

**DIOCESE OF SAN DIEGO  
PARISH CHART OF ACCOUNTS  
DEFINITIONS**

**ASSETS**

**100 Cash in Bank - Unrestricted Accounts**

*All operating checking and savings accounts should be included as 'banks' listed individually and attached to the header account.*

**102 Cash in Bank - Restricted Accounts**

*All restricted building checking and restricted saving accounts should be included as 'banks' listed individually and attached to the header account.*

**103 Cash in Bank - Fundraising Accounts**

*All fundraising checking accounts should be included as 'banks' listed individually and attached to the header account.*

**105 Cash in Bank - Parish Organization Accounts**

*All parish organization checking and savings accounts should be included as 'banks' listed individually and attached to the header account. Each individual checking or savings account should have a corresponding 220 parish organization current liability account. Changes to the checking accounts are recorded in the corresponding liability account to remain in balance.*

**120 Accounts Receivable** (System Account) Must use A/R invoices, debits, credit memos and enter A/R payments to maintain this system account. The accounts receivable module interfaces automatically with the general ledger thus general journal entries cannot be posted to this account.

**121 Accounts Receivable - Other**

Amounts due to the parish from outside sources.

**123 Un-deposited Funds** (System Account for QB A/R) When the Accounts Receivable module is used - payments are entered in the A/R module and an automatic entry is generated to the Un-deposited funds account. When the bank deposit is made the amounts are selected and included in the deposit along with any other non A/R items.  
DO NOT POST TO ACCOUNT

**125 CCFSD Agency Funds**

All Agency Funds only held by Catholic Community Foundation of San Diego – each fund should be a subaccount to facilitate reconciliation and reporting. Investment earnings and market value fluctuations are recorded monthly with a journal entry to the respective CCFSD Agency Fund account with the offset to #464 CCFSD Net Investment Activity account.

**130 Funds on Deposit**

All funds on deposit with the diocese – each fund should be a subaccount to facilitate reconciliation and reporting. Savings/Unrestricted #1301 and Restricted #1302. Interest accrued monthly is recorded with a journal entry debiting the funds on deposit accounts or using the Reconciliation of each account crediting account #463 for savings or #2702 Building Fund Projects - 27022 Interest – Restricted FOD.

**131 Receivable from School**

Loans and advances to school or expenses to be paid by the school.

**140 Deposits/Prepaid Expenses**

Refundable deposits due to the parish from outside sources and prepaid parish expenses.

**150 Petty Cash**

Amount not to exceed \$500 kept in a safe or locked cabinet and balanced monthly. Disbursements are supported by signed petty cash vouchers and audited periodically by someone other than the petty cash custodian. Cash should be replenished and expenses recorded when vouchers are submitted for reimbursement.

**160 Advances/Loans**

Advances and loans due to the parish from a gift shop, school, or other outside source.

**165 Scrip Inventory**

Value of unsold Scrip based on periodic inventory count to be performed on 6/30 and 12/31. See Diocese of San Diego Scrip Procedures

**170 Fixed Assets**

Header category for consolidation. DO NOT USE.

For complete instructions, see Diocese of San Diego Asset Capitalization Procedure

**171 Land and Improvements (Religious Exemption)**

Land and improvements used for religious purposes that qualifies for property tax exemption.

**172 Land and Improvements (Non-Religious Use of Property)**

Land owned by Church but not used for Religious purposes. Example: Building on property that is rented for non-religious use.

**173 Buildings and Improvements**

Buildings and related improvements related to the parish

**176 Furniture and Equipment**

Furniture and equipment owned by parish

**183-189 Accumulated Depreciation**

For complete instructions, see [Diocese of San Diego Asset Capitalization Procedure](#)

**190 Construction in Progress**

Costs related to construction of buildings/structures, once completed to be moved to respective asset account.

**LIABILITIES**

**200 Accounts Payable** (System Account for QuickBooks) Entry must be by invoice, credit memo or payment selection. The module cannot be adjusted by journal entries.

**201 Accrued Liabilities**

#2011 Accrued Vacation Liability and #2012 amounts owed by the parish not recorded in account #200. Examples: lawsuit settlements not paid immediately, installment debt such as large credit card purchases paid over several months and estimated liabilities at year end.

**210 Prepaid Tuition, Registration & Fees**

Amounts collected by the parish for the Religious Education Program registrations and fees for the following fiscal year. The registration and fee amounts are then moved to the appropriate Religious Ed income accounts after July 1.

**220 Parish Organization Program Funds**

Parish organizations that use the Parish's EIN number and generate funds and expenses for the benefit of their organization and may/or may not maintain a separate checking account should have a current liability account for each of their accounts. Those without separate checking account should have an account that includes deposits and expenses and reflects the amount of the organizations available funds included in the main checking account.

## 230 Debt with Diocese – Short Term & Long Term

All debt with the Diocese should be recorded in this account. Subaccounts should be used to correspond with Diocese accounts to facilitate reconciliation of the accounts.

## 250 Special Collections

Amounts collected and payments to the appropriate charities are recorded in these accounts (See chart of accounts). A subaccount for each collection is encouraged to aid in reconciliation and reporting. For the Poor #2508 is used for poor boxes and other donations specifically for the poor. Expenses should be charged to the #2508 account.

## 260 Clearing

Funds received by the parish that do not belong to the parish, e.g., Annual Catholic Appeal Cash/Check Exchange #2661, refundable deposits #2662, school clearing #2663 (items not recorded in account #131). Subaccounts for each type are encouraged to aid in reconciliation and reporting. Minimal activity is expected within the account and ideally to zero out at the end of the fiscal year. In case account has a balance a schedule of the account is expected to be maintained by parish.

## 270 Restricted Donations for Extraordinary Purposes

Donations or net event proceeds that are restricted by the donors to be used only for an extraordinary purpose – *Major renovations #2701 and Building fund #2702*. Donations restricted for an ordinary purpose should be classified to account #411 Restricted Ordinary Donations. For the building fund and major renovation, proper accounting records should be maintained that show that either the funds were used for the restricted extraordinary purpose intended, are on hand, or are on deposit with the diocese. If the funds were used for ordinary purposes, the receipts should be re-classified as ordinary receipts. ***Donations for Debt Reduction and Minor renovation or building projects of short duration should be recorded in income account #450.***

Note: Parishes should account for different types of restricted gifts separately so that they can keep track of the restricted amounts. Disbursements of extraordinary funds should be charged to the corresponding subaccount. A detailed file of all restricted gifts should be maintained to provide support for the amounts reported on the annual financial report to the diocese.

Note: Other 270 accounts must be authorized by the Diocese.

## 285 Debt with Knights of Columbus – Long Term

Total debt owed to the Knights of Columbus. Payments include principal which is charged to the #285 account and interest which is charged to account #572.

## EQUITY

**300**      **Opening Balance Equity** (*System Account QuickBooks*) - *Do not post to this account*

**310**      **Fund Balance or Retained Earnings** - *Do not post to this account*  
**Net Income** (*System Account QuickBooks*)

## ORDINARY PARISH RECEIPTS

**400**      **Collections**

All Sunday collections, daily collections, holy day collections (i.e. Christmas, Easter, etc.) and second collections not restricted for an extraordinary purpose (building fund, school support, debt repayment or Diocesan special collections).

Note: Parishes may wish to keep track of collections in more detail for internal reporting and budgeting purposes (See chart of accounts, account #4001 - #4005). For annual reporting to the diocese, these accounts should be combined.

**405**      **Offerings for Marriages, Baptisms, Funerals and Mass Intentions**

Offerings made for marriages, baptisms, funerals, Mass intentions including novenas, stipends paid, and other donations or fees for quinceaneras, house blessings etc. Stipends and stole fees paid to priests and deacons and any other related direct expense (no overhead allocations) should be charged to the appropriate accounts and paid through IOI for priests on payroll. Please refer to the diocesan policy on compensation of priests regarding stole fees and stipends.

**406**      **Bequests and Donations - Ordinary Unrestricted**

Bequests from estates, trusts and other donations not restricted for an extraordinary purpose.

**407**      **Interest and Dividends - Excluding Funds on Deposit**

Interest and dividends received. Interest on funds on deposit should be posted to account #463.

**408**      **Parish Events - Unrestricted**

Proceeds from all parish events not restricted for extraordinary purposes (building funds, school support or debt reduction). Event expenses should be charged to account #573. The lesser of

revenue or expense will be provided as a deduction for Diocesan tax purposes. Funds and expenses from events for restricted extraordinary purposes (building funds, school support or debt reduction) should be charged to the appropriate account #2702 Building, #2663 School Clearing or #4502 debt reduction subaccount.

**409 Religious Articles**

Revenue from sale of religious articles including: votive candles, rosaries, cards, Southern Cross, books, magazines and pamphlets. The costs of religious articles should be charged to account #574. The costs are netted against revenue from the sale of religious articles for Diocesan tax purposes. Unless donations are only suggested for the religious articles, sales are subject to California and local sales tax.

**410 Rental Income**

Income from parish property rentals, fees, donations, and charges for the use of parish facilities. Direct expenses related to generating rental income should be charged to account #576. The expenses are netted against rental income for Diocesan tax purposes.

**411 Bequest and Donations – Restricted – Ordinary Expense**

All donations restricted by the donor for an ordinary expense should be charged to this account including: flowers, hosts, altar supplies, statues, maintenance, religious education, salaries, etc.

**420 Other Ordinary Receipts**

All other miscellaneous income including: bulletin rebates, electronic scrip, and unidentified funds. Current year vendor refunds should be charged to the account where the expense was recorded. Prior year refunds should be charged to account #480.

## EXTRAORDINARY PARISH RECEIPTS

### 450 **Restricted Extraordinary Donations**

Donations for a minor building or renovation project that is of short duration are charged to sub account *4501 Minor Renovation-Short Term*. Donations for the specific intention of Debt Reduction are recorded in sub account *4502 Debt Reduction Donations*.

### 463 **Interest on Funds on Deposit**

Interest accrued on funds on deposit accounts with the diocese. The interest is excluded from the calculation of diocesan tax.

### 464 **Gain/Loss on Endowments**

Gain/loss on endowments invested in the Catholic Community Foundation are to be posted to this account. The net activity is excluded from the calculation of diocesan tax.

### 465 **Annual Catholic Appeal Rebates**

Rebates received from the Annual Catholic Appeal. If a rebate is applied to either funds on deposit or to debt, a journal entry should be made to record the rebate and increase the funds on deposit or reduce the debt. If the Parish owes for a shortfall for the Appeal the check written for the shortfall should be charged to the #465 account resulting in a debit balance.

### 470 **Religious Education**

All fees, donations and proceeds from fundraisers for religious education programs. Parishes may want to use several subaccounts for different programs, especially for budget purposes.

### 480 **Other Extraordinary Receipts and Refunds from Prior Years**

All proceeds from insurance claims or lawsuit settlements. These amounts are not subject to diocesan tax. Also, use this account for vendor refunds from prior years that would distort the current year financials. Current year refunds should be charged to the same expense account where the expense was originally charged. Vendor refunds are not subject to diocesan tax.

Funds from a Parish Preschool transferred to the Parish are recorded in #4801.

### 485 **Parish Assistance Program**

Assistance received from other parishes in the Diocese.

## ORDINARY PARISH DISBURSEMENTS

### 501 Salary - Priests

Diocesan compensation to priests officially assigned to the parish.

### 502 Salary – Supply Priests

Compensation to non-assigned priests including: stipends, mileage, housing, travel expenses. Extraordinary supply is when the Pastor is gone for an extended period of time.

### 503 Fringe Benefits - Priests

Payments made to or on behalf of priests assigned to the parish for health insurance, retirement allowance, social security allowance, retreat allowance, continuing formation, car insurance, gas allowance, moving allowance or any other benefit. (See Diocesan Handbook for descriptions and amounts for allowances and Chart of Account for sample subaccounts.)

### 504 Priests Pension and Post-Retirement Benefits

Debits from the Diocese on the 15<sup>th</sup> of the month are recorded in this account. This expense is not for active priests assigned to the Parish but is a 2.5% assessment to each parish based on Net Ordinary Revenue for the costs of retired priests of the Diocese.

### 510 Salary – Other

All other salaries including: deacons employed by the parish, religious, lay office/administrative, household/custodial, religious education, music and liturgy staff. Bonuses (Christmas, Easter, etc.) are considered additional salary and should be listed on the payroll timesheets as other pay so that they can be paid through payroll. Parishes may wish to use sub-accounts to provide more detailed information on expenses in this account (#5101-5104 – see Chart of Accounts). For reporting to the diocese, however, the subaccounts would be combined into account #510. Stipends paid to contract musicians can be charged to subaccount #5141.

### 515 Vacation Expense

Adjustment to the #2011 Accrued Vacation Liability is recorded in this account.

### 520 Fringe Benefits – HEADER – DO NOT USE

5201 Taxes/Fringes Social Security, Medicare - IOI Payroll Debit. Diocese Debit every 15<sup>th</sup> and 30<sup>th</sup> of each month for Unemployment, Worker's compensation insurance and any pass through Garnishments.

5202 Pension Expense Employee Pension Plan is currently 12% of total salary for all eligible employees working at least 20 or more hours per week. IOI Payroll Debit. Includes employee only 403B pass through like garnishments in 5201.

5203 Medical, dental Medical, Dental, Group Life, AD&D, LTD, EAP – Diocese Debit 30<sup>th</sup> of



and Other Ins each month for total cost. Employee portion withheld each pay period by IOI.

**531 Postage**

All direct mailing costs including stamps, post cards, postage meter refills, bulk mailing charges (including permit fees), PO Box fees and courier charges (Federal Express, UPS, etc.).

**532 Telephone, Internet and Cable**

Local and long distance telephone service charges as well as charges for telecommunications such as fax, pagers, cellular phones and modem lines #5320. Internet and cable #5321.

**533 Office Expense**

Supplies used for office and administrative activities #5330. This would include the cost of stationery, printing, computer supplies as well as miscellaneous office supplies. Copier expense including lease payments, supplies and usage charges #5331. Note: Public relations and advertising expense are recorded in account #548. Bonuses and monetary appreciation gifts to employees should be charged to and reported as additional wages through IOI payroll.

**534 Ministry and Program Supplies**

All liturgy expenses such as hosts, sacramental wine, vestments, candles, missals, music supplies and environmental care are charged to this account. Other ministry and program expenses may also be charged to this account. Weekly parishioner envelopes are charged to this account.

**535 Meetings Attended**

Costs associated with attending meetings, workshops, and retreats outside the parish including transportation, meals and lodging.

**536 Meetings Sponsored**

Costs associated with meetings, workshops and retreats sponsored by the parish. Staff luncheons and retreats should be charged to this account.

**537 Professional Services**

Cost of professional services including: legal, accounting, financial planning, and fund raising consultants. IOI Processing fees and background checks. Casual labor for non-employees such as cooks, sacristans etc. should be charged to this account to enable accurate budget preparation and reporting. Note: Musician's stipends should be charged to #5141. Janitorial services should be charged to #5606.

**538 Dues and Subscriptions**

Membership fees for religious organizations and professional groups. Costs of magazine and other periodicals not for resale would also be reported here.

**539 Taxes and Licenses**

Taxes and licenses including: property tax, auto and other licensing fees. The cost of music royalties should be charged to #534 for Liturgy music expense. Sales Tax should be charged to #574.

**540 Groceries and Meal Allowance**

Groceries for the rectory and priests' meal allowances - only. Other household expenses such as homeowner's fees, utilities, furniture, cleaning, household supplies and repairs and maintenance should **not** be charged to this account but to the accounts designated for such purposes. See Diocesan handbook for guidance. Monies reimbursed over policy should be reported through IOI for priests on payroll or on their 1099 if they only receive stipends.

**541 Furniture and Equipment**

Furniture and equipment not recorded as a Capital Asset #176: church, parish office and rectory items such as desks, chairs, file cabinets, telephones, and rectory furniture. Note: Leases of copiers are recorded in #5331 and computer equipment are recorded in #5461.

**542 Miscellaneous**

Unique parish expenses that are not included in other specific expense accounts.

**543 Bank Fees**

Bank charges and fees are recorded in this account including: returned check fees, and overdraft charges. Check printing charges should be charged to Office supplies #5330. Returned checks should be charged to the account that the check was deposited into. Only the service charge should be charged to this account. Sub accounts #5431-5432 (see Chart of Accounts) are suggested to identify and separate the different types of fees and charges.

**544 Credit Card Merchant Fees**

Merchant fees and other on line giving fees should be charged to this account and not included with ordinary bank fees.

**546 Technology**

Costs associated with computers; computer, network anti-virus, program licensing fees and software purchases and license fees #5460, computers, printers, modems and other hardware #5461 (note: if a computer purchase includes pre-loaded software record the entire purchase as hardware), all other costs associated with installing, maintaining and troubleshooting computers, networks, webpages etc. are charged to #5462.

**548 Advertising, Promotion & Public Relations**

Ads in the Southern Cross or other publications and promotions. Non-employee appreciation gifts or meals should be recorded as public relations.

**550 Utilities**

Utilities include: electricity, gas, water, sewer, waste disposal, and homeowners fees. Charges for telephone, internet and cable are charged to account #532. Parishes may wish to set up sub-

accounts for each utility. For reporting to the diocese in the annual report, all utilities would be combined into account #550.

**560 Repairs and Maintenance**

Cost to repair and maintain parish buildings #5601-5604, grounds #5605 and vehicles and other equipment #5609 (see Chart of Accounts). Examples are supplies and equipment used by maintenance personnel #5607 and janitorial supplies and service vendor payments #5606. **Included in this account are costs of major repairs** to electrical, heating/air conditioning, plumbing, painting, carpentry and roof repairs. Service contracts on equipment such as computers, copiers and telephones and pest control are charged to #5608.

**570 Diocesan Tax**

Annual assessed tax, computed from annual June 30 year-end report of adjusted net ordinary receipts. Paid to the Diocese monthly by bank automatic bank debit. Note: Annual Priest's pension for retired priests should be charged to account #504.

**571 Insurance**

Monthly automatic bank debits from the diocese for property, earthquake and liability coverage on church property should be charged to this account. Automobile insurance on parish vehicles is also charged here. Parish assigned priests personal auto insurance allowance should be charged to Clergy Fringe Benefits, account #5034 (see Chart of Accounts).

**572 Interest**

Interest paid on indebtedness of the parish including accrued interest on diocesan debt. Credit card interest is also charged to this account.

**573 Parish Events**

Direct costs of parish events (account #408) sponsored by the parish are recorded in this account, including any advertising or publicity for the events. Parish events that do not generate income are also charged to this account. Subaccounts are encouraged.

**574 Religious Articles - Resale**

Cost of religious articles for resale shown in account #409, including votive candles and other devotional items. California Sales Tax payments should be charged to this account.

**575 Rental Expense**

Rent paid for parish use of non-parish property (parking lots, residential rent or lease payments, etc.), storage space, storage containers, or equipment. Subaccounts are encouraged for different types of rental expenses. Lease to own payments for copiers or computers should be recorded in account #5461-Computers and #541 for copiers.

**576 Rental Related**

Direct expenses associated with parish property that is rented to others shown in account #410.  
Overhead allocations are not permitted.

## EXTRAORDINARY PARISH DISBURSEMENTS

### **600 Religious Education**

Direct expenses for Religious Education programs such as: Faith Formation, Evangelization, RCIA, Adult Education, Confirmation, Youth and Other programs. (#6001-6007 – See Chart of Accounts)

Note: To aid in preparing budgets parishes may wish to use sub-accounts to track costs of individual programs. All costs, however, should be combined into account #600 for reporting to the diocese.

### **610 Donations and Charity**

Gifts made by the parish to other 501c3 organizations should be charged to #6101. Bonuses and other gifts for priests, parishioners, volunteers and employees should **not** be recorded as a donation or charity. For the poor #6102 assistance is not deductible for Diocesan tax.

### **620 Major Repairs – this account is no longer to be used.**

Major repairs are included in #5601-5604. (see Chart of Accounts)

### **630 Major Furniture and Equipment – this account is no longer to be used.**

Use #176 Asset (See Diocesan Asset Guidelines) or #541 Furniture & Equipment

### **640 New Property and Construction – this account is no longer to be used.**

Cost to construct a new building including acquiring land to be recorded as an Asset #171-173. Modifying the use of a building or extending the life of a building #173. (See Diocesan Asset Guidelines)

### **650 Bad Debt Expense**

Recorded loans or receivables to the parish determined to be uncollectible are written off by journal entry to this account.

### **670 School Subsidy**

Lump sum cash payments as well as any other assistance given directly to a school are shown here. Tuition assistance or scholarships paid by the parish to any Diocesan school is recorded in this account.

### **671 Secondary Education Subsidy**

Payments to the Secondary Education Initiative are recorded in this account.

### **681 Parish Assistance Program Expense**

Donations to aid other less affluent parishes.

**700 Depreciation Expense**

Depreciation of Fixed Assets. Schedule and guidelines to be provided by Diocese.

**800 Prior Year Adjustments – DO NOT USE To be used only by Diocesan personnel.**

Adjustments determined by the Diocese to adjust or correct a general ledger balance sheet account for errors or entries that pertain to a previous year or years.

## **APPENDIX**

### **Modification to the Chart of Accounts**

The chart of accounts is set up to be flexible in order to meet the needs of both large and small parishes. Some parishes need only basic information because the operations are not complex. As the size and complexity of parishes increase, the need for more detailed information increases. Moreover, pastors and parish finance councils need additional information to fulfill their responsibilities. The numbering system has been designed to allow expansion of the chart of accounts. For example, "Collections" is account #400. Any number of subaccounts may be used to provide more detail.

Small parishes with either manual or limited computer availability may want to use the chart of accounts without modification. More sophisticated parishes may wish to add more subaccounts or departmentalize. This would be determined by the pastor in collaboration with the parish finance council.

### **Year End Diocesan Reporting**

All subaccounts should be collapsed (combined) into totals for the annual financial statement to the diocese.