



# ACCOUNTING AND BUDGETING MANUAL FOR PARISHES

DIOCESE OF SCRANTON IN PENNSYLVANIA  
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# **Parish Accounting Manual**

## **Introduction**

Good fiscal management is an important objective of every organization. Fiscal responsibility is more than a series of statements which speak of high management principles. It is a planned and systematic way of doing business which results in accurate and understandable data and reports. It further implies that this data is available to decision makers who need to know what the status of the financial operations are at a parish. A parish's financial statement should reflect a true and complete picture of all parish resources and obligations.

In 1985, the Diocese of Scranton developed a standardized accounting system which has been used by all parishes since that time. We have revamped this standard chart of accounts enclosed within. The new chart of accounts seeks to add all operating, capital and auxiliary accounts to each parish's accounting records. It also requires the maintenance and updating of Accounts Payable. While the health and well-being of a parish depends on its financial resources, it has become more urgent that we track all income and expenses, both paid and unpaid to keep track of the overall health and well-being of each parish.

Our goal is to help each parish provide a complete and accurate picture of a parish's financial resources and obligations on its accounting system. In previous periods, we used a cash method of accounting as this was the simplest method of accounting for activity. However, over time, there are more financial challenges and we need to develop a more comprehensive manner of evaluating each parish. The cash method of accounting will still be used for financial reports for reporting purposes. However, we would also like each parish to implement a modified accrual accounting system. This would require a parish to record all unpaid assessments in their Accounts Payable at the end of each year. This will provide valuable budgeting data required by all parishes to make informed and prudent financial decisions in a more transparent and meaningful manner.

Parishes need to use sound business and financial management practices so that they can realize maximum efficiency. Effective business techniques help achieve accountability and credibility for the institution. Furthermore, a good financial and accounting system provides the opportunity to establish priorities, plan and maintain financial control.

## **FISCAL YEAR**

All parishes in the Diocese will use a fiscal year beginning July 1 and ending on June 30<sup>th</sup>.

## **ACCOUNTING METHOD**

The parish will continue to use the cash method of accounting for financial reporting purposes. This will be used for the calculation of parish assessments, as this will show the most accurate cash based income and expenses.

However, we will also be requesting a modified cash basis financial report. This report can be printed from your accounting system. This report will provide an Income and Expense statements with all current parish expenses (assessments) being recorded, even those which have not been paid. This will help provide a "real" picture of the operating performance of a parish with all of its current obligations, whether paid or not.

## **CHART OF ACCOUNTS AND DEFINITIONS**

### **1. ACCOUNT NUMBERS AND TITLES**

The chart of accounts is an organized listing of categories in which transactions related to income, expense, assets and liabilities are recorded. To insure consistency and thoroughness in the financial record keeping system, the accounts have been carefully structured and designed. The chart of accounts is the foundation for which the accounting system is built. It has been developed in sufficient detail to provide for adequate budgeting, reporting and control.

The chart of accounts in this manual was designed specifically for the Diocese of Scranton. Account numbers, titles and descriptions are provided on the following pages. The account numbering system can be expanded to include more accounts when necessary and is also adaptable to a computer.

Some parishes may find that all of the proposed accounts are not needed, in which case the accounts do not have to be used.

"Subaccounts" can be added when the definitions on pages 14 to 32 indicate that subaccounts are permissible. A subaccount is a further breakdown of an existing account. The numbering system allows for the creation of subaccounts whenever the chart of accounts does not allow for sufficient detail. For example, account 10140 – Special Envelopes can be subdivided by creating account numbers 10141, 10142, etc.

Although subaccounts are permitted, as outlined above, no further addition of account numbers or titles is permitted. The system is meant to be followed as presented to provide consistency and uniformity.

### **INSTRUCTIONS FOR USE:**

1. Use the definitions in this manual as the official guide for all financial entries.
2. Maintain consistent use during the accounting year.
3. Make necessary additions to subaccounts only at the beginning of an accounting period. Try to make very few changes over the years so that valid comparisons can be made between annual reports.
4. Develop simple ways to allocate costs to various accounts.
5. Write notes on your Chart of Accounts indicating where you charge particular items. This will help you know where to charge it in the future so that consistency can be maintained.

## **INCOME ACCOUNTS - PARISH**

### **GENERAL FUND REVENUES**

- 101    COLLECTIONS
  - 10      LOOSE
  - 20      OFFERTORY ENVELOPES
  - 30      MISSION CHURCH COLLECTIONS
  - 40      SPECIAL ENVELOPES
  
- 102    RELIGIOUS EDUCATION PROGRAM INCOME
  - 10      FAITH FORMATION FEES
  - 20      ADULT EDUCATION FEES
  - 30      STUDENT ACTIVITY FEES
  - 40      OTHER RELIGIOUS EDUCATION INCOME
  
- 104    FUNDRAISING/DEVELOPMENT
  - 10      GIFTS'DONATIONS
  - 20      BEQUESTS AND MEMORIALS
  - 21      CANDLE INCOME
  - 30      PARISH ACTIVITIES
  - 40      PARISH SOCIETIES (TRANSFERS TO OPERATING ACCT)
  - 50      PARISH REVENUES FROM DIOCESAN APPEAL
  
- 105    OTHER INCOME
  - 10      RENTAL OF FACILITIES
  - 20      INSURANCE REFUNDS
  - 30      NTEREST INCOME
  - 40      SALE OF SURPLUS EQUIP AND FURNISHINGS
  - 50      FUNERAL/WEDDING PERQUISITES
  - 60      MISCEANEOUS INCOME
  
- 109    NON-OPERATING INCOME
  - 10      TRANSFERS FROM DESIGNATED FUND ACCOUNTS (only if accts not on books)
  - 20      TRANSFERS FROM SAVINGS ACCOUNTS (only if accts not on books)
  - 30      Loans Received From Diocese Not Applicable (ONLY IF LOAN NOT ON BOOKS)
  - 40      DIOCESAN SUBSIDY
  - 50      DESIGNATIED INCOME (FOR SPECIFIC PURPOSE)
  - 51      CAPITAL CAMPAIGN INCOME (MUST BE APPROVED BY DIOCESE)
  - 52      DESIGNATED IMPROVEMENT INCOME
  - 53      DEBT REDUCTION INCOME (MUST BE USED SPECIFICALLY FOR DEBT)
  - 54      SOCIAL JUSTICE INCOME
  - 55      FOOD PANTRY DONATIONS
  - 56      YOUTH GROUP FUNDRAISING
  - 80      DIOCESAN COLLECTIONS

## **GENERAL FUND EXPENDITURES**

### **110 ADMINISTRATIVE**

#### **111 SALARIES**

- 01 CLERGY SALARIES
- 02 PARISH LIFE COORDINATOR SALARY
- 03 BUSINESS MANAGER SALARY
- 03 CLERICAL SALARIES
- 04 EXTRA SERVICES PRIESTS
- 05 SACRAMENTAL MINISTER

#### **112 BENEFITS**

- 10 EMPLOYEE INSURANCE – PRIESTS
- 20 EMPLOYEE INSURANCE – RELIGIOUS
- 30 EMPLOYEE INSURANCE – LAY
- 40 PAYROLL TAXES
- 50 UNEMPLOYMENT COMPENSATION
- 60 RETIREMENT AND PENSION – PRIESTS
- 70 RETIREMENT & PENSION – RELIGIOUS
- 80 RETIREMENT & PENSION - LAY

#### **113 OTHER EXPENSES**

- 11 AUTO ALLOWANCES
- 15 COMPUTER SERVICES
- 20 ADMINISTRATIVE STAFF DEVELOPMENT EXPENSES
- 25 DUES AND SUBSCRIPTIONS
- 30 CONFERENCES AND TRAVEL
- 35 ADMINISTRATIVE EQUIPMENT AND FURNISHINGS
- 40 ADMINISTRATIVE EQ REPAIRS & MAINTENANCE
- 45 POSTAGE
- 50 PRINTING
- 55 DUPLICATING
- 60 STATIONARY & SUPPLIES
- 65 PROFESSIONAL SERVICES
- 70 TELEPHONE
- 75 CATHEDRATICUM ASSESSMENT
- 80 VILLA ST. JOSEPH
- 85 CLERICAL RELIEF FUND
- 95 MISCELLANEOUS ADMINISTRATIVE EXPENSE

### **120 RECTORY EXPENSES**

#### **121 SALARIES**

- 01 RECTORY HOUSEKEEPER/COOK SALARIES

#### **122 BENEFITS**

- 20 EMPLOYEE INSURANCE – RELIGIOUS
- 30 EMPLOYEE INSURANCE – LAY
- 40 PAYROLL TAXES

- 50 UNEMPLOYMENT COMPENSATION
- 70 RETIREMENT & PENSION – RELIGIOUS
- 80 RETIREMENT & PENSION - LAY
  
- 123 OTHER EXPENSES
  - 10 HOUSEHOLD EXPENSES – FOOD/SUPPLIES
  - 11 DINING OUT - PRIESTS
  - 20 RECTORY FURNINGS AND EQUIPMENT
  - 30 RECTORY REPAIRS & MAINTENANCE
  - 95 MISC RECTORY EXPENSES
  
- 130 LITURGY
  - 131 SALARIES
    - 01 PROGRAM DIRECTOR SALARIES
    - 02 MUSICIANS SALARIES
    - 03 SACRISTAN SALARIES
  
  - 132 BENEFITS
    - 20 EMPLOYEE INSURANCE – RELIGIOUS
    - 30 EMPLOYEE INSURANCE – LAY
    - 40 PAYROLL TAXES
    - 50 UNEMPLOYMENT COMPENSATION
    - 70 RETIREMENT & PENSION – RELIGIOUS
    - 80 RETIREMENT & PENSION – LAY
  
  - 133 OTHER EXPENSES
    - 11 AUTO ALLOWANCES
    - 20 LITURGICAL STAFF DEV EXPENSE
    - 40 LITURGICAL EQUIP PURCHASE & MAINTENANCE
    - 50 PRINTED MATERIALS/MISSETTES/HYMNALS
    - 60 SACRISTY SUPPLIES
    - 61 MUSIC SUPPLIES
    - 62 DECORATIONS
    - 95 MISC LITURGY EXPENSE
  
- 140 RELIGIOUS EDUCATION EXPENSE
  - 141 SALARIES
    - 01 DIRECTOR OF RELIGIOUS EDUCATION SALARY
    - 02 DIRECTOR OF ADULT EDUCATION SALARY
    - 03 YOUTH MINISTER SALARY
    - 04 TEACHER SALARIES/STIPENDS
    - 05 CLERICAL SALARIES
  
  - 142 BENEFITS
    - 20 EMPLOYEE INSURANCE – RELIGIOUS
    - 30 EMPLOYEE INSURANCE – LAY
    - 40 PAYROLL TAXES
    - 50 UNEMPLOYMENT COMPENSATION

- 70 RETIREMENT & PENSION – RELIGIOUS
- 80 RETIREMENT & PENSION - LAY
- 143 OTHER EXPENSES
  - 11 AUTO ALLOWANCES
  - 20 STAFF DEVELOPMENT EXPENSE
  - 25 DUES AND SUBSCRIPTIONS
  - 30 CONFERENCES AND TRAVEL
  - 35 RELIGIOUS ED EQUIP & FURNISHINGS
  - 40 RELIGIOUS ED EQUIP REPAIRS & MAINT
  - 45 POSTAGE
  - 50 PRINTING
  - 55 DUPLICATING
  - 60 STATIONARY & SUPPLIES
  - 70 TELEPHONE
  - 90 HOSPITALITY
  - 95 MISC RELIGIOUS ED EXPENSES
- 144 INSTRUCTION EXPENSE
  - 10 TEXTBOOKS AND TEACHING SUPPLIES
  - 20 AUDIO VISUAL SUPPLIES AND MATERIALS
  - 30 RELIGIOUS EDUCATION LIBRARY
  - 40 STUDENT RETREATS
  - 50 CONFIRMATION EXPENSES
  - 60 STUDENT ACTIVITIES
  - 70 ADULT EDUCATION EXPENSE
  - 95 MISC INSTRUCTIONAL EXPENSE
- 145 YOUTH MINISTRY EXPENSE
- 150 SOCIAL JUSTICE PROGRAM EXPENSE
  - 151 SALARIES
    - 01 SOCIAL JUSTICE PROGRAM SALARIES
  - 152 BENEFITS
    - 20 EMPLOYEE INSURANCE – RELIGIOUS
    - 30 EMPLOYEE INSURANCE – LAY
    - 40 PAYROLL TAXES
    - 50 UNEMPLOYMENT COMPENSATION
    - 70 RETIREMENT & PENSION – RELIGIOUS
    - 80 RETIREMENT & PENSION – LAY
  - 153 PROGRAM EXPENSE
    - 10 PARISH PASTORAL COUNCIL
    - 20 PEACE AND JUSTICE COMMITTEE
    - 30 STEWARDSHIP COUNCIL
    - 40 COMMUNICATION COMMITTEE
    - 50 EVANGELISM COMMITTEE
    - 60 MISC PARISH PROGRAM EXPENSE



- 160 OPERATION AND MAINTENANCE OF PLANT
  - 161 SALARIES
    - 01 MAINTENCE/JANITORIAL SALARIES
  - 162 BENEFITS
    - 30 EMPLOYEE INSURANCE – LAY
    - 40 PAYROLL TAXES
    - 50 UNEMPLOYMENT COMPENSATION
    - 80 RETIREMENT & PENSION – LAY
  - 163 OTHER EXPENSES
    - 10 CONTRACTED JANITORIAL SERVICES
    - 20 OTHER CONTRACTED SERVICES
    - 31 ELECTRICITY
    - 32 HEATING FUEL
    - 33 WATER/SEWER
    - 40 PLANT AND MAINTENANCE SUPPLIES
    - 50 GENERAL REPAIRS & MAINTENANCE
    - 60 PLANT EQUIPMENT
    - 70 VEHICLES
    - 95 MISC PLANT OPERATION EXPENSE
- 170 FIXED EXPENSES
  - 30 DIOCESAN SELF INSURANCE
  - 40 OTHER INSURANCE
  - 80 TAXES
  - 90 RENTAL OF FACILITIES & EQUIPMENT
- 190 DEBT SERVICE
  - 10 INTEREST EXPENSE
  - 20 PRINCIPAL PAYMENT (ONLY IF LOAN NOT RECORDED ON BOOKS)
- 195 CAPITAL OUTLAYS
  - 10 MAJOR REPAIRS & IMPROVEMENTS – BUILDINGS
  - 20 MAJOR REPAIRS & IMPROVEMENTS – SITE
  - 30 NEW CONSTRUCTION
- 199 NON-OPERATING EXPENSES
  - 10 TRANSFERS TO DESIGNATED FUND ACCOUNTS
  - 20 TRANSFERS TO SAVINGS
  - 30 CATHOLIC SCHOOL ASSESSMENTS
  - 80 DIOCESAN COLLECTION TRANSMITTALS

## **CAPITAL/DESIGNATED FUND ACTIVITY**

These accounts are to be used for situations where large amounts of money are to be set aside for a designated purpose such as a Building Fund. A designated fund account can also be established to record income raised in one year for purchase of an item in the next year. In the year in which the item is purchased, the designated Fund account is closed. Designated fund accounts of this type should be set up only for large purchases

These accounts could also be used for an Endowment Fund. The money in all designated fund accounts is to be kept in a separate checking or savings account.

Parishes should have a very limited number of designated fund accounts. They should be established only if a need exists. The balance of these accounts is shown in the assets/liabilities Statement.

A separate report on the income, expense and balance in these accounts should be submitted annually with you annual report utilizing these new accounts.

200	CAPITAL ACTIVITY
10	CAPITAL CAMPAIGN
20	DESIGNATED IMPROVEMENTS CAMPAIGN
30	TRANSFERS FROM OPERATING ACTIVITY
40	INTEREST INCOME

201	CAPITAL EXPENDITURES
10	CAPITAL IMPROVEMENTS
20	IMPROVMENTS – BUILDING
30	IMPROVEMENTS – SITE
40	NEW BUILDING
50	NEW ROOF
60	TRANSFERS TO OPERATING ACTIVITY
90	OTHER

## **AUXILIARY ACTIVITIES**

These auxiliary accounts are used for all parish organizations, clubs and designated activities such as Altar & Rosary Society, Holy Name Society, Food pantry, Social Justice, etc. In most cases, the parish is providing a banking function for these groups/activities. All income and expense is recorded in each group's account. Reports should be made for these groups/activities, as a need exists locally. If the balance in the account is to remain with this group during the next fiscal year, it is handled in this way. However, if the balance in these accounts will be closed out or the cash is available for use by the parish, it is recorded at June 30<sup>th</sup> as parish income in an appropriate income account.

### **300 AUXILIARY INCOME**

- 10 ALTAR & ROSARY SOCIETY
  - 11 FUNDRAISING INCOME
  - 12 OTHER INCOME
  - 19 INTEREST INCOME
- 20 HOLY NAME SOCIETY
  - 11 FUNDRAISING INCOME
  - 12 OTHER INCOME
  - 19 INTEREST INCOME
- 30 FOOD PANTRY INCOME
- 40 SOCIAL JUSTICE INCOME
- 50 YOUTH GROUP INCOME
- 90 OTHER INCOME

### **301 AUXILIARY EXPENSE**

- 10 ALTAR & ROSARY SOCIETY EXPENSES
  - 01 FUNDRAISING EXPENSE
  - 02 OTHER EXPENSES
  - 03 TRANSFERS TO PARISH
- 20 HOLY NAME SOCIETY EXPENSES
  - 01 FUNDRAISING EXPENSE
  - 02 OTHER EXPENSES
  - 03 TRANSFERS TO PARISH
- 30 FOOD PANTRY EXPENSES
- 40 SOCIAL JUSTICE EXPENSES
- 50 YOUTH GROUP EXPENSES
- 90 OTHER EXPENSES

## **ASSET/LIABILITY ACCOUNTS**

### **ASSETS**

#### **CURRENT ASSETS**

51010	CASH – CHECKING ACCOUNT
51020	CASH – BANK SAVINGS ACCOUNT
51030	CASH – CERTIFICATES OF DEPOSIT
51404	CASH – DIOCESAN SAVINGS
52010	STOCKS/BONDS

#### **DESIGNATED FUND ACCOUNTS**

54010	ENDOWMENT FUND
54020	OTHER FUNDS

### **LIABILITIES**

#### **CURRENT LIABILITIES**

55010	ACCOUNTS PAYABLE
55020	OPEN MASSES (STIPEND ACCOUNT BALANCE)

#### **LONG-TERM LIABILITIES**

57010	LOANS - Diocese of Scranton
57020	LOANS – OTHER

### **EQUITY**

FUND BALANCE

## Account Definitions

The following pages include account definitions for every line item in the chart of accounts. Accounts are to be used exactly as specified. When it is not obvious which account to use, carefully read the descriptions to determine which account would be most appropriate. Account definitions are not to be changed or added, except by permission of the Finance office.

<b>COLLECTIONS</b>		
10110	Loose	Includes monies received from collection basket or plate, not included in offertory envelopes.
10120	Offertory Envelopes	Includes monies received from envelopes on Sundays, holy Days, holidays, etc. for general operating purposes.
10140	Special Envelopes	Includes monies for special purposes such as fuel collection, roof repairs, assessment, dues, etc. which occur on an occasional basis and are used for the operating budget.
<b>RELIGIOUS EDUCATION INCOME</b>		
10210	Christian Education fees	Includes receipts from fees charged for Christian education/instruction provided by the parish to children in the Religious education program
10220	Adult Education fees	Includes receipt of fees charged for Adult Education programs provided by the parish.
10230	Student Activity fees	Include receipt of fees charged to students for special activities, i.e. retreats, etc.
10240	Other Religious Education Income	Include receipts from various sources not classified as fees. i.e. proceeds from sale of bibles, small donations, etc.
<b>FUNDRAISING/DEVELOPMENT</b>		
10410	Gifts/Donations	Includes all gifts and donations received by the church when the funds can be used for general operating purposes
10420	Bequests and memorials	Include income received in the form of a bequest or memorial which can be used for general operating purposes
10430	Parish Activities	Include net proceeds from activities conducted by the parish to raise funds such as festivals, picnics, raffles, fairs, bingo, etc. when income can be used for general operating purposes.
10440	Parish Societies	Include cash gifts from various societies such as Christian Women, Altar & Rosary Society, Holy Name Society, etc.

10450	Revenue From Annual Appeal	Include revenues to the parish from Diocesan Appeal
<p style="text-align: center;"><b><u>Notes</u></b></p> <p>In each fundraising/development category, subaccounts can be added for individual parish events or programs.</p> <p>Money received for designated funds, where the parish does not plan to spend the principal of the fund in the current accounting period should be recorded as income in the Fund Raising/Development Accounts because it is taxable in the current year. It should then be transferred to a Designated Fun Account. (See Section C.1. – Designated Funds and Clearing Accounts)</p>		
<b>OTHER INCOME</b>		
10510	Rental of facilities	Include rental income for parish facilities, gymnasiums, halls convent and other properties. Include rental income only if expenses for this facility are paid for by the parish.
10520	Insurance Refunds	Include receipts from insurance claims and rebates.
10530	Interest Income	Include interest earned on checking and savings accounts, trust funds and other investment earnings which can be used for general operating purposes
10540	Sale of Surplus Equipment/Furnishings	Include receipts from sale of parish assets. Include sale of parish equipment, furnishings, buildings, etc.
10560	Miscellaneous income	Include receipts which do not fit into any other category. Include prerequisites for baptisms, marriages and funerals and receipts from votive candles, book rack, etc. Parishes may establish subaccounts for various sources of miscellaneous income.
<b>NON-OPERATING INCOME</b>		
10910	Transfers From Designated Fund Accounts	Include money transferred into this operating budget from a designated Fund Account. If all parish accounts are on the accounting records, this will not be needed. It will be shown as a transfer from one bank account to another on the Parish Balance Sheet.
10920	Transfers From Savings Account	
10930	Loans Received From the Diocese	Previously, this Included proceeds of loans received from the Diocese which must be repaid. Now, these proceeds should be recorded as a loan on the parish Balance Sheet.

10940	Diocesan Subsidy	Include receipts from the Diocese as a subsidy.
10980	Diocesan Collections	Include monies received by the parish on behalf of the Diocese for the various programs it endorses such as Mission Sunday, Campaign for Human Development, Catholic Relief Services, etc. These funds should be paid through non-operating expenses through the Diocesan transmittal accounts.
<b>GENERAL FUND EXPENSES</b>		
<b>ADMINISTRATION</b>		
<b>SALARIES</b>		
11101	Clergy Salaries	Include salaries paid to full-time and part-time priests assigned to the parish. Compensation for priests include stipend income and auto allowance
11102	Parish Administrator/Business manager Salaries	Include base salaries paid to full-time and part-time religious and lay personnel serving as Parish Administrators and Business managers.
11103	Clerical Salaries	Include salaries for religious and lay personnel serving as bookkeepers, secretaries, etc.
11104	Extra Services Other priests	Include compensation paid to out-of-parish priests who render weekend help such as confessions, celebration of masses, etc.
<b>BENEFITS</b>		
11210	Employee Insurance – priests	Costs for group medical, dental, life and disability insurance paid for priests.
11220	Employee Insurance – Religious	Include costs for group medical-health benefits insurance paid for parish religious staff.
11230	Employee Insurance – lay	Include costs for group medical, dental, life and disability insurance paid for parish lay staff.
11240	Payroll Taxes	Include only employer's share of social security taxes for all personnel employed by the parish.
11250	Unemployment Compensation	Include any parish payments made to unemployment compensation funds.
11260	Retirement & Pension – Priests	Include contributions to retirement and pension plans for parish priests.
11270	Retirement & Pension – Religious	Include contributions to retirement and pension plans for parish religious staff.
11280	Retirement & Pension – Lay	Include contributions to retirement and pension plans for parish lay staff.

<b>OTHER EXPENSES</b>		
11311	Auto Allowances	Include auto allowances for administrative personnel, except assigned priests.
11315	Computer Services	Include fees paid for contracted computer services or for supplies and repairs for computers owned by the parish.
11320	Admin Staff Development Expense	Include expenses for administrative personnel for workshops, seminars, continuing education seminars, etc. Also include any retreat allowance given to the parish priests and lay administrative staff.
11325	Dues and Subscriptions	Include all membership fees, subscriptions, etc. related to the administrative personnel or to the parish in general. Also include any book allowance given to parish priests.
11330	Conferences and Travel	Include costs for conferences, conventions and travel for administrative personnel.
11335	Administrative Equipment and Furnishings	Include cost for new or replacement equipment and furnishings for the administrative area of the church. Also include amounts for any installment payments on administrative equipment purchases, except for telephone and duplicating equipment, which are included in other accounts.
11340	Administrative Equipment Repairs and maintenance	Include cost of maintenance contracts and general repairs of administrative equipment
11345	Postage	Include all postage for church. Also includes postage meter rental fees, etc.
11350	Printing	Include all administrative printing expense. This would include printing of bulletins, newsletters, directories, etc.
11355	Duplicating	Include all costs associated with administrative duplicating equipment such as lease fees, paper, toner, fluid, etc. and any installment payments on duplicating equipment.
11360	Stationary and Supplies	Include all stationary and office supplies used for administrative purposes. Also includes expenses for offertory envelopes.
11365	Professional services	Include legal, accounting and other professional service fees paid to outside firms.
11370	Telephone	Include all telephone costs for service, equipment, long-distance, etc. for the church and rectory. Also include any installment payments on purchases of phone equipment.



11375	Cathedraticum Assessment	Include funds assessed by the diocese to the parish as its share of the financial support of the central offices of the Diocese.
11380	Villa St. Joseph	Include the assessment to the parish for the Villa St. Joseph.
11385	Clerical Relief Fund	Include the assessment to the parish for the Clerical fund Society for Infirm priests
11395	Misc. Administrative Expense	Include other occasional administrative expenses for which no other category is available.
<b>RECTORY EXPENSE</b>		
<b>SALARIES</b>		
12101	Rectory Housekeeper/Cook Salaries	Include salaries for rectory housekeeper/Cook, etc.
<b>BENEFITS* See Definitions on Page 15</b>		
12220		
12230		
12240		
12250		
12270		
12280		
<b>OTHER EXPENSES</b>		
12310	Household Expenses	Include expense incurred by persons residing in the rectory for rectory food and household consumables such as toiletries, paper products and other grocery items normally used by a household, but excluding items which are for personal use.
12315	Household – Dining Out	
12320	Rectory Furnishings & Equipment	Include expenses for rectory furnishings and equipment for the living space of the parish priests. Do not include church office furnishings and equipment which would be charged to administration.
12330	Rectory repairs and Maintenance	Include expenses for repair and maintenance of the rectory.
12395	Miscellaneous Rectory Expenses	Include other rectory expenses which do not fit in the above categories.
<b>LITURGY</b>		
<b>SALARIES</b>		
13101	Program Director Salaries	Include salaries paid to F/T and P/T program directors such as liturgists, music director, etc.
13102	Musician Salaries	Include salaries paid to F/T and P/T musicians, such as organists, guitarists, guest musicians, etc.
<b>BENEFITS* See definitions on pages</b>		

13220	Employee Insurance – Religious	
13230	Employee Insurance – Lay	
13240	Payroll Taxes	
13250	Unemployment Compensation	
13270	Retirement Plans – Religious	
13280	Retirement Plans – Lay	
<b>OTHER EXPENSES</b>		
13320	Liturgical Staff Development Expense	Include expenses for liturgical personnel for workshops, seminars, continuing education expenses, etc. for their professional development and growth.
13340	Liturgy Equipment Purchase and Maintenance	Include repairs and maintenance contracts on liturgical equipment, such as organs, pianos, speaker systems, etc. Also include new and replacement costs for pulpits, altars, chairs, etc.
13350	Printed Materials/Missalettes/Hymnals	Include expenses for misselettes, hymnals and other printed liturgical materials whether purchased or printed by the parish.
11360	Sacristy Supplies	Include expenses for altar bread, wine, candles, votive lights, etc. Also includes expenses for vestments, patens, altar cloths, etc.
13361	Music Supplies	Includes expenses for organ and choir music, copyrights, etc.
13362	Decorations	Include expenses for altar flowers and church decorations, banners, etc.
13395	Miscellaneous Liturgy Expense	Include other liturgy expenses which do not fit in the above categories. Also include expenses for parish book rack.
<b>RELIGIOUS EDUCATION PROGRAM EXPENSE</b>		
<b>SALARIES</b>		
14101	Director of Religious Education Salary	Include base salary paid to F/T and P/T Religious and lay personnel serving as Director of Religious Education.
14102	Director Of Adult Education Salary	Include base salary paid to F/T and P/T Religious and lay personnel serving as Director of Adult Education.
14103	Youth Minister Salary	Include base salary paid to F/T and P/T Religious and lay personnel serving as Youth Minister.
14104	Teacher Salaries/Stipends	Include base salary paid to F/T and P/T Religious and lay personnel serving as teachers in the parish religious education program.

14105	Clerical Salaries	Include salaries for religious and lay personnel serving as bookkeepers, administrators, etc. for religious education program.
<b>BENEFITS * (See definitions – Page 15)</b>		
14220	Employee Insurance – Religious	
14230	Employee Insurance – Lay	
14240	Payroll Taxes	
14250	Unemployment Compensation	
14270	Retirement Plans – Religious	
14280	Retirement Plans – Lay	
<b>OTHER EXPENSES</b>		
14311	Auto Allowances	Include auto allowances for all religious education program staff.
14320	Staff Development Expense	Include expenses for RE program personnel for workshops, seminars, continuing education expenses, etc.
14325	Dues and Subscriptions	Include all memberships, fees, subscriptions, etc. related to the religious education program.
14330	Conferences and Travel	Include costs for conferences, conventions and travel for religious education program.
14335	Religious Education Equipment and Furnishings	Include costs for new and replacement equipment and furnishings for the religious education program. Also include any installation payments on purchases, except for telephone and duplicating equipment.
14340	Religious Education Equipment R & M	Include costs of maintenance contracts and general repairs of religious education program equipment.
14345	Postage	Include all postage for the religious education program. Also include meter rental fees, etc.
14350	Printing	Include all religious education program printing expenses.
14355	Duplicating	Include all costs associated with religious education program duplicating equipment such as leases fees, toner, fluid, etc. and any installment payments on duplicating equipment.
14360	Stationary & Supplies	Include all stationary and office supplies used for the religious education program.
14370	Telephone	Include all telephone costs for service, equipment, long distance, etc. for religious education. Also include any installment payments on phone equipment.

14390	Hospitality	Include expenses for socials and gatherings sponsored by the religious education program for meeting refreshments, staff parties, etc.
14395	Miscellaneous R/E Expense	Include other religious education expenses for which no other category is available.
<b>INSTRUCTION EXPENSE</b>		
144100	Textbooks and Teaching Supplies	Include expenses for purchases of textbooks to be used by the students/teachers for the religious education program. Also include expenses for materials and supplies used in the teaching (i.e. workbooks, chalk, erasers)
14420	Audio Visual Supplies and Materials	Include expenses for audio visual supplies and materials.
14430	Religious Education Library	Include expenses for the purchase of books and periodicals for the religious education library.
14440	Student Retreats	Include expenses for student retreats.
14450	Confirmation Expenses	Include costs associated with the confirmation program of the parish.
14460	Student Activities	Include costs for various student activities.
14470	Adult Education Expense	Include all expenses incurred in operating the continuing education program for adults.
14495	Miscellaneous Educational Expense	Include other instructional expenses of the religious education program for which no other category is available.
<b>YOUTH MINISTRY</b>		
14500	Youth Ministry Expense	Include all expenses incurred by the youth ministry program of the parish.
<b>SOCIAL JUSTICE PROGRAM</b>		
<b>SALARIES</b>		
15101	Social Justice Program Salaries	Include salaries paid to religious and lay staff serving as pastoral ministers and other special program staff.
<b>BENEFITS * (See definitions – Page 15)</b>		
15220	Employee Insurance – Religious	
15230	Employee Insurance – Lay	
15240	Payroll Taxes	
15250	Unemployment Compensation	
15270	Retirement and pension – Religious	
15280	Retirement and Pension – Lay	
<b>PROGRAM EXPENSES</b>		
15310	Parish Pastoral Council	Include expenses incurred by the Parish Council.
15320	Peace and Justice Committee	Include expenses incurred by the Peace and Justice committee.

15330	Stewardship Committee	Include expenses incurred by the Stewardship Committee.
15340	Communications Committee	Include expenses incurred by the Communications Committee.
15350	Evangelism Committee	Include expenses incurred by the Evangelism Committee.
15360	Miscellaneous Parish Program Expense	Include other parish program expenses which do not fit in the above categories. Parishes may establish subaccounts for their various parish programs.
<b>OPERATION AND MAINTENANCE OF PLANT</b>		
<b>NOTE: Include expense for operating and maintaining all parish facilities including church, parish halls, religious education center, mission churches, convents, etc.</b>		
<b>SALARIES</b>		
16101	Maintenance/Janitorial salaries	Include salaries for personnel involved in plant operation for the church.
<b>BENEFITS * (See definitions – Page 15)</b>		
16230	Employee Insurance – Lay	
16240	Payroll Taxes	
1620	Unemployment Compensation	
16280	Retirement and Pension – Lay	
<b>OTHER EXPENSES</b>		
16310	Contracted Janitorial Services	Include expenses for contracted janitorial services.
16320	Other Contracted Services	Include expenses for services such as snow removal, pest control, trash removal, etc. Also include maintenance contracts for elevators, security systems, boilers, etc. for the parish facilities.
16631	Electricity	Include expenses for lighting, power and heating parish facilities and the rectory.
16332	Heating Fuel	Include expenses for gas, fuel oil, etc. for heating including transportation costs involved.
16333	Water/sewer	Include expenses for water and sewage disposal for parish facilities and the rectory.
16340	Plant and Maintenance Supplies	Include expenses for maintenance and custodial supplies. Also include repair parts, paint and small tools used in making repairs and maintaining parish facilities.
16350	General Repairs and maintenance	Include charges by outside contractors for day-to-day repairs to the parish facilities and site and repairs to equipment. Includes charges by plumbers, electricians, carpenters, etc. Do not include major repairs such as new roof, furnace renovations, etc. which would be considered Capital Outlays.

16360	Plant Equipment	Include costs of new and replacement equipment such as vacuums, mowers, tractors, etc. for the parish and for the maintenance and operation of the same.
16370	Vehicles	Includes purchase and maintenance of parish cars, vans and trucks.
16395	Miscellaneous Plant expense	Include other occasional plant expenses for which no other category is available.
<b>FIXED EXPENSES</b>		
17030	Diocesan Self-Insured program.	Include insurance premiums paid on the diocesan self-insured program.
17040	Other Insurance	Include premiums for any other insurance carried by the parish.
17080	Taxes	Include any taxes paid by the parish to the state, city, county, etc. for parking lots, rectory, other facilities, etc.
17090	Rental of facilities and Equipment	Include costs for the rental of land, buildings and equipment for all parish purposes.
<b>DEBT SERVICE</b>		
19010	Interest Expense	Include interest expense on diocesan and commercial indebtedness of the parish.
19020	Principal Payments	Include principal payments on diocesan and commercial indebtedness of the parish.
<b>CAPITAL OUTLAYS</b>		
<b>NOTE: Include expenses for Capital outlays for all parish facilities, including church, rectory, parish halls, religious education center, mission churches and convents.</b>		
19510	Major Repairs & Improvements – Building	<p>Include here any substantial repairs, alterations or changes that extend the useful life of the parish buildings or change the facilities to make them more useful or desirable. Repairs of fire losses, water or storm damage, etc., even if covered by insurance would be charged here. Includes new roof, major window replacement projects or similar items.</p> <p>Would not include purchase of an existing building, construction of a new building, a major addition to an existing building or purchase of mobile classrooms. Because these items are large, they would not usually be handled through the operating budget.</p>
19520	Major Repairs & Improvements – Site	Include the costs of improvements such as roads, repaving, sewers, landscaping, etc.
19530	New Construction	Include costs of construction of new building such as sheds, garages, etc. Also includes additions to the present buildings. Include

		only new construction which is part of the operating budget. Major construction projects, funded outside of the budget, would not be charged here.
<b>NON-OPERATING EXPENSE</b>		
19910		
19920		
19930	School Assessment	Include the amount of the assessment for the Catholic School System.
19980	Diocesan Collection Transmittal	Include monies transmitted by the parish which were collected on behalf of the diocese and for the various programs it endorses such as Mission Sunday, Campaign for Human development, catholic Relief Services, etc.
<b>ASSETS</b>		
51010	Cash – Checking Account	Include the book balance of the parish operating account.
51020	Cash – Bank Savings Deposit	Cash which the parish has invested in a bank savings account.
51030	Cash – Certificates of Deposit	Cash which the parish has invested in CD's or similar financial instruments.
51040	Cash – Diocesan savings Deposit	Cash which is invested at the Diocese.
52010	Stocks/Bonds	The current market value of any stocks/bonds which are owned by the parish.
54010	Endowment Fund	If the parish has an endowment (money which cannot be used for operating purposes), list the current value of this fund.
54020	Other Funds	Establish an account for all other fund balances. This includes all monies in separate funds such as tuition assistance, building funds, etc.
<b>LIABILITIES</b>		
55010	Accounts Payable	Include all unpaid bills as of the date of the financial statement.
57010	Loans s- Diocese	List the amount of money owed to the Diocese.
57020	Loans – Other	List the amount of money owed to all other sources.

## **BUDGETING**

### **1. Principles of Budgeting**

It is recommended that the following principles be used as a basis for your budget planning. Implementation of these principles will insure accurate budgets and good results from the process.

- a. Base the next year's budget on an accurate estimate of the current year's expenses and income. The original budget from the current year should be updated and revised because some factors may have changed since the original budget was prepared.
- b. Budget all figures as accurately as possible. Avoid the tendency to provide for numerous contingencies. Conversely, be sure to budget enough for all of the planned expenses.
- c. Be sure to incorporate all expenses that will be incurred by the parish during the upcoming year, including all parish and school assessments. This may result in a deficit budget, but this is what is expected to provide a clear and true picture of parish operations.
- d. Try to make your parish budget reflect the program plan. If the program changes are planned, appropriate additions or reductions in expenses should be made in next year's budget.
- e. Involve people in the budget planning process who need to be informed. This includes the Pastor, members of the Pastoral Council, Finance Council and others.
- f. Provide parish members with a budget summary and inform them of parish costs.
- g. Try to utilize the new budgeting spreadsheet included with the financial report that will be included with next year's financial report. This spreadsheet is not a requirement but will provide some help in preparing next year's budget.



### **Financial Planning Calendar**

The following budget calendar will help your parish complete its activities.

#### **TARGET DATES**

#### **ACTIVITIES**

May 1

Begin budgeting process for upcoming year. This process should begin prior to the end of the current fiscal year to enable proper planning for the upcoming fiscal year.

September 1

Parish Annual Financial Report submitted to the Finance Office, including the Asses/Liabilities Statement, Income and Expense Statement and Annual Budget.