaries are to be debited to the appropriate salaries account.
508	Food – Debits to this account are to include all costs of food and groceries for consumption. (Routine supermarket type items.)
509	Household – The costs of pots, pans, dishes, linens, bedding, accessories, etc., is to be debited to this account. (Specific purchases other than routine supply items included in Food.)
512	Contract Services – Other – This account is to be charged for all contracted services except maintenance grounds, building, equipment, bus and cafeteria. Include services by other than parish personnel on parish operations not covered by other accounts.
514	Rent – Equipment – Charge this account with rental cost of equipment.
515	Rent – Facilities – Debited to this account is all expenditures for renting of land or buildings. This would include the renting of a building to be used as a temporary church or a vacant lot adjacent to the church for parking, or a home as a rectory.
INSURANCE (520)	
521	Insurance – Special Multi Peril – Record in this account premium for special multi peril insurance.
525	Insurance – Liability – Recorded in this account are the premiums for insurance covering liability insurance, fidelity bonds, etc.
526	Insurance – Vehicle –Recorded in this account are the premiums for all insurance pertaining to vehicles.
529	Insurance – Other – All insurance premiums not classified under health, casualty, liability or for other vehicles.
TRAVEL (530,540)	
531	Auto Usage Reimbursement - This account includes amounts paid for reimbursement of auto expenses on an agreed mileage rate.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED**

ACCOUNT CODE	TRAVEL (530,540) continued
533	Auto Expense- Reimbursement to personnel over and above any allowance for the use of their personal automobiles as the result of something not covered by the allowance are also to be debited to this account. Should the parish find it necessary to maintain a parish owned automobile not for the use of the resident clergy, any and all licenses, etc., (not to include insurance) are recorded in this account. Also include autos provided for religious and foreign priests.
534	Auto Repair – Includes the cost of repairs only (not gasoline, oil, tires or insurance) for parish owned autos.
539	Other Travel – Includes all expenses for traveling on parish related business, other than auto.
541	Bus Expense – (Parish owned) Includes cost of only gasoline, oil and tires for parish owned buses.
542	Bus Repair – (Parish owned) Includes the cost of repairs only (not gasoline, oil, tires, or insurance) for parish owned buses.
546	Bus Leased Expense – Charge to this account the cost of lease payments for buses for activities not directly related to school functions.
	ADMINISTRATION (550)
551	Office Supplies – Debits to this account are to include the cost of all office supplies such as pens, adding machine tapes, bookkeeping supplies, stationery, and other items identified as supplies for office type work.
552	Paper Stock – Includes the cost of raw paper stock. Do not include the cost of any paper purchased with printing on the page.
553	Printing – General – The cost of Sunday envelopes, the monthly newsletters and printing other than the Sunday bulletin, is to be debited to this account. Letterheads on stationery and return address on the envelopes do not constitute printing; these cost become a part of the cost of paper stock or office expense.
555	Postage – Includes the cost of postage to be applied and postage due on incoming mail.
	PROFESSIONAL SERVICES (560)
561	Accounting Fees – The cost of audit, tax, bookkeeping or other accounting services of a technical nature not performed by salaried personnel.
562	Legal Fees – All services performed by a lawyer. Includes court costs and tax services of a legal nature.
563	Architectural and Engineering Fees – All cost of architect and engineering services not included as part of a capital expenditure.
565	Fund Raising Fees – Debit to this account the cost to professional fund raising services including any other direct cost of a fund raising drive.
566	Computer Fees – Include cost for Computer Services.
569	Other Professional Fees – Other professional services cost not covered by the above classification.
	COST OF BORROWING (570)
571	Interest Expense – Record in this account the cost of borrowing funds. Include such things as interest capital, improvement loans, high school assessment loans, short-term loans, or interest on the purchase of equipment on contract.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED
CAPITAL EXPENDITURES (600)**

ACCOUNT CODE	EQUIPMENT CAPITAL EXPENSE (610)
611	Autos - Includes only the cost of parish owned autos. Include the cost of truck, jeep or vehicles other than buses.
612	Bus – Includes only the cost of a parish owned bus.
614	Audio Visual Equipment - Debit this account for the cost of audiovisual equipment. Include supporting materials purchased such as filmstrips and films, of a substantial nature.
615	Athletic Equipment – Includes the cost of equipment purchased with an anticipated life in excess of one year. Items charged to this account should have primary utilization by the athletic program of the parish and not primarily for the school.
616	Maintenance Equipment – Major items of equipment used for the maintenance of buildings and grounds, such as tractors, mowers, buffers, etc.
617	Office Equipment – Includes the cost of various items of office equipment. If the equipment is to be used for the benefit of more than one function, the purchase price should be charged to the function of primary use.
618	Furniture & Fixture – All expenditures for the acquisition of, or addition to, furnishing or fixtures which is not an integral part of a building are to be debited to this account, such as altars, cabinets, appliances, etc. (including the original purchase of books for a new parish library or material expansion of the existing library).
619	Other Equipment – Equipment that does not specifically fall into one of the other classifications.
	BUILDINGS – CAPITAL EXPENSE (630)
631	Buildings – Purchases – Includes only the cost of existing buildings that are purchased.
632	Buildings – New Construction – Includes only the cost of new buildings constructed. Does not include additional rooms or classrooms. Separate and complete reports are to be made for all new construction according to: General Contract; Electrical; Plumbing; Heating; Ventilating and Air Conditioning.
633	Buildings – Additions – Include the cost of additions to existing parish owned structures.
634	Buildings – Improvement – Includes major improvements to existing buildings, such as changing partitions, modernizing kitchen, etc.
637	Buildings – Architectural & Engineering – Record the cost of architectural and engineering services associated with Buildings – Capital Expenditures.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED
CAPITAL EXPENDITURES (600)**

ACCOUNT CODE	LAND – CAPITAL EXPENSE (640)
641	Land Acquisition – Includes the acquisition of new land. If land is purchased with existing buildings, allocation of cost must be made between the value of the land and buildings and a cost separation made thereof.
642	Site Improvement – Includes, but not limited to, the cost of fences, trees and shrubbery, freestanding lights and initial parking lot surfacing.
645	Land Engineering – Include the cost of engineering services associated with land – capital expense.
647	Rental Property – Includes only the cost of improved property purchased with immediate utilization as rental property. Improved property to mean houses or buildings.
	DEBT REDUCTION (650)
651	Principal Payments – Charge this account for principal payment on parish debt.
	PARISH PROGRAMMING & SERVICES (700)
	LITURGICAL SUPPLIES (710)
711	Altar Vestments, Chalice, Ciborium, etc. - Include in this account the cost of these and other similar items of Liturgical use. (Do not include church furniture such as a new altar, kneelers, etc.)
712	Altar Breads & Wines – Charge this account to the cost of altar bread, wines and other consumable items.
713	Altar Supplies –Other – Includes all costs of altar supplies other than altar bread, wine, candles, liturgical publications, vestments, chalices, ciborium, etc.
715	Candles – Debit this account for all candles purchased.
716	Choir – Charge to this account cost of the parish choir including music and robes.
717	Liturgical Publications – Includes the cost of liturgical publications for use by the clergy in preparation for, or during religious ceremonies. Also include missalettes in this category.
	PARISH MINISTRY SUPPLIES (720)(Religious Education, Youth, Family Life etc.)
721	Homily Materials – The cost of all material acquired for the purpose of developing and delivering homilies.
722	Library – Materials for the parish library, (not school, which are to enhance Parish Ministry Programs and not intended for resale or rent.
724	Books – Rental – Includes the cost of books and publications to be loaned on a free rental basis.
725	Books – Includes the cost of books and publications to be loaned on a free rental basis.
726	Subscriptions & Publications – Cost of these items that are intended for Religious Education and are not directly intended for the library or resale purposes.
727	Supplies for Resale – All materials other than books, magazines & pamphlets that is intended for resale purposes (even though they may not ultimately be sold).
728	Rent – Audio Visual Materials – Cost of rental or lease of all Audio Visual equipment, films and other materials relating to Parish Ministry Programs.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED
PARISH PROGRAMMING & SERVICES (700)**

ACCOUNT CODE	COMMUNICATION APOSTOLATE (740)
741	Archdiocesan Newspaper – Any cost, subscriptions, subsidy, etc. paid by the parish for the Archdiocesan Newspaper.
742	Bulletin – Parish – Any and all costs paid for the parish weekly bulletin are to be debited to this account. This is segregated because the publication can produce revenue to the parish by way of advertising.
743	Radio & Television – Includes all cost to the parish relating to work with the media of Radio and Television.
746	Advertising – Record in this account the costs of ads in telephone directories, newspapers, special community publications and yearbooks.
747	Public Relations – Includes all cost to entertainment, promotion or other efforts to improve and protect the effectiveness of the parish in the community.
	SPECIAL ACTIVITIES (750)
751	Socials, etc. – Include all cost of parish socials, bazaars, etc. (when all the detail expenditures and income of an activity are incorporated with their respective accounts, this account may be used to reflect the net deficit of the activity.
752	Cafeteria – Includes all direct costs of operating a cafeteria (not contracted), for non-school parish activities.
754	Athletic Supplies & Expenses – Includes recurring expenses for supplies and non capital expenditures.
	PARISH CEMETERY (760)
761	Cemetery – Operations and Maintenance – Record the total amount of parish cemetery expenses in this account (except capital expense).
762	Cemetery – Capital Expenditures – Record the total amount of Parish Cemetery Expenses for capital expenditures in this account. (A subsidiary detail of all cemetery disbursements should be maintained for proper management purposes.)
	PARISH RESPONSIBILITY IN ITS MISSION TO THE WORLD
800-819	Any and all disbursements made in aiding another parish, missionary, group or individuals outside of the Archdiocese whether it be in the form of cash or the purchase of any items are to be debited to this account. For example, assisting a Papal Volunteer, adopting a Sister Parish, assisting Missionary Priests or Sisters, helping a local Foreign Student, etc.
	PARISH RESPONSIBILITY IN ITS MISSION WITHIN THE ARCHDIOCESE
821	Archdiocesan Operations – The funds necessary from each parish of the Archdiocese to support and maintain the needs of the Archbishop, the Offices of the Archbishop, the Vicar General, the Chancellor, the Tribunal, the Curia, the Chancery and other Administrative services that are not specifically funded from other sources. These include general Archdiocesan expenses, such as legal, audit, insurance, properties, fees, donations and subsidies.
822	Seminary Education – The payment of the Parish's portion necessary to cover any operational deficit of the seminary or assistance to any seminarian is to be debited to this account.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
DISBURSEMENTS (300-800) - CONTINUED**

ACCOUNT CODE	PARISH RESPONSIBILITY IN ITS MISSION WITHIN THE ARCHDIOCESE
823-839	Any and all disbursements made in aiding another parish, individual or group within the Archdiocese but not in the parish, whether it be in the form of cash or the purchase of any items. For example, assisting Extension Volunteers, assisting other missions or parishes, etc.
833	Sisters' Retirement Assessment – Report to this account amount paid for the sister's retirement assessment.
835	Pastoral Center Assessment – Report to this account amount paid for the pastoral center assessment.
837	Regional Assessments – Report to this account any regional assessments other than for high schools that are reported in account 861 .
839	Priesthood Assessment – Report to this account amount paid for the Priesthood Assessment.
	PARISH RESPONSIBILITY IN ITS MISSION WITHIN THE COMMUNITY
841	Ecumenical Projects – Expenses, funding or fees relating to a project, program or organization of an ecumenical nature.
842-859	Any and all expenses, funding or fees relating to community projects programs or organizations. For example, providing assistance to the needs or community volunteers, aiding community funds and minority apostolates, assisting church supported legislative efforts, etc.
	PARISH RESPONSIBILITY IN ITS MISSION WITHIN THE PARISH
861	High School Education Assessment - Charge to this account regional high school assessments.
862	High School Education Subsidy – The payment of the Parish's Portion necessary to cover any operational deficits of local high schools is to be debited to this account. (amount paid per pupil to high school)
863	Tuition Assistance – Actual tuition or family allowances paid directly to the school by the parish for needy and deserving students are to be debited to this account. It is not to include the payment of wages to students directly for services rendered the parish even though the hiring of the student was to enable him to defray the expense of attending a Catholic School. Elementary school subsidy can be charged to this account or to a separate "860" account.

864-879	Any and all disbursements made in aiding individual or groups of individuals within the parish whether it be in the form of cash or purchase of any item. For example, assisting needy parishioners, assisting St. Vincent de Paul or Legion of Mary in fulfilling the apostolates, etc.

ACCOUNT CODE

- **9011 Petty Cash Fund** – All disbursements should be made by check whenever possible. There will be occasions; however, when this is impossible because of the small amount of the expenditure involved – postage due, delivery costs, lunches, etc., for instance must be made in cash and from what is referred to as a petty cash fund. It is to be noted that the only entry in the Petty Cash Account is the one establishing the fund; other entries will be made in this account only if the fund is increased or permanently reduced. The person in charge of the petty cash fund should **ALWAYS** have cash or vouchers in the box **EQUAL** to the balance of the Petty Cash Account.
- **9014 Un-deposited Funds** – This account would reflect those amounts received but not yet deposited. Because all receipts should be deposited in the bank as soon as possible, the only time this account would be used is when a Sunday fell on the last day of the month (or on the last day of an accounting period) and the deposit could not be made until the following day. Again, it is cautioned that all receipts are to be deposited as soon as possible and **intact**; if cash is required for any purpose, it is to be taken from the petty cash fund only. The use of the collections or any other receipts in the payment of bills, advances, etc., not only makes the recording of transactions more complex and cumbersome, but becomes a fund for temporary ‘loans,’ increases the possibility of error, leaves a poor trail for each verification of the payment of bills, especially when payment is questioned, and finally ends up distorting or misstating account balances for financial reporting.
- **9020 Cash in Bank – Operating Account** - it is recommended for internal control and for more simplified record keeping that only one checking account be maintained as the parish operating account and that all receipts deposited in it and all disbursements made from it. This account would then be the source of all receipts and disbursements of cash. A receipt of cash is evidenced by a debit to this account (with an offsetting credit to an income account, and a disbursement is evidenced by a credit to this account (with an offsetting debit to an expense account). This is accomplished through the receipts and cash disbursements journal. When additional account are found necessary, additional cash in bank accounts should be established.
- **9028 Archdiocesan Fund Deposits** – Sound business practices call for the use of a depository as a means of savings and reserving excess funds. This type of savings for the parishes in the Archdiocese is the Archdiocesan Trust Fund. This type of deposit not only can serve as a source of savings and reserve, but also helps to employ the resources of the church to help serve the needs throughout the Diocese. This account should be debited for any funds placed on deposit at the Chancery and credited for any withdrawals. Since depreciation of assets is not used in church accounting, this fund should be used as a cash reserve for future replacements. Regularity in specifying funds for replacement is recommended.

**UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
ASSETS (continued)**

- **9029 Other Deposits** – Debited to this account are funds that are placed on deposit (other than the Chancery) with suppliers or vendors, such as the international Commission, and which are expected to be refunded. At the time the refund is received, this account is credited for the amount so received.

RECEIVABLES

- **9031 Employee Advances** – While a parish certainly is not in the lending business, just as any other business today, it will find itself in the position where advances to employees may be made from time to time. These advances are not to be debited to “Salaries” but rather to this account. When the employee repays the advance, either by way of a payroll deduction or directly by cash, the credit is to this account. The transactions recorded in this account are merely the reclassification of a current asset so that the advance need not be shown as expenditure or the collection a receipt in the statement of Cash Receipts and Disbursements.
-
- **9032 Other Accounts Receivable** – This account would reflect funds advanced to anyone other than an employee for which repayment is and can be expected. This would include parish organizations (the payment of bills for them) or an advance of some sort to a parishioner. The advance of these funds would result in a debit to this account and the repayment would be a credit. The transactions reflected in this account are a reclassification of current assets and are not to be included in the Receipts and Disbursements statement.

INVESTMENTS

- **9041 Investments – Donated Securities** – Should a parishioner donate securities rather than cash (a more common practice today because of certain income tax advantages) it is here that the debit portion of the transaction is recorded. When the securities are sold, this account is then credited with the value that was placed on the securities at the time they were received or purchased, the amount debited to the account originally. The balance of this account at any give time would reflect the cost of securities currently held. When a parish receives donated securities and also has indebtedness, the Archdiocese will accept the securities as a reduction of the debt.
- **9042 Investments – Real Property** – This account would reflect the cost of real estate owned and operated by the parish strictly as income property – it would not include the value of the parish property – church, rectory, school, convent or auditoriums. It is to be noted that no attempt will be made to record the principal assets of the parish (the land and buildings, namely, church rectory, school, convent and auditorium) under this system of accounting – as recommended by the American Institute of Certified Public Accountants for the financial reporting of Churches. A major reason is that the historical cost or even replacement value of these buildings has no significance as far as the financial statements are concerned.

UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
ASSETS (continued)

- **9042 (continued)** concerned. In all likelihood the property will never be sold and it has value only to the members of the parish in its present form. Another significant factor is that financial statement presentation problems become complicated and confusing to the inexperienced reader. Take for example, the parish that has an existing note to the Archdiocese for a building. On a cash basis, the total note payment is shown as a disbursement. However, if the cost of the building and the loan were recorded as an asset and liability at the time the building was purchased, then the cash receipts and disbursements statement can only show the interest portion of the note payment as an expense. If the principal portion of the note payment were not reflected in the cash receipts and disbursements statement, it would not be obvious to the average reader that current revenues were insufficient (if that is the case) to meet current expenditures. This could lead to misgivings on the part of the parishioner and could result in disaster insofar as a parish is concerned today. Support of a parish is directly related to the needs of the parish, to make the mistake of reporting an excess of funds, when in fact there was a deficiency, will just not produce the revenue required. In order to maintain the financial reporting on a strict cash basis and at the same time allow for the actual recording of these liabilities, a modification to the AICPA's approach is recommended in this system. Because the notes that result in building programs are real in the sense that the original amount borrowed is fixed and not subject to fluctuation (aside from the reduction by way of principal payments over the life of the note) as is the value of buildings and land, the liability is to be recorded. The proceeds received will appear as a receipt in the cash receipts and disbursements statement in the period the funds were borrowed. As principal payments are made they will be recorded in the appropriate liability account, reducing the indebtedness and maintaining a current balance at all time. These principal payments will be reflected as expenditures in the receipts and disbursements statement.

LIABILITIES

CURRENT LIABILITIES

- **9061 Federal Income Tax Withheld** – Deductions from employees' salaries for Federal Income Taxes that are to be remitted to the Federal Government at a latter date are to be credited to this account. At the time the amount is remitted, this account is to be debited for the total amount of the payment. Segregating the various kinds of withholdings facilitates in the balancing and accuracy of the required payroll tax reports. The debits and credits in this account are not to be effected in the cash receipts and disbursements statements, as the gross wages paid (not the net amount of the check issued to the employee) will appear in the statement.

**UNIFORM PARISH ACCOUNTING SYSTEM
ACCOUNT DEFINITIONS AND DESCRIPTIONS
CURRENT LIABILITIES (continued)**

- ❑ **9062 State Income Tax Withheld** – Deductions from employees’ salaries for State Taxes that are to be remitted to the State Government at a later date are to be credited to this account. At the time the amount is remitted, this account is to be debited for the total amount of the payment. Entries in this account are not reflected in the cash receipts and disbursements statement.
- ❑ **9063 FICA Withheld** – Deductions from employees’ salaries, representing his share of the Social Security Taxes only, that are to be remitted to the federal Government at a later date are to be credited to this account. Because this system employees the cash basis of accounting, no accruals are to be made of the employers’ share of FICA Taxes.
- ❑ **9067 Notes Payable- Archdiocese** – In the event a short term loan is made to the parish by the Archdiocese, Cash in Bank – Operating Account is debited for the amount received and this account is credited with the amount of the loan. As a payment is made to the Archdiocese it is debited to this account.

The proceeds of any loans are to be shown as Receipts in the Cash Receipts and Disbursements Statement and the payments of principal must appear as expenditures therein.

- ❑ **9068 Contracts Payable** Should a parish find it necessary to purchase equipment on a contract of sale basis, this account is to be credited with the principal amount of the contract. As payments are made, that portion of the payment-representing principal only is to be credited to this account.
- ❑ **9071 Notes Payable – Archdiocese** – Amounts received from the Archdiocese to finance a building program and secured by a note are to be credited to this account. Principal payments reducing the indebtedness are to be debited to this account. (See Investment –Real Property Account)
- ❑ **9075 Notes Payable to Banks and Other Institutions**

OTHER LIABILITIES

9081 Funds Held in Trust – This account would normally be credited with funds received from a parish organization that might request that the parish hold their money for them. At the time the money was returned to the organization, the payment would be debited to this account. The balance in this account would then reflect any funds which the parish has received and is part of the parish’s cash balance, but which does not represent income to the parish – the books thus reflecting the accountability that the parish has over these funds still another example in the use of this account would be where a parish is staffed by religious who have taken the vow of poverty and may not accept Mass stipends. The stipends received are sent to the provincialate and as received are credited to this account.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM**

**ACCOUNT DEFINITIONS AND DESCRIPTIONS
OTHER LIABILITIES (continued)**

EQUITY

- **9091 Equity Account (Parish Fund Balance)-** The Equity Account merely represents the difference between a parish's total assets and total liabilities that are recorded. The balance of this account may be either a debit or credit, depending upon the financial status of the parish. No entries are to be made to this account except the opening entry setting up the balances in the asset and liability accounts with the balancing figure here and the entry required to close the books each year end which represents the difference between the recorded receipts and disbursements.

METHOD OF ACCOUNTING

The method of accounting to be used is the Cash Basis. Under a strict cash basis, revenues are accounted for only when received in cash, and expenditures are taken into account only when money is paid out. However, when closing the books and preparing the annual report at the end of the accounting year, considerations should be given to accruing any significant revenue which has been received or expenditure which has been incurred but not yet been recorded in the parish books. An example of this would be a substantial purchase not yet paid for or salaried for a pay period not yet paid.

A double entry accounting system should be used. Because of the advantages inherent in a double entry system, accountants most commonly recommend it. It is a method that requires recording all business transaction in a minimum of two parts, a debit and a credit. It simply means that for every account (or accounts) debited, a like amount would be credited to an account (or various accounts) affected by the business transaction. Since we are dealing mainly with expenditures, revenues, assets and liabilities, the following may be a helpful as a guide in post transactions:

DEBIT

Expenditure Increases
Revenue Decreases
Asset Increases
Liability Decreases

CREDIT

Expenditure Decreases
Revenue Increases
Asset Decreases
Liability Increases

On this basis, any transaction requiring a debit posting also requires an offsetting credit posting, and vice versa.

ARCHDIOCESE OF KANSAS CITY IN KANSAS UNIFORM PARISH ACCOUNTING SYSTEM

PRORATING EXPENSES

Whenever an expense is incurred, it is always necessary to determine the account under which it is to be recorded. As long as the expenditure was for a single purpose, there is usually no difficulty in making the selection of the appropriate account. A problem does become apparent when an expenditure represent payment for a dual purpose and the question arises as to how to determine the amount that is to be charged to each account in question.

The question here is not concerned with items such as the purchase of office supplies where the total invoice paid covers 10 rolls of adding machine tape, 4 rolls to the Church office and 6 rolls to the School office. In this case, if the total expenditure were \$5.00, \$2.00 (40%) would be debited to Church Office Supplies and Expense and \$3.00 (60%) to the School Office Supplies and Expense. This type of transaction is straightforward in that expense incurred on each behalf is easily ascertainable.

This is not true of the employee who performs custodial work for different functional units and that is what we are concerned with here. What part of that person's salary is properly an expense of operating the Church and what portion is properly an expense of operating another function. While the first reaction is why must we be so minute, the approach to this problem would be to review the alternative to this business of prorating expenditures. The only method that can be used in place of prorating is to record total salaries paid on the basis of major portion of time spent. In our above example, then if the person spent more time in custodial work for the Church than he did for the School, his total salary would be charged against the Church operation.

This same rule would have to apply under this alternative for other expenditures other than salary. For example, if only one electric meter was installed to service both the Church building and all the other buildings, the bill for heating and lighting would be recorded in total in the Electricity and Gas Account of the School, because the major part of the electricity and gas bill was for the School.

While there certainly is no question as to the simplicity of this approach, it does not, unfortunately, present accurate information concerning the services and the benefits that are being obtained for the money being spent. Without proration, it is quite possible for the school to show that no money is being spent for services that are actually being provided and paid for, while the Church is showing excessive sums of money being spent on certain activities for the amount of services being provided and paid for (and vice versa). It is, therefore, necessary to determine the proportionate parts of such expenditures that are properly chargeable to each operation.

For parishes having Schools, special reference should be made to the NCEA School Accounting Manual for handling the proration and allocation of School and Parish expenses where necessary.

For parishes without Schools – and for Parish Accounting of Parishes with Schools, these procedures recommend the following approach to those account ordinarily required to be prorated.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM**

PRORATING EXPENSES (continued)

1. **Salaries – Maintenance Personnel** – The time method of prorating which simply consist of allocating that portion of the salary to the Church in proportion to the time spent in the Church maintenance. This may require time sheets to be kept on the part of these individuals and hopefully at some point in time (say six to twelve months) a pattern could conceivably be established so that a definite percent could be applied thereafter. In addition to achieving this point, a by-product of the system is accountability of time. There now becomes a very definite reason for each custodian to keep track of his time on a daily basis, after a period of time, this can lead to better organization of work load. It can also aid in better evaluation of work priorities and work supervision.
2. **Electricity and Gas** – The floor area method of prorating consists of allocating the electricity and gas bills (if separate meters have not been installed) between functional units in the proportion that the gross floor area (square footage) of the building bears to the total of all of the buildings serviced under that meter.
3. **Supplies** – The same method of prorating electricity and gas is used for prorating janitorial supplies (when not identifiable), namely, the floor area method. These expenses are allocated between units in the proportion that the gross floor area of the Church building bears to the total of all the buildings for which the janitorial supplies are purchased. The same principle is applied to ground care in the case of grounds supplies.
4. **Personnel Related Expenses** – In the case of the employee whose salary was prorated between functions, Personnel Related Expenses subsequently paid on behalf of the employee by the parish (not the amount withheld) would be prorated between the operation on the same basis as was his salary.
5. **Insurance Expense** – When possible insurance premiums should be allocated based on coverage. Alternative methods would be based on property valuations or the amount of space.

In concluding the discussion of prorating expenses, it should be emphasized that prorating is not being recommended as a substitute for the recording of actual expenditures for different activities when such is feasible, it may be possible to record many of the expenses directly without requiring proration.

NOTE: Prorations and allocations should not be belabored to the point of absolute accuracy, especially in the case of minor cost items. It, many times, involves judgment where the **rule of reasonableness** should apply.

**ARCHDIOCESE OF KANSAS CITY IN KANSAS
UNIFORM PARISH ACCOUNTING SYSTEM**

ACCOUNTING FOR SEPARATE FUNDS

In order for there to be complete parish financial reporting which give an accurate picture of the material status of the parish and which is meaningful to all concerned, it is important that all parish financial accounting is incorporated at some pint into the parish report. In order to accomplish this all special funds and financial accounting of organizations and special activities should be included in the annual parish financial report. Each organization or fund should make a financial report as often as the parish requires, or a t least annually for the fiscal year (July 1 through June 30).

This is not intended to encroach on the autonomy of parish organizations and their financial activity, nor is it intended to imply that a parish council controls organizations financial affairs, except to the extent that the parish is called on to fund expenses in excess of receipts that are internally generated by the organization.

The inclusion of receipts and disbursements for these types of separate funds is not necessarily in month to month reporting, unless desired by the parish council; however, they should be incorporated with the annual parish report to the parishioners and the Archdiocese.

The parish organization or activity which maintains funds separate from the parish operating fund, should keep their accounting records in such a way that their receipts and disbursements detail can be combined with the parish financial statement. Following the Basic Parish Chart of Accounts can readily do this.

ARCHDIOCESE OF KANSAS CITY IN KANSAS UNIFORM PARISH ACCOUNTING SYSTEM

USE OF THE CASH RECEIPTS AND DISBURSEMENTS JOURNAL

The book of original entry suggested for use for parish accounting is the cash receipts and disbursements journal. This journal is designed so that entries can be made chronologically, listing each check as it is issued and each deposit as it is made, and updating the bank balance as needed.

It is suggested that this journal be utilized instead of filling out the information on check stubs, as many people do. The information normally put on check stubs may be entered here, so that no duplication of effort is necessary. It has been found that the more times information is written; the more possibilities there are for errors in recording.

The column headed "Expenditure Gross Amount" toward the right side of the journal should reflect the same as the check amount, where regular disbursement are being made. Where payroll disbursements are being made, this column should reflect the gross pay being paid, before payroll deductions are withheld.

Where a check is issued in payment of an item to be charged to more than one account, as many lines should be utilized to record this check, as there are accounts to be charged. The next check or deposit should be entered on the next vacant line of the journal, so that is possible that on the left side of the journal there may be several blank lines between entries.

In balancing the journal at the end of a page or at the end of an accounting period, two types of balancing functions should occur. First of all, the bank balance at the beginning of the page or at the beginning of the period plus the total amount recorded in the deposit column, less the total amount recorded in the "check amount" column should equal the bank balance at the bottom of the page or at the end of the period. Secondly, you should determine if the total amount recorded in the "check amount" column plus the amounts reflected in the payroll deductions withheld columns will equal the amount recorded in the "expenditure Gross Amount" column. This journal should be utilized to reconcile the bank statement and canceled checks. You will find that having the checks and deposits listed in columnar form will facilitate this reconciliation.

Another feature of this journal is to facilitate the preparation of payroll tax returns at the end of the calendar quarter. It should be an easy matter to check to see if the total amounts reflected on the quarterly return as having been withheld from wages will agree with the totals of the withholding columns on the journals for the three-month period. If these amounts do not agree, it is fairly easy task to cross-refer from employee earnings records to this journal to find the error.

A separate journal should be used for every bank account under control of the parish. In order to summarize the entries from any one bank account, assuming electronic data

USE OF THE CASH RECEIPTS AND DISBURSEMENTS JOURNAL (continued)

processing facilities are not used, list should be prepared of gross amounts charged to each account number, by reference to the two right hand columns in the journal. These lists may be made on columnar paper or in any other fashion so as to facilitate the

Separation of them. The end result, however, should be that the gross expenditure number, and the total of the summary should agree to the total amount shown in the gross amount column for the period. In large parishes where there are a number of different bank account, the activity from these bank accounts must be then summarized together for the accounting period before the result are posted to the annual summary. Instructions for posting the annual summary are covered in a separate section.

If electronic data processing facilities are used, the journal is the only source material needed for input. The reconciliation of the journal to bank statements and the balancing functions described above are all that would be necessary for the parish to do, unless the data processing facility were not producing payroll tax returns.