

ARCHDIOCESE OF SEATTLE

SECTION B CHART OF ACCOUNTS

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SECTION B: CHART OF ACCOUNTS

The Accounts

To adequately maintain the financial records of a parish or other entity, it is necessary to track financial information and classify this information in meaningful categories. The Chart of Accounts is the method used to accomplish this objective. Parishes are required to use the Chart of Accounts as written.

The Parish Accounting Chart of Accounts is a listing of all of the classifications or accounts used in tracking the parish's financial activity. The accounts themselves are relatively straightforward (e.g., clergy salary expense, telephone expense, donation revenue, interest income).

Each account number has four digits; the first digit signifies the type.

| | |
|----------------|-----------------|
| Assets: | 1000's |
| Liabilities: | 2000's |
| Fund Balances: | 3000's |
| Revenues: | 4000's |
| Expenditures: | 5000's & 6000's |

Within each account type, there are a variety of accounts to choose from. Some titles are quite broad while others are much more specific. This allows greater flexibility in the recording of parish finances. The level of detail will vary from parish to parish depending on individual circumstances.

The Programs

Since each parish may operate a multitude of programs (e.g. Religious Education, Liturgy, Outreach, Parish School), the financial records of the parish should reflect this diversity. Each program director should receive financial information for his/her program; in addition, this information is necessary for the Pastor, Pastoral Assistant for Administration and parish consultative bodies to responsibly administer the temporal goods of the parish. Depending on your accounting software, these may be called "Groups" or "Class Codes". We will refer to them as "programs" in the balance of this manual. Program numbers are a means to classify financial information (revenue & expense) to fill this need.

Program numbers consist of a two digit code that accompanies the account number for any given transaction. For example, suppose the parish buys \$200 worth of office supplies, half of which are for use by the Religious Education Director. The account number for office supplies is 5202. To allocate this purchase to the proper areas of responsibility, it should then be split between Program 10 – Parish Operations and Program 70 – Religious Education.

The following journal entry illustrates this simple example:

| | | | |
|-------|---------|---------|--------|
| Debit | 5502.10 | 100.00 | |
| | 5502.70 | 100.00 | |
| | Credit | 1115-00 | 200.00 |

To record the purchase of supplies for parish and religious education use.

This entry allows us to track expenditures by program and for the parish in total.

The Parish Accounting system includes five primary programs with subprograms and nine miscellaneous programs.

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Account Code Structure

The complete Account Number is a 6 digit number.

The 1st digit is the account type.

The 2nd digit is the category type.

The 3rd and 4th digits are the item numbers.

The 5th and 6th digits are the program numbers.

Thus the account number 5 1 01 10 is:

EXPENSE, SALARY, CLERGY, PARISH

If you changed the 1st digit you would have 4 1 01 10 or:

REVENUE, ORDINARY, SUNDAY COLLECTION, PARISH

The following page contains an overview of the chart of accounts and programs.

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OVERVIEW

Account Structure

This framework outlines the basic account structure of the archdiocesan parish accounting system. A detailed listing of available accounts is included on the following pages.

| | | |
|-----------|------|---------------------------------|
| 1XXX | | <u>Assets</u> |
| | 11XX | Cash |
| | 12XX | Receivables |
| | 13XX | Prepaid |
| | 14XX | Investments/Fund Assets |
| | 15XX | Land, Buildings, Capital Assets |
| | 16XX | Other Assets |
| 2XXX | | <u>Liabilities</u> |
| | 21XX | Payables |
| | 22XX | Custodials |
| | 23XX | Long Term Debt |
| | 24XX | Restricted Revenues |
| 3XXX | | <u>Fund Balances</u> |
| | 31XX | General Fund |
| | 32XX | Designated Fund Balances |
| 4XXX | | <u>Revenues</u> |
| | 41XX | Collection Revenues |
| | 42XX | Educational Revenues |
| | 43XX | Fund Raisers |
| | 44XX | Gifts |
| | 45XX | Business Revenues |
| | 46XX | Program Revenues |
| | 47XX | Other Revenues |
| 5XXX-6XXX | | <u>Expenses</u> |
| | 51XX | Salaries |
| | 52XX | Benefits |
| | 55XX | Supplies |
| | 57XX | Program Expenses & Subsidies |
| | 58XX | Operations & Maintenance |
| | 59XX | Contracted Services |
| | 61XX | Business |
| | 62XX | Depreciation and Bad Debts |
| | 63XX | Utilities |
| | 64XX | Travel |
| | 65XX | Appreciation/Thank You |
| | 66XX | Assessments/Contributions |