



DIOCESE
of
LAFAYETTE-IN-INDIANA

Accounting Procedures &
Controls Manual

2025

Revision Schedule:

Date	Explanation of Edit	Added by	Reviewed/Approved by
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****Please note Entity denotes parish, school and retreat center**

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ACCOUNTING GUIDELINES/PROCEDURES

To achieve the goal of consistent financial accountability, it is necessary to establish standards for accounting policies and procedures. It could be said that the standards that apply to business may not apply to institutions, or to churches and church-related organizations. However, there have been several efforts that have produced and refined the guidance as to appropriate accounting standards for religious organizations.

One of the guiding principles for Catholic Dioceses in the Standards of Excellence is Financial and Legal. Dioceses must practice sound fiscal management and comply with a diverse array of legal and regulatory requirements, including those of canon law. Financial systems should ensure that accurate financial records are kept and that the organization's financial resources are used in furtherance of its religious mission. Dioceses should conduct periodic reviews to address regulatory and liability concerns.

The Diocese of Lafayette in Indiana is a corporate sole, a legal entity consisting of a single incorporated office for legal and tax purposes. Transactions such as loan, line of credit, deeds, and real estate transactions must be signed by the officers of the corporation sole not the parishes, pastorates, schools, or retreat centers.

The accounting policy manual includes procedures and detailed guidelines and actions to be followed to ensure financial activity is recorded accurately, consistently and in accordance with current FASB standards across the organization. It is also used to make sure proper controls are known and adhered to by all pastorates, parishes, and schools to produce comparable financial statements across the Diocese of Lafayette-in-Indiana.

Basis of Accounting

The accrual basis of accounting is a method of accounting where revenues and expenses are recorded when they are earned, regardless of when the money is received or paid. Each Entity in the Lafayette Diocese utilizes the accrual basis of accounting.

Accounting Period

The fiscal year is the basic accounting period that applies to all financial recording and reporting. The fiscal year for the Chancery is the calendar year. *Therefore, all entities should work toward a calendar year (Jan. – Dec.), for its fiscal year.*

For financial statement reporting, locations should use reporting periods as needed to best present finances to parishioners, councils and management. For example, reporting periods can be Month-to-Date, Quarter to Date or Year-to-Date. The accounting periods should be produced on a monthly interval, but smaller parishes may choose a quarterly basis. Parishes must submit annual financial statements to the Chancery, the Chancery will pull Financials annually as needed. An annual budget acknowledgement letter, signed by the Finance Council members, should also be submitted to the Chancery.

Accounting Transactions & Systems

Proper record keeping requires an entity to record daily transactions in the general ledger such as receipts, disbursements, subledgers – accounts (pledge) receivable, accounts payable, and journal entries. All entries in these accounts must be based on verifiable and objective documentation. In addition, the record keeping must be based on well-established policies and procedures. First and foremost, the Accounting for all Diocesan entities needs to be accurate, consistent, and timely.

The accounting terms, debit and credit are used in recording data in the general ledger accounts under the double entry method. Once the transactions have been posted in the general ledger, and the monthly close completed, entity financial statements should be prepared for the Pastor, department heads and Finance Council as applicable.

Guidelines for Accounting Transactions

- Transactions are recorded in the accounting system of the entity as closely as possible to the time they occur.
- Transactions are classified and recorded accurately based on objective criteria and consistent treatment of similar transactions.
- Documentation of accounting transactions is clear and legible.
- The media on which documentation is recorded remains readable until the time when the record is destroyed.
- Care is taken to accurately identify and record non-cash financial transactions, whether they result in income, expenses, assets, or liabilities.
- Activities are not recorded on a net basis. When an activity includes transactions that increase and decrease a financial account, the increase and decrease transactions are recorded separately.
- Please refer to the Records Management and Data Retention Policy and Schedule in the policy section.

Guidelines for Accounting Information Systems

- Accounting records are organized to facilitate retrieval of documents when needed.
- Accounting records are retained until the time designated for destruction; at which time they are destroyed. Please refer to Diocese of Lafayette in Indiana Book V §2600 Diocesan Records Policy.
- Legal documents (such as executed contracts) and personnel records are kept separate from accounting records.
- Other systems that provide information to the accounting system are identified.
- Care is taken to ensure reconciliation of balances and continuity of an audit trail between the accounting system and other systems and to ensure that the records in the other systems are retained as appropriate for accounting records.
- Care is taken to ensure the integrity of computerized accounting records.
- Care is taken to ensure that technical support is available for accounting systems and other systems that provide information to the accounting system.
- The Internal control policies of this manual are maintained during transactions in computerized accounting systems by workflows and by assigned security roles by the administrator. For example, an employee authorized to print checks should not be the same person to add a new vendor. (For smaller entities, segregation of duties may present challenges however another work around must be used.)

Entities must have all transactions recorded so that books can be closed within 6 weeks of the end of the month.

Definitions Sage Intacct Accounting Key Terms

With Sage Intacct, we will be using terminology that is somewhat unique to the system. Following are “definitions” and structures that may help as you navigate through the system.

DIMENSIONS - Intacct uses various dimensions to organize, sort and report on information. The primary dimensions that the DOL will be using are ENTITY/LOCATION, DEPARTMENT, FUND, RESTRICTION, and ACTIVITY. If something is captured in one dimension, like is a DEPARTMENT, then it need not also be created as a LOCATION or ACTIVITY. Likewise, if it is in the CHART OF ACCOUNTS, it need not be duplicated as a DEPARTMENT, LOCATION or ACTIVITY.

ENTITY – A major place or main location that normally would have several parish, school, or retreat center LOCATIONS within it. Examples include Chancery, St. Mary Muncie, St. Paul School Marion, or Saint Joseph Retreat & Conference Center. Entities are not hierarchical but do have LOCATIONS

within them to create a hierarchy, and thus ENTITY and LOCATION share the same Intacct database field. ENTITY is the primary or top-level access that will drive the other areas of the system. Each Parish and School is set up as an ENTITY.

LOCATION – a physical place or structure within the parish, retreat center, school, chancery, etc. (=ENTITY) from which specific ministries, services or products are offered, from which operations are run or where people, materials of ministries reside. Examples include church, gym, and parish hall. Use of the LOCATION dimension should be limited to more prominent places that will have ongoing costs that would be valuable to have broken out in financial reports. The Fixed Assets module can be used to track certain details associated with things like pieces of equipment (e.g. HVAC, plumbing) which in general are too granular to necessitate a LOCATION.

DEPARTMENT – a group of responsibility or group of ministries within the parish, retreat center, school, chancery, etc. that is responsible for specific ministries, services or products. A department would have either a person responsible for it and/or a budget amount assigned to it. Examples include Human Resources, Finance, Faith Formation, Youth Ministry, and Math. Departments can be hierarchical and have sub-departments to be divided into more detailed ministries/responsibilities under a department. For example, the DEPARTMENT athletics could have sub departments of football, golf, kickball, soccer, etc.

FUND – Funds are used to track the inflow and outflow of money utilized for a purpose over time (at least spanning from one fiscal year to second fiscal year or beyond). Funds can be either unrestricted or restricted (temporarily restricted or permanently restricted). All funds need to have a specific purpose, eventually have both inflows and outflows, and maintain a balance rolling from one year to the next. Examples include Operating, Haiti, Knights of the Holy Temple, Altar Rosary Society. Funds can be hierarchical and have sub-funds. For example, the FUND scouting could have sub-funds of boy scouts, girl scouts, Troops of St. George, American Heritage Girls, etc. Per the suggestion of the audit committee, a policy on Funds is being developed. Note: Fund Accounting is used by nonprofit organizations, including the Diocese, and by governments. Fund accounting is a system of accounting used to track the amount of money allocated to various operations/purposes, whether from restricted or unrestricted sources, over time. Funds are not the same thing as an account because one investment account or one bank account can hold the monies allocated to one or more than one fund. Funds are not reporting groups or QuickBooks tags, classes or other means of categorizing reports.

RESTRICTIONS - Within Intacct are: Permanently Restricted, Temporarily Restricted, Designated, Board Restricted or Unrestricted.

ACTIVITIES – these are specific events/activities or projects with which you want to track/report on in addition to already selected DEPARTMENT, SUBDEPARTMENT, or LOCATION. ACTIVITIES can be hierarchical and have “sub activities” under an Activity. Activities are unique to an ENTITY or ENTITY/LOCATION. The ACTIVITY dimension is not linked to any other dimension, but exists to allow for more granular coding of information that isn’t captured (and shouldn’t be) in our other dimensions. Example ACTIVITIES include NCYC, Vacation Bible School, Senior Retreat, Father Daughter Dance, and fish fry. Unlike FUNDS, activities will not maintain a balance from year to year.

USER –Only employees associated with the Diocese of Lafayette (those with a dol-in.org email address) will be able to access Sage Intacct and become a user. Within Intacct, there are various roles/responsibilities and security access assigned to each. Information on User Roles: See Business& Employee Roles defined.docx ([Link here](#))

VENDORS - businesses or people that are owed payment from the parish, school, chancery, etc for services, material or products provided. Each Vendor will be set up with a unique ID and can include information for 1099 tracking if needed. A global list of Vendors is being used across all ENTITIES within the diocese, but specific vendors can be set up for just one entity. Vendors are an additional dimension mainly utilized in the Purchasing and Accounts Payable modules, and can be used to filter Sage Intacct Reports, such as the AP Aging.

CUSTOMERS – Any business, person(s)/or other Entities that will need to pay the Chancery, Parish, school, etc. for products, material or services. Customers are an additional dimension mainly utilized in the Accounts Receivable module, and can be used to filter Sage Intacct Reports, such as the AR Aging.

BANK ACCOUNT - is a financial account (deposit, investment, credit card) maintained by a bank or other institution in which the financial transactions (deposits, withdrawals, interest, fees) between the diocesan entities (chancery, parishes and schools) and bank are recorded. Each Bank Account is assigned a unique account in the Chart of Accounts upon setup in the system, which is automatically used in the creation of General Ledger entries.

CHART OF ACCOUNTS - A chart of accounts (COA) is a list of all the accounts used to record financial transactions in the general ledger. The structure is hierarchical and includes assets, liabilities, revenue and expenses.

Fund Accounting

Fund Accounting is an accounting practice that's common among nonprofit organizations. Unlike traditional accounting processes that focus on recording profits and losses, Fund Accounting focuses on tracking money to make sure it's being used for its designated purpose. The system is used to record resources whose use has been limited by the donor, grant authority, governing agency, or other individuals or organizations or by law. The system emphasizes accountability rather than profitability. It involves the segregation of financial information into separate funds, allowing for the accurate tracking and reporting of how funds are being allocated and used.

Fund and Inter-Entity Transactions:

All activities should be recorded to the appropriate fund, whether that is the operating fund or any of the restricted funds. Make a note that all entries need to balance by fund.

Funds, Entries, Month End, Reporting

Payable:

When creating the PO, record the transaction to the appropriate account, fund, and restriction. An activity can be used as well if that fund utilizes multiple activities.

Entries										
	Item ID	Location	Department	Fund	Restriction	Activity	Quantity	Price	Extended price	Memo
1	60104--Printing/Copy	C1001--Chancery Office	101--Administration	C-00360--Special Events- Youth Formation (Camp Fund)	Temporarily Restricted	--	1	200.00	200.00	printing flyers for camp
Total									200.00	

Once approved and converted the entry will be:

Printing/Copy	Fund C-00360	Temp Restricted Debit \$200
Accounts Payable	Fund C-00360	Temp Restricted Credit \$200

Once paid the entry will be:

Accounts Payable	Fund C-00360	Temp Restricted Debit \$200
Checking -P1000 Ops Checking	Fund C-00360	Temp Restricted Credit \$200

Receipt:

When creating the receipt, record the transaction to the appropriate account, fund, and restriction. An activity can be used as well if that fund utilizes multiple activities.

Entries

	Account	Amount	Location	Department	Fund	Restriction	Activity	Memo
1	40100--Contributions - Regular	1,000.00	C1001--Chancery Office	101--Administration	C-00360--Special Events- Youth Formation (Camp Fund)	Temporarily Restricted	--	donation to camp fund
	Total	1,000.00						

Once saved the entry will be:

Checking -P1000 Ops Checking	Fund C-00360	Temp Restricted Debit \$1000
Contributions	Fund C-00360	Temp Restricted Credit \$1000

Month End:

If the fund balance is held in the checking account, nothing further needs to be done.

If the fund balance is held in another bank account or investment account, a transfer and/or journal entry needs to be recorded to move the fund activity to the correct account.

For example, if the entity collects donations that are deposited into the operating account but need to go to the building fund bank account, a transfer (ACH) needs to be made between the two bank accounts and a journal entry can record the transfer.

The entry would be:

Building Fund Bank	C-00360	Temp Restricted Debit \$4,000
Operating Bank	C-00360	Temp Restricted Credit \$4,000

Attach documentation to the journal entry of the transfer and if not approved at the bank level, handwritten approval should be included. If, like the diocese, the balance of the fund is maintained in an investment account that includes both unrestricted and restricted funds then a journal entry needs to be made to move the fund activity.

That entry for cash disbursements made from fund would be as follows:

Operating Checking	C-00360	Temp Restricted Debit \$200
Investment	C-00360	Temp Restricted Credit \$200
Investment	G-00001	Unrestricted Debit \$200
Operating Checking	G-00001	Unrestricted Credit \$200

Note that the funds must be balanced, and the individual fund will not have a balance in the operating checking account when done correctly.

Movement of Income/Expense Between Funds:

Care should be given to enter income and expenses directly into the proper fund when the transaction is created. There may be times when that did not or could not happen. When that activity needs to be moved from one fund to another; a journal entry should be made. Make a note that all entries need to balance by fund.

Income Example:

A deposit was made from the weekly offertory and included \$200 that belonged to the Building Fund (G-01999). The deposit was posted entirely to the Offertory Basket account (40101-0001), operating fund (G-00001).

The original entry was:

Checking – P1000 Ops Checking	Fund G-00001	Unrestricted Debit \$200
Offertory Basket	Fund G-00001	Unrestricted Credit \$200

The correcting entry would be:

Checking – P1000 Ops Checking	Fund G-01999	Temp Restr. Debit \$200
Donations Spec. Purp.	Fund G-01999	Temp Restr. Credit \$200
Offertory Basket	Fund G-00001	Unrestricted Debit \$200
Checking -P1000 Ops Checking	Fund G-00001	Unrestricted Credit \$200

Expense Example:

A PO was entered for printing expenses of \$150 related to Community Outreach (G-02003) but was posted to the operating fund (G-00001).

The original entry was:

Printing Expense	Fund G-00001	Unrestricted Debit \$150
Checking – P1000 Ops Checking	Fund G-00001	Unrestricted Credit \$150

The correcting entry would be:

Printing Expense	Fund G-02003	Temp Restr. Debit \$150
Checking – P1000 Ops Checking	Fund G-02003	Temp Restr. Credit \$150
Checking – P1000 Ops Checking	Fund G-00001	Unrestricted Debit \$150
Printing Expense	Fund G-00001	Unrestricted Credit \$150

Reporting - Dimension balance reports show the dimension breakdown for specific account(s). Customize the view to separate activity by location, department, fund, or activity.

Example of a dimension balance report for a specific account by department:

Report Name:	Dimension balances report		
Start Date:	01/01/2025		
End Date:	06/11/2025		
Account ID and name/Department ID and name	Opening balance (USD)	Period balance (USD)	Closing balance (USD)
52002--Wages - Lay			
101--Administration	0.00	114,426.54	114,426.54
103--Campus Ministry	0.00	3,576.64	3,576.64
104--Cemetery	0.00	529.53	529.53
106--Clergy	0.00	9,424.19	9,424.19
108--Communications	0.00	13,335.81	13,335.81
110--Facilities, Maintenance, & Grounds	0.00	18,015.13	18,015.13
111--Gift/Spirit Shop	0.00	6,422.50	6,422.50
115--Stewardship	0.00	20,769.21	20,769.21
116--Technology	0.00	5,014.09	5,014.09
201--Pastoral Ministries Admin	0.00	50,243.31	50,243.31
801--School Administration	0.00	171,765.68	171,765.68
802--Admissions	0.00	137,727.65	137,727.65
833--Core	0.00	350,664.68	350,664.68
836--Fine Arts	0.00	2,092.32	2,092.32
Total 52002--Wages - Lay	0.00	904,007.28	904,007.28
Grand total	0.00	904,007.28	904,007.28

Example of a dimension balance report for a specific account by fund:

Report Name:	Dimension balances report		
Start Date:	01/01/2025		
End Date:	06/11/2025		
Account ID and name/Fund ID and name	Opening balance (USD)	Period balance (USD)	Closing balance (USD)
20599-0099--Special Collections to be Forwarded - Other			
F-06300--Youth and Young Adult Ministries	-797.00	0.00	-797.00
G-00001--Operating	-145,319.07	37,134.58	-108,184.49
G-01003--Building Project Fund	-5,475.25	0.00	-5,475.25
G-02000--Charity & Outreach	-21,732.31	0.00	-21,732.31
G-02001--Assistance Fund - Community	-634.25	-300.00	-934.25
G-02006--Habitat for Humanity	290.00	0.00	290.00
G-02011--Outreach to Needy	0.00	-200.63	-200.63
Total 20599-0099--Special Collections to be Forwarded - Other	173,667.88	36,633.95	137,033.93
Grand total	173,667.88	36,633.95	137,033.93

- Financial statements can be made with any combination of dimensions or in total. Reports can be filtered on locations, departments, funds, activities, and restrictions. Report columns can be expanded by any dimension or dimension group. The report writer is extremely flexible.

- **Financial statements filtered by one fund.**

Standard Statement of Activities by Fund

As of December 31, 2024

	G-02004-- Food Pantry Year To Date 12/31/2024
	Actual
Change in Net Assets	
Revenue	
Contribution Income	230,669.34
Grants & Fundraising Income	2,552.00
Total Revenue	233,221.34
Expenses	
Salaries and Wages	7,702.12
Athletic Expenses	210.72
Facility Expenses	5,392.21
Ministry & Program Expenses	164,798.19
Administration Expenses	3,740.87
Technology Expenses	1,147.69
Total Expenses	182,991.80
Change in Net Assets	50,229.54

- Financial statements by fund with total.

**Statement of Activities - By Fund
As of December 31, 2024**

	Mass Stipend Year To Date 12/31/2024	Operating Year To Date 12/31/2024	Food Pantry Year To Date 12/31/2024	Youth Ministry Year To Date 12/31/2024	All Funds Year To Date 12/31/2024
	Actual	Actual	Actual	Actual	Actual
Revenue					
Contribution Income	3,073	421,775	90,083	1,086	516,017
Grants & Fundraising Income	0	9,676	0	440	10,116
Facility Income	0	2,300	0	0	2,300
Ministry & Program Income	0	7,340	0	1,765	9,105
Investment Income/(Loss)	0	4,188	0	0	4,188
Other Income	0	125	0	0	125
Camp and Retreat Center Income	0	35	0	0	35
Total Revenue	3,073	922,890	90,083	3,291	541,886
Expenses					
Salaries and Wages	0	182,760	0	0	182,760
Payroll Taxes, Insurance and Benefits	4,690	25,407	0	0	30,097
Retirement Expenses	0	10,099	0	0	10,099
Other Personnel Expenses	0	798	0	0	798
Facility Expenses	246	81,202	0	0	81,448
Ministry & Program Expenses	0	37,462	86,130	2,588	126,180
Professional Services	98	3,296	0	0	3,394
Administration Expenses	0	75,629	0	0	75,629
Technology Expenses	0	27,382	0	0	27,382
Total Expenses	5,604	496,986	86,130	2,588	537,787
Change in Net Assets	(2,531)	425,904	3,953	703	4,099

Inter-Entity Transactions:

Monthly, run the trial balance and/or general ledger reports to verify the inter-entity receivable and payables are reconciled (equally offset). The system creates the entries so they should be equal. If they do not agree, reconcile the accounts to find the difference. Look for items posted directly to the inter-entity accounts instead of system created.

Parish to Parish

The entity with the payable balance (net of receivable/payable) will create a PO to the entity with the receivable. Record the PO to the 29000-**** and/or 19000-**** account to zero those account balances. Cut the check or record the transfer if an ACH can be done.

The entity with the receivable will record an Other Receipt and record it to the 19000-**** and/or 29000-**** account to zero out their balances. Verify that the accounts are zero and agree with the other entity/entities.

Parishes, that have an associated school, often provide regular support to that school by paying for operating costs. This results in inter-entity transactions and balances between the two entities. These regular support costs must be allocated to the School.

Parish to School (Separate Bank Accounts)

The School, the entity with the payable balance (net of receivable/payable), will create a PO to the Parish, the entity with the receivable balance (net of receivable/payable). The School will record the PO to the 29000-**** and/or 19000-**** account to zero those account balances.

The Parish, the entity with the receivable balance (net of receivable/payable), will record an Other Receipt and record it to the 19000-**** and/or 29000-**** account to zero out their balances.

Verify that the accounts are zero and agree with the other entity/entities.

Parish to School (Shared Bank Account)

A journal entry will be created. The School, the entity with the payable balance (net of receivable/payable), will post to the 29000-**** and/or 19000-**** account to zero those account balances. The offset will post to G/L account # 40110 Contributions In Kind to recognize the parish support.

The Parish, the entity with the receivable balance (net of receivable/payable), will post to the 19000-**** and/or 29000-**** account to zero out their balances. The offset will be made to the G/L account # 63044 Supporting Expenses in Kind to recognize the contribution. Verify that the accounts are zero and agree with the other entity/entities.

Restricted Funds:

Funds with Donor Restrictions (Temporarily Restricted)

When donations are received with a donor restriction the donation will be recorded as a contribution and posted to the appropriate fund as temporarily restricted.

Checking or investment account/Dept/Specific Fund/Temp Restricted
Contribution account/Dept/Specific Fund/Temp Restricted

Buildings or Equipment Purchased with Restricted Funds

1) When the PO is created, complete all fields utilizing the proper G/L account (Asset or CIP), department where the depreciation expense should post, Operating Fund (G-00001), Unrestricted.

Click on the "Show Details" (in blue on the line where the dimensions are filled in) Add the Asset

Class or CIP information.

Process the PO as required.

2) If money is needed from the building fund to cover the construction costs of an asset being funded with temporarily restricted contributions, transfer the funds from the building fund into the operating fund.

If an ACH, bank transfer, or investment draw is used, record the borrowing of funds via a journal entry as follows:

#12507 Receivable – Operating Fund/dept/specific fund/temp restricted
G/L of temporary restricted fund/dept/specific fund/temporary restricted
Operations checking account/dept/specific fund/unrestricted
#25050 Payable – Building Fund/dept/specific fund/unrestricted

Attach a detailed listing of the expenses that are being covered. A general ledger detailed report of the account, invoices, contractors draw paperwork, etc.

If a check is used to move the funds a PO will need to be created:

The entity is the vendor.

Use account 12507, department, specific fund, temp restricted.

Process the PO as required.

Once the check is cut, it should be deposited in the operating account.

Record the receipt to #25050/dept/operating fund/unrestricted.

3) Once the asset is placed in service.

a. Assuming no borrowings were made:

Release the funds from the temporarily restricted fund into the operating fund. This can be done via ACH, bank transfers, investment draws or checks.

For ACH, bank transfers, investment draws; a journal entry can be made.

#30006 Net Assets Released from Restriction/dept/specific fund/temporary restricted
G/L of temporary restricted fund/dept/specific fund/temporary restricted
Operations Checking account/dept/operating fund/unrestricted
#30006 Net Assets Released from Restriction/dept/operating fund/unrestricted

For checks, a PO will need to be created.

The vendor will be the entity.

Use the g/l account #30006/dept/specific fund/temporary restricted

Process the PO as required.

Once the check is cut, it should be deposited in the operating account.

Record the receipt to #30006/dept/operating fund/unrestricted.

Attach a detailed list of the expenses that are being covered. A general ledger detailed report of the account, invoices, contractors draw paperwork, etc.

b. When borrowings have been made:

Record the release of the restricted funds with a journal entry.

#30006 Net Assets Released from Restriction/dept/specific fund/temp restricted

#12507 Receivable – Operating Fund/dept/specific fund/temp restricted

#25050 Payable – Building Fund/dept/operating fund/unrestricted

#30006 Net Assets Released from Restriction/dept/operating fund/temp restricted

Attach general ledger detail reports of accounts 12507 & 25050 to the journal entry.

All Other Items Purchased with Restricted Funds

When the PO is created, complete all fields utilizing the proper G/L account, department, specific fund, temporarily restricted. When the PO is converted and paid the fund will have a credit transaction in the operating checking account. This will allow financial statements (balance sheet and statement of activities) to be run by Fund with the details of the Fund transactions.

Diocese of Lafayette Department Listing

Parent = Non-posting; Child = Posting

Dept ID	Sub ID	Sub ID	Sub ID	Department Name	Type	Req'd	Description
101				Administration	Child	Yes	Administration, All Utilities, All Software.
103				Campus Ministry	Child		Newman Center Activities
104				Cemetery	Child	Yes	Cemetery Income and Maintenance
106				Clergy	Child	Yes	All priest related expenses
107				Clubs	Child	Yes	Activity for groups or clubs.
108				Communications	Child	Yes	Online, Bulletins, etc.
110				Facilities, Maintenance, & Grounds	Child	Yes	Lawn Care, Repairs & Maintenance
111				Gift/Spirit Shop	Child		Physical Room or Building where POS system exists and inventory is maintained
115				Stewardship	Child		Offertory Giving
116				Technology	Child	Yes	Consultant, managed services, expenses for technology staff
117				Bishop & President	Child		Chancery, Guerin & LCSS
150				Development & Advancement	Parent		
	151			Development	Child	Yes	Capital Campaign and Large Building Projects
200				Pastoral Ministries	Parent		
	201			Pastoral Ministries Admin	Child	Yes	Default if no sub-dept used
	210			Catechesis & Formation	Parent		
		211		Religious Education - Family	Child		
		212		Religious Education - Children	Child		
		213		Youth Ministry	Parent		
			214	Youth Ministry - High School	Child		
			215	Youth Ministry - Middle School	Child		
			216	Youth Ministry - Other	Child		
				Catechesis & Formation Admin & General	Child		
	220			Sacramental Preparation	Parent		
		222		First Reconciliation	Child		
		223		First Communion	Child		
		224		Confirmation	Child		
		228		Sacramental Preparation Admin	Child		
	230			Adult Formation	Parent		
		231		Campus Ministry & College	Child		
		232		Young Adult Ministry	Child		
		233		Adult Ongoing Discipleship	Child		
		234		Frassati Society	Child		

Diocese of Lafayette Department Listing

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Dept ID	Sub ID	Sub ID	Sub ID	Department Name	Type	Req'd	Description
101				Administration	Child	Yes	Administration, All Utilities, All Software.
		299		Adult Formation Other	Child		
	300			Evangelization & Witness	Parent		
		320		Evangelical Discipleship	Child		
	340			Outreach / Missions	Parent		
		341		Food Pantry	Child		
		342		Merciful Help Center	Child		
		344		Mission Support	Child		
		345		Outreach / Missions - Other	Child		
		349		Mission Administration	Child		
		399		Evangelization & Witness Admin/Other	Child		
	400			Family Life	Parent		
		401		Baptism Prep - Parents	Child		
		402		Communion Prep - Parents	Child		
		410		Marriage / Matrimony	Child		
		420		Domestic Church	Child		
	430			Healing Ministries	Parent		
		432		Bereavement	Child		
		435		Fibers	Child		
		439		Stephens Ministry	Child		
		449		Healing Ministries Admin	Child		
	450			Gospel of Life	Parent		
		451		ProLife	Child		
		452		Natural Family Planning (NFP)	Child		
		459		Gospel of Life Admin	Child		
		499		Family Life Admin & General	Child		
	500			Liturgy, Music & Worship	Parent		
		502		OCIA	Child		
		510		Liturgy	Child		
	530			Music	Parent		
		531		Choir	Child		
		534		Worship	Child		
		539		Music Administration	Child		
				Liturgy, Music, Worship Admin & General	Child		
	599				Child		
	600			Hispanic Ministry	Parent		

Diocese of Lafayette Department Listing

Parent = Non-posting; Child = Posting

Dept ID	Sub ID	Sub ID	Sub ID	Department Name	Type	Req'd	Description
101				Administration	Child	Yes	Administration, All Utilities, All Software.
		610		Catechesis / Formation - Hispanic	Child		
		630		Evangelization / Outreach - Hispanic	Child		
		650		Family Life - Hispanic	Child		
		670		Liturgy - Hispanic	Child		
		699		Hispanic Ministry Admin & General	Child		
800				Catholic Schools	Parent		
	801			School Administration	Child		
	802			Admissions	Child		
	803			Chaplain	Child		
	804			Extra Curricular	Child		
	805			Guidance/Counseling	Child		
	806			Student Care Program	Child		
	807			PTO/Parent Guild	Child		
830				Academics	Parent		
		831		Art	Child		
		832		Business	Child		
		833		Core	Child		
		834		Electives	Child		
		835		English	Child		
		836		Fine Arts	Child		
		837		Foreign Language	Parent		
			838	French	Child		
			839	German	Child		
			840	Spanish	Child		
			855	Foreign Language All	Child		
		841		Library	Child		
		842		Literature	Child		
		843		Math	Child		
		844		Music	Child		
		844-					
		01		Band/Orchestra	Child		
		844-					
		02		Choir	Child		
900				Athletics	Parent		
		901		Administration - Athletics	Child		

Diocese of Lafayette Department Listing

Parent = Non-posting; Child = Posting

Dept ID	Sub ID	Sub ID	Sub ID	Department Name	Type	Req'd	Description
101				Administration	Child	Yes	Administration, All Utilities, All Software.
	902			Booster Club	Child		
	903			Baseball	Child		
	904			Basketball	Parent		
		905		Basketball - Boys	Child		
		906		Basketball - Girls	Child		
		942		Basketball - Co-Ed	Child		
	907			Bowling	Child		
	908			Cheerleading	Child		
	909			Concessions	Child		
	910			Cross Country	Child		
	911			Football	Child		
	912			General	Child		
	913			Golf	Parent		
		914		Golf - Boys	Child		
		915		Golf - Girls	Child		
		945		Golf - Co-Ed	Child		
	916			Gymnastics	Child		
	917			Kickball	Child		
	918			Lacrosse	Parent		
		919		Lacrosse- Boys	Child		
		920		Lacrosse- Girls	Child		
	924			Softball	Parent		
		943		Softball - Co-Ed	Child		
	925			Swimming	Child		
	926			Tennis	Parent		
		927		Tennis - Boys	Child		
		928		Tennis - Girls	Child		
		944		Tennis - Co-Ed	Child		
	929			Track & Field	Child		
	930			Training	Child		
	931			Volleyball	Parent		
		932		Volleyball - Boys	Child		
		933		Volleyball - Girls	Child		
		941		Volleyball - Co-Ed	Child		
	934			Weight Room	Child		

Diocese of Lafayette Department Listing

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Dept ID	Sub ID	Sub ID	Sub ID	Department Name	Type	Req'd	Description
101				Administration	Child	Yes	Administration, All Utilities, All Software.
		935		Wrestling	Child		
		936		Soccer	Parent		
			937	Soccer - Boys	Child		
			938	Soccer - Girls	Child		
			939	Soccer - Co-Ed	Child		

Chart of Accounts

A standard chart of accounts has been developed by the Chancery as it implemented the Sage Accounting system. Entity revenues include collections, contributions, investment income, tuition, sale of fixed assets, cafeteria and book sales, grants, account/pledge receivables, and fundraising. Revenues are classified by their source. An expense is the incurring of a liability for goods/services received by the entity (e.g., salaries, fringe benefits, supplies, travel, and utilities) as a debit to the expense and a credit to Accounts Payable (accrual).

CHART OF ACCOUNTS

Account Number	G/L Account Title	G/L Account Description
Cash and Cash Equivalents		
10000-0***	Checking - **** ??? Cking ****	Checking accounts specific to an entity.
10100-0***	Savings - **** Save ****	Saving accounts specific to an entity.
10103	Savings Account - Diocesan	Monies held for investment at the chancery.
10105	Money Market Account	Money Market accounts specific to an entity.
10107	Certificate of Deposit	Short Term CD's specific to an entity.
10200	Charity Gaming Account	Segregated Charity Gaming checking account. (Required)
10300	Miscellaneous Fund Account	Funds for Non-Routine Purpose

Account Number	G/L Account Title	G/L Account Description
10500	Petty Cash/Cash on Hand	An amount, in cash, kept under lock and key for emergency use when the normal request procedure cannot be followed. For example, postage due costs.
Accounts Receivable		
12000	Accounts Receivable	Amounts due from other entities. No direct posting to this account. Use A/R module.
12005	Allowance for Doubtful Accounts	Estimated reduction of accounts receivable for possible bad debt or uncollectable amounts.
12100	Deposits - Other	Required Misc Deposits.
12102	Deposits - Utilities	Required Utility Deposits.
12104	Payroll Clearing Receivable	Zero-balance account that you use to record and monitor your payroll.
12106	Other Receivables	Amounts to be received from other parties that do not fall under day-to-day operations or selling.
12108	Scholarship Granting Association	Scholarship Grants Receivable.
12110	Choice Scholarships	Scholarship Funding Receivable.
12112	Student Paid Tuition	Tuition Receivable.
12200	Interest Receivable	Interest due but not received yet.
12500	Pledges Receivable	Pledges made for a current campaign.
12502	Pledges Receivable Allowance	Allowance for doubtful pledges.
12504	Pledges Long-Term contra	Allowance for L-T doubtful pledges.
12506	Grants Receivable	Misc Grants Receivable.
12507	Receivable - Operating Fund (Temp Restricted)	Specific Purpose Receivable.
Other Current Assets		
13000	Notes Receivable	Promissory Note Receivable.
13002	Other current asset	Short Term Uncommon Assets.
13004	Prepaid Insurance Premium	Prepaid insurance premiums.
13006	Prepaid Expenses	Expenses paid but not recognized.
13008	Right of Use - Leases	Short Term Lease Liability Initial Amount.
13010	Undeposited Funds	Amounts that have been received either via accounts receivable or other receipts but not deposited yet. This account holds those transactions until a deposit is created.
Investments		
14000	Investment Account	Investments Specific to Entity.
14002	Investment Account - Trading	Investment account to accept stock donations.
14004	Interest in CRT	Interest in charitable remainder trust held outside the diocese.
14006	Annuity & CRT Investments	Charitable gift annuities and charitable remainder trust accounts.

Account Number	G/L Account Title	G/L Account Description
14008	Stocks and securities	Securities Specific to Entity.
14010	Commercial bonds	Commercial Bonds Specific to Entity.
14012	US Treasury bonds	U.S. Treasury Bonds Specific to Entity.
14014	Certificates of Deposit	Longer Term CD's specific to an entity.
Inventory		
16000	Inventory - Gift shop	Inventory dollar value for gift shop.
16002	Inventory - Other	Inventory dollar value for other.
16004	Inventory - Script	Inventory dollar value for scripts on hand.
16008	Cemetery Inventory - Grave sites	Dollar value for cemetery grave sites.
16010	Cemetery Inventory - Crypts, Foundations	Dollar value for cemetery crypts and foundations.
16012	Cemetery Inventory - Lights, vases, candles, markers	Dollar value for lights, vases, candles, markers, etc.
17000	Land	Cost of land.
17002	Land - Future Entity Sites	Cost of land held for future entity sites.
17003	Land Improvements	Cost of improvements to land, pavement, drainage, landscaping, etc.
17004	Buildings & Improvements	Cost of buildings, and improvements to those buildings above the capitalization threshold of \$1,000.
17006	Computer Equipment	Cost of computer hardware and software above the capitalization threshold of \$1,000.
17008	Furniture & Fixtures	Cost of furniture and fixtures above the capitalization threshold of \$1,000.
17010	Equipment & Machines	Cost of equipment and machines above the capitalization threshold of \$1,000.
17012	Athletic Equipment	Cost of athletic equipment above the capitalization threshold of \$1,000.
17014	Statuary & Sacred Items	Cost of statuary and sacred items. These items are not depreciated.
17016	Vehicles	Cost of vehicles above the capitalization threshold of \$1,000.
17018	Accum Depreciation Land, Building and Equipment	Accumulated depreciation of all fixed assets.
Other Long-Term Assets		
18000	Capital Projects in Progress	Cost of capital projects in progress, transfer to fixed assets upon completion.
18002	Long-Term Portion Pledges (net)	Pledges to be Received in time frame Greater than 1 Year.
18004	Long-Term Prepaid Expense	Prepaid expenses that will be utilized over 1 year from the initial payment.
18006	Long-Term Receivables	Long Term Amounts due from other entities.
18007	Allowance for Other Long-Term Receivable	Estimated reduction of long term receivables for possible bad debt or uncollectable amounts.

Account Number	G/L Account Title	G/L Account Description
18008	Other Long-Term Asset	Assets with a useful life of more than one year.
18010	Right of Use - Long Term Lease	Long Term Lease Liability Initial Amount.
18012	Beneficial Interest in Assets Held by Others	Amount that the entity has a beneficial interest in but the asset is held by another. Does not include LDFI funds.
Due from Other Entities		
19000-****	Inter-Entity Receivable	Amount to be Received From Related Entity.
20000	Accounts Payable	Invoices received and processed but not yet paid.
20001	Misc Billing Clearing Account	used to record an entry that is waiting to be categorized.
20002	Credit Card Payable	Amounts posted to a credit card but not yet paid.
20005	Other Current Liabilities	Expenses that were incurred but an invoice has not been received yet and payment has not been made.
20100	Accruals - Other	Misc. expenses due but paid in another time period.
20102	Accrued Interest Payable	Interest expense due but paid in another time period.
20104	Accrued Payroll Taxes	Payroll taxes for a period of time that were paid in another period.
20106	Accrued Salaries & Wages	Salaries for a period of time that were paid in another period.
20108	Accrued Vacation Pay	Vacation pay earned but not used and will be rolled into the next fiscal year.
20110	Accrued Summer Wages Teachers and Staff	Wages for summertime that were paid in another period.
20112	Accrued Summer Payroll Tax	Payroll Taxes for summertime that were paid in another period.
Collections Due to Others		
20500	Collections - Africa	National second collection due to the Diocese.
20502	Collections - Catholic Press	National second collection due to the Diocese.
20504	Collections - Catholic Campaign for Human Development (CCHD)	National second collection due to the Diocese.
20506	Collections - Catholic Moment	Second Collection for Catholic Moment Newspaper.
20508	Collections - Catholic Relief Services (CRS)	National second collection due to the Diocese.
20510	Collections - Church in Central & Eastern Europe (CCEE)	National second collection due to the Diocese.
20512	Collections - Diocesan campaign	Amounts collected for the diocesan campaign to be sent to the diocese.
20514	Collections - Holy Land	National second collection due to the Diocese.
20516	Collections - Military	National second collection due to the Diocese.

Account Number	G/L Account Title	G/L Account Description
20518	Collections - Mission Co-op	National second collection due to the Diocese.
20520	Collections - Propagation of Faith Membership	National second collection due to the Diocese.
20522	Collections - Religious Retirement	National second collection due to the Diocese.
20524	Collections - Rice Bowl	National second collection due to the Diocese.
20526	Collections - World Mission Sunday	National second collection due to the Diocese.
20599	Special Collections to be Forwarded	Funds Collected for Special Parish Purpose.
20599-0001	Special Collections to be Forwarded - Little Sisters of the Poor	Funds Collected for Little Sisters of the Poor.
20599-0002	Special Collections to be Forwarded - Soup Kitchen	Funds Collected for Soup Kitchen.
20599-0003	Special Collections to be Forwarded - St Vincent De Paul	Funds Collected for St. Vincent DePaul.
20599-0004	Special Collections to be Forwarded - Sister Parish Mexico	Funds Collected for Sister Parish.
20599-0005	Special Collections to be Forwarded - Haiti	Funds Collected for Haiti.
20599-0006	Special Collections to be Forwarded - Tithing	Funds Collected for Special Tithing.
20599-0007	Special Collections to be Forwarded - School Foundation	Funds Collected for School Foundation.
20599-0008	Special Collections to be Forwarded - Glaser Scholarship	Funds Collected for Glaser Scholarship.
20599-0009	Special Collections to be Forwarded - Monastery of the Poor Clares	Funds Collected for Monastery of the Poor Clares.
20599-0010	Special Collections to be Forwarded - The Lord's Pantry	Funds Collected for The Lord's Pantry.
20599-0011	Special Collections to be Forwarded - FISH	Funds Collected for FISH.
20599-0012	Special Collections to be Forwarded - LDFI	Funds Collected for LDFI.
20599-0013	Special Collections to be Forwarded - Food Pantry	Funds Collected for Food Pantry.
20599-0099	Special Collections to be Forwarded - Other	Funds Collected for Other Purpose.
Grants Payable		
21000	Grants Payable	Grants Awarded to be Disbursed.
Funds Held for Others		
22000	Central Bank Payable	Amounts held at the diocese for inclusion in the diocesan investments but belonging to another entity.
Deferred Revenue		
22500	Deferred Revenue	Revenue Collected but not yet Earned.
22500-0001	Deferred Revenue - Tuition Current Year	Current Year Tuition Revenue Collected but not yet Earned.
22500-0002	Deferred Revenue - Tuition Next Year	Future Year Tuition Revenue Collected but not yet Earned.
22500-0003	Deferred Revenue - Cafeteria	Cafeteria Revenue Collected but not yet Earned.
22502	Event Deposits	Deposits Received For Events Held on Entity grounds.

Account Number	G/L Account Title	G/L Account Description
23000	Campaign income due to parishes	\$ Due Parish for Exceeding Campaign Goal.
Other Liabilities		
25000	Insurance Premium Deposits from Parishes	\$ required by insurer to initiate a policy whose premiums aren't fixed. (Metric Based)
25002	Lease Liability	Obligation to make future lease payments.
25002-0001	Lease Liability - Wells Fargo	Obligation to make future lease payments to Wells Fargo.
25002-0002	Lease Liability - Leaf	Obligation to make future lease payments to Leaf.
25004	Medical Insurance Claims Liability	Obligation Resulting From Medical Claims Activity.
25008	Payable to CRT Beneficiaries	Interest / Dividends Payable to CRT Participants.
25010	Withholding Taxes	Payroll Tax W/H Amounts.
25012	Group Insurance Withholding	Payroll Group Insurance Withholding Amounts.
25014	Supplemental Group Insurance	Payroll Supplemental Group Insurance Withholding Amounts.
25016	FSA Medical & Dependent Care	Payroll Flex Spending Withholding Amounts.
25018	Disability withholding	Payroll LTD withholding.
25020	403(b) withholding	Payroll Retirement Withholding Lay (New Plan).
25022	Employee Retirement withholding - Lay	Payroll Retirement Withholding Lay (Old Plan).
25023	Retirement withholding - Priest	Payroll Retirement Withholding Priest.
25024	Life Insurance withholding	Payroll Supplemental Life Insurance Withholding.
25026	Garnishments	Payroll Employee Garnishments.
25030	Employer Retirement - Lay	Entity Retirement Obligation Lay.
25032	Employer Retirement - Priest	Entity Retirement Obligation Priest.
25034	Rent / Security Deposits	Rent / Security Deposits Received.
25036	Sales Tax Payable	Sales Tax Liability.
25050	Payable - Building Fund (unrestricted)	Funds to be Forwarded to Unrestricted Building Fund.
Notes & Annuity Payable		
27000	Notes Payable - Diocese	Notes Payable to DOL.
27002	Notes Payable - Bank	Notes Payable to Bank.
27004	Annuity Payable	Annuity Obligation Payable.
27006	Annuity Payable - Residual Interest	Annuity Interest Obligation Payable.
Bonds Payable		
27500	Bonds payable	L-T Debt Securities Payable.
27502	Bond Issue Costs	L-T Debt Issuance Costs Payable.
27504	Bond Issue Cost Amortization	L-T Debt Issuance Costs Amortization Payable.

Account Number	G/L Account Title	G/L Account Description
28000	Postretirement Benefit Obligation	Actuarial present value of benefits expected to be payable to employees following their retirement.
28002	Post Retirement Benefit Obligation-PRF under/over funded	Post Retirement Benefit Funding Payable.
Due to Other Entities		
29000-****	Due to/from Other Funds	Amount Payable to Related Entity.
Net Assets		
30000	Net Assets	Residual interest in an organization's Assets.
30004	Annuity Net Assets	Residual interest in an organization's Annuity Assets.
30006	Net Assets Released from Restriction	Used to record movement of funds from Temp Restricted to Unrestricted when used.
Campaign Income, Net		
40000	Campaign Income	Income received from a campaign.
40002	Campaign Rebates/Refunds	Rebate or refunds from a campaign. Contra sales account.
40004	Campaign Income Allowance	Allowance on campaign income collections.
40006	Campaign NPV - Pledges	Net present value of pledges adjustment.
Contribution Income		
40100	Contributions - Regular	Contributions, not specifically identified elsewhere.
40101	Contributions - Offertory	Contributions received during mass and/or by mail, envelopes or loose change.
40101-0001	Offertory Basket	Contributions received in the basket passed at mass or in mail.
40101-0002	Offertory Online Giving	Contributions received via online.
40101-0003	Holy Day Basket	Contributions received in the basket passed at mass or in mail on or for the holy day. Use an Activity code to specify.
40101-0004	Holy Day Online Giving	Contributions received via online for the holy day. Use an Activity code to specify.
40102	Contributions - Building Fund	Contributions specific to a building fund.
40104	Contributions - Debt Fund	Contributions specific to a debt fund.
40106	Contribution - Diocese Foundation	Contributions received from the Lafayette Diocesan Foundation, annual distributions recorded at time of receipt.
40107	Contributions - Matching	Matching Contributions for Specific Purpose.
40108	Contributions - Other Parish Special Collections	Contributions for local special collections.
40109	Contribution - Outside Foundation	Contributions from Foundations Outside of the Organization.

Account Number	G/L Account Title	G/L Account Description
40110	Contributions in Kind	Contributions for in kind donations.
40112	Bequests, Trust and Estate Donations	Contributions from a bequest, trust or estate.
40114	Donations - Special purpose	Contributions made with a special / specific purpose.
40116	Mass Stipends	Contributions made for Mass Stipends.
40118	Fulfilled Mass Stipend Contributions	Contributions of fulfilled Mass Stipends. Diocesan account only.
41000	Fundraising Income	Income received from a fundraising event.
41000-0001	Fundraising Income - Event Income	Income from Fundraising Event.
41000-0002	Fundraising Income - Sponsorships	Income from Fundraising Sponsorship.
41000-0003	Fundraising Income - Ticket Sales	Income from Fundraising Ticket Sales.
41001	CMA Rebate Income	\$ in Excess of CMA goal.
41002	Grant Income	Income received from a grant.
41004	MEF Income	Ministerial Excellence Fund Income.
41006	Scholarship Grant Income	Income received from a Scholarship.
41007	Scholarship Grant Income - Diocese Foundation	Income received from a Diocesan Foundation Scholarship.
41008	Scrip Income	Income from Scrip Sales.
Gaming Income		
42000	Bingo Income	Event Bingo Income.
42002	Casino Income	Event Casino Income.
42004	Raffle Income	Event Raffle Income.
42006	Rides Income	Event Rides Income.
42008	Ticket Income	Event Ticket Income.
42100	Gain/(Loss) on Sale, Disposal or Demolition of Asset	Gain or Loss on the sale of property, calculated from the difference between the sale price and net asset cost.
42200	CUP II Policy dividends	Income received from Catholic Mutual for the CUP II policy dividends. Diocesan account only.
42202	Health Insurance Claim Income	Income Received from Claims
42204	Medical/Life Ins. Proceeds	Income received for health insurance premiums. Diocesan account only.
42208	Property Insurance Income	Income received for property and liability premiums / claims.
Facilities Income		

Account Number	G/L Account Title	G/L Account Description
44000	Hall & Facilities Fees & Rent Income	Fees or rent income received from those utilizing the hall or facilities for specific purposes, examples would include receptions, baby showers, outside organization meetings, etc.
44002	Rental Income	Income received for rent. Examples include apartment or house rental, farm land rental, etc.
Cemetery Income		
44300	Concrete Foundation income	Income received for cemetery concrete foundations.
44302	Flowers -Cemetery	Income received for cemetery flowers.
44304	Maintenance Fee	Income received for cemetery maintenance fees.
44306	Monuments	Income received for cemetery monuments.
44308	Opening & Closing income	Income received for cemetery opening and closing plots.
44310	Perpetual Care income	Income received for cemetery perpetual care.
44312	Plots income	Income received for cemetery plots.
44313	Columbarium Income	Income received for Columbarium space.
44314	Cremation Income	Income received for Cremation Services.
44500	Candles & Votives - Income	Income received for candles & votives used in the parish, school or retreat center.
44502	Flowers & Decorations	Income received for flowers and decorations.
44504	Hosted Conferences/Meetings	Income received for hosted conferences and meetings from those attending the conference or meeting.
44506	Registration Fees	Income received for registration fees.
44508	Ministry Retreat Income	Income received for ministry retreats.
Fee Income		
45000	Administrative Services	Income for administrative services charged.
45004	Bus Fee Income	Income for bus fees charged.
45006	Fees Charged	Income for various fees charged.
45008	Reimbursements Received	Income received for reimbursement of expenses paid.
45010	Subscription Income - Catholic Moment	Income received for subscriptions. For example, The Catholic Moment.
45020	Commission Income	Income received from Contractual Commission Agreements.
Cafeteria Income		
45200	Food & Beverage Income	Food & Beverage Income Outside of Normal Operations.

Account Number	G/L Account Title	G/L Account Description
45202	Cafeteria - Food Income	Income for food sales.
45204	Cafeteria - Beverage Income	Income for beverage sales.
45206	Cafeteria - Breakfast Income	Income for breakfast food sales.
45208	Cafeteria - Lunch Income	Income for lunch food sales.
45210	Cafeteria - Dinner Income	Income for dinner food sales.
45212	Cafeteria Income	Income from cafeteria sales.
45214	Cafeteria Income - State Revenue Match	State Revenue match for cafeteria sales.
45216	Cafeteria Income - Free & Reduced	Free and reduced cafeteria sales.
45218	Cafeteria Income - Other	Other cafeteria sales.
45219	Cafeteria Group Sales	Income From Catering.
45220	Cafeteria Rebates	Rebates for cafeteria sales.
Tuition Income		
45500	Choice School Income	Income From Indiana School Choice Scholarship Program.
45502	Education Fee Income	Income From Various Fees.
45504	Parish School Support Scholarships	Income From Parish Based Scholarships.
45506	Registration Income	Income From Event / Activity Registration.
45508	SGO School Income	Income From Scholarship Granting Organizations.
45510	Tuition Assistance	Donations / Contributions Specified for Tuition Assistance.
45512	Tuition Discount	Tuition Discounts.
45514	Tuition Income	Regular Tuition Income.
45515	Tuition, Contra and Withdraws	Income Reduction Stemming from Student Withdrawals.
45516	Field Trip Income	Income for educational field trips.
45517	Activity Fees	Fees for school ministry event trips.
Athletics Income		
45700	Admission & Ticket Sales	Income from admission to an event or activity.
45701	Registration Fees - Athletics	Income from Athletic Event Registration.
45702	Concessions	Income generated from concessions.
45703	Fees Income - Athletics	Team registrations (pay to play fees).
45704	Event/Competition Income	Income from events or competitions, usually paid by other entities/schools.
45705	Uniform Income	
45706	Sponsor Income	Income generated from event sponsors.
Investment Income/(Loss)		
46000	Interest & Dividend Income	Interest and dividend income from non-investment accounts, i.e. checking or savings.

Account Number	G/L Account Title	G/L Account Description
46002	Interest - Diocesan Savings	Interest on monies held within the Diocese savings capital bank.
46003	Investment Income Dividend & Interest	Interest and dividend income on investment activity.
46004	Investment Income Realized Gain/Loss	Realized gain or loss on investment activity.
46006	Investment Income Unrealized Gain/Loss	Unrealized gain or loss on investment activity.
46008	less Investment Income belonging to others	Chancery account to record interest in diocese savings capital bank.
46010	Actuarial Gain/Loss on Annuities	Foundation account to record activity in charitable gift annuities.
46012	CRT Change in Value	Foundation account to record activity in charitable remainder trusts.
Other Income		
47000	Advertising income	Income generated from outside businesses or individuals advertising in a bulletin or paper.
47002	Merchandise or Product Income	Sales generated from merchandise or products usually from a gift shop or spirit shop but also miscellaneous items (hymnals for example).
47004	Other Income	All other income not applicable to another income account.
47006	Other non-related income	Other income generated from activities not related to the church mission.
47008	Underwriting/Sponsorship Income	Income received from businesses or individuals for sponsorship activity.
47010	Late Payment Fee	Income From Late Payment Fees.
48000	Day Retreat Income	Income for day retreats.
48002	Group Event Income	Income for group events.
48004	Individual Room Income	Income for individual room.
48006	Meeting Income	Income for meetings.
48008	Camp Income	Income For Camp Attendance.
49000	Sales Discounts	Contra-Income account, discounts on events or rooms.
Cost of Goods Sold		
50000	Cost of Goods Sold - Gift shop	Cost of items purchased for resale in a gift shop, spirit shop, or bookstore.
50002	Cost of Goods Sold - Food	Cost of food items purchased for resale.
50004	Cost of Goods Sold - Beverages	Cost of beverages purchased for resale.
50006	Cost of Goods Sold - Breakfast	Cost of food and/or drink breakfast items purchased for resale.
50008	Cost of Goods Sold - Concessions	Cost of concession items purchased for resale.
50010	Cost of Goods Sold - Lunch	Cost of food and/or drink lunch items purchased for resale.

Account Number	G/L Account Title	G/L Account Description
50012	Cost of Goods Sold - Dinner	Cost of dinner items purchased for resale.
50014	Cost of Goods Sold - Merchandise	Cost of merchandise items purchased for resale.
50016	Cost of Goods Sold - Scrip	Cost of Scrip purchased for resale.
50018	Cost of Sales - Monuments	Supplemental costs associated with burial.
50020	Cost of Sales - Grave sites	Cost of grave sites developed for resale.
50022	Cost of Sales - Crypts, Foundations	Cost of crypts, foundations and other related items purchased for resale.
50024	Cost of Sales - Lights, vases, candles, markers	Cost of lights, vases, candles, markers and other related items purchased for resale.
Salaries and Wages		
52000	Wages - Clergy	Salaries for clergy.
52002	Wages - Lay	Salaries for lay staff.
52004	Wages - Religious	Salaries for other religious, Order Brothers, Sisters.
52006	Wages - Musicians & Cantors	Salaries for musicians and cantors.
52007	Wages - Teachers	Salaries for teachers.
52008	Wages - Substitute Teachers	Salaries for substitute teachers.
52010	Wages - Classroom Aides	Salaries for classroom aides.
52012	Extra Clergy & Speakers	Salaries for extra clergy coverage and speakers.
52014	Seminarian Stipend	Stipend expense for Seminarians.
52016	Coaches Stipend	Stipend expense for Coaches.
53000	Employee Benefits	Expenses related to employee benefits not listed elsewhere.
53002	Employee Appreciation/Awards/Gifts	Any expense related to employee appreciation, award or gift.
53006	Health Insurance Fees	Fees incurred for the administration of the diocese health care plan.
53008	Group Insurance	Health, dental, vision, life, LTD insurance costs.
53009	Workers Compensation	Workers Comp. Insurance Expense.
53010	Mass Stipend Payments	Payments made to clergy for mass stipends.
53012	Payroll Processing Expense	Processing fees charged from payroll service.
53014	Payroll Taxes	Employer taxes for Medicare and Social Security.
53016	Prescription-FX Claims	Prescription costs for retired priests.
53018	Seminarian Tuition & Room/Board	Tuition, room and board for seminarian students.
53020	Catholic School Tuition Discounts- Staff	Tuition discounts for Entity Staff members.
53022	Catholic School Financial Assistance - Staff	Tuition Assistance Costs For Entity Staff members.

Account Number	G/L Account Title	G/L Account Description
Retirement Expenses		
54000	Other Post Retirement Changes	Diocesan priest retirement plan change expense.
54002	Retirement Expense - Lay	Pension expense for lay employees.
54004	Retirement Expense - Priest	Pension expense for priests.
54006	Post Retirement Benefit Obligation Expense	Diocesan priest retirement plan benefit obligation expense.
Other Personnel Expenses		
55000	Background Checks	Expenses related to employee or potential employees background checks.
55002	Recruitment/Hiring Expenses	Expenses related to recruiting and hiring employees.
55004	Safe & Sacred Expense	Expense to administer and process the Safe & Sacred program for all staff.
55006	Wellness Program	Expense for the wellness program within the diocese health insurance plan.
Athletic Expenses		
56000	Travel Expenses - Athletics	Expenses for transporting athletic teams to events.
56002	Contracted Services - Athletic	Any service that is contracted for athletics such as umpires, event timing.
56004	Program and Ticket	Expenses related to preparing or purchasing programs or tickets.
56006	Fees Expense - Athletic	Fees for sporting events.
56008	Equipment Expense - Athletic	Expenses for sports equipment.
56010	Uniforms	Expenses for sports uniforms.
56012	Other Expense - Athletics	All other sports expenses.
56014	Awards, Trophies & Gifts - Athletic	Awards, trophies and gifts for sports.
Facility Expenses		
57000	Equipment rental expense	Rental expenses for any equipment needed for facilities.
57002	Contracted Services - Facilities	Any service that is contracted for facilities such as pest control, door mats/rugs, cleaning, mowing, etc.
57004	Kitchen Supplies	Supplies such as utensils, towels, pots, pans, etc. that would be used in the kitchen of a facility.
57006	Property Insurance Claims	Costs related to property insurance claims paid by the Chancery.
57008	Property/Liability Insurance Premiums	Premiums for property and liability insurance coverage, billed from the Chancery.
57010	Property Taxes & Assessments	Real estate taxes, ditch assessments and any other related expenses.
57011	Rent Expense	Rent Expense for Facilities, Space.

Account Number	G/L Account Title	G/L Account Description
57012	Repair & Maintenance	Costs incurred to keep property, facilities, office space in good working condition including but not limited to painting, replacing, and fixing items. Costs should not exceed the capital threshold of \$1,000. Those items should be recorded as Fixed Assets.
57012-0001	Doors, Locks & Keys	Costs incurred to Repair & Maintain Doors, Locks, and Keys.
57012-0002	Electrical Repairs	Costs incurred to Repair & Maintain Electric and Electrical Systems.
57012-0003	Maintenance Equipment PM & Repairs	Preventive Maintenance & Repairs on Equipment.
57012-0004	Painting/Wall Repairs	Costs incurred to Repair & Maintain Walls / Ceilings.
57012-0005	Parts & Materials	Costs for Parts & Materials.
57012-0006	Plumbing Repairs	Costs incurred to Repair & Maintain Plumbing.
57012-0007	Small Tools	Costs incurred to Repair & Maintain Small Tools.
57012-0008	Musical Instruments	Repairs to organs, pianos, other instruments.
57012-0099	Miscellaneous Ordinary Repairs	All Other Repair Expenses.
57014	Security Service & Alarm System	Costs for security or alarm systems.
57016	Sound System Maintenance	Costs for sound system maintenance.
57018	Janitorial Supplies Expense	Supplies for janitorial activities, towels, sweeper bags, and other related expenses.
57018-0001	Cleaning Supplies	Costs for Cleaning Supplies.
57018-0002	Restroom Supplies	Costs for Restroom Supplies.
57020	Utilities	All Other Utility Expenses.
57022	Electric	Expenses for electricity.
57024	Gas & Oil	Expenses for gas & oil.
57026	Telephone & Cell	Expenses for telephone & cell.
57028	Water & Stormwater fees	Expenses for water & stormwater fees.
57030	Cable & Satellite TV	Expenses for cable & satellite tv.
57032	Internet services	Expenses for internet services.
57034	Trash	Expenses for trash.
57036	Other utilities	Expenses for other utilities.
57038	Grounds/Landscaping	Costs involved in maintaining the grounds or landscaping of the property.
57038-0001	Flowers, Bushes, Trees & Mulch	Cost of plants for grounds.
57038-0002	Lawn Mowing Chemicals	Cost of Chemical Application to Lawn.
57038-0003	Lawn Mowing Services	Cost for lawn mowing.
57038-0004	Pond Maintenance Services	Costs incurred to maintain pond.
57040	Snow removal	Cost for snow removal on the property.

Account Number	G/L Account Title	G/L Account Description
57042	Elevator Contracts/Inspect/R&M	All costs involved in the maintenance, inspection, and certification of elevators.
57044	Roof R&M	Cost for repairs or maintenance on the roof of the parish, rectory, school, hall or any building on the property.
57046	HVAC Contracts/R&M	Cost for repairs or maintenance needed on the HVAC system.
57048	School Bus Expense	Expenses related to the upkeep and maintenance on school buses.
57050	Vehicle Expense	Expenses related to the upkeep and maintenance on vehicles.
57052	Fuel Expense	Fuel expenses for equipment or vehicles.
57054	Linen Supplies Expense	Costs for bed linens, towels, etc.
57056	Amenities Supplies Expense	Costs for amenities used in the rooms, shampoo, soap, body wash, etc.
58000	Assistance to Pregnant Women	Donation to organizations that assist pregnant women.
58002	Celebrations & Receptions	Costs involved in hosting celebrations and receptions.
58006	Community Outreach - Academic Assistance	Academic assistance to those in need.
58008	Community Outreach - Car repair payments	Car repair payments to those in need.
58010	Community Outreach - Counseling services payments	Counseling services payments to those in need.
58012	Community Outreach - Financial Assistance	Financial assistance to those in need.
58014	Community Outreach - Food Assistance	Food assistance to those in need.
58016	Community Outreach - Other Assistance	Other assistance to those in need.
58018	Community Outreach - Rent subsidy payments	Rent subsidy payments to those in need.
58020	Community Outreach - Utility bill payments	Utility bill payments to those in need.
58022	Food Expense	Food purchases for events or activities not for resale.
58026	Wine & Hosts	Expenses for wine & hosts.
58028	Candles & Votives - Expense	Expenses for candles & votives.
58030	Flowers & Decorations	Expenses for flowers & decorations.
58032	Accompanists	Expenses for accompanists.
58034	Vestments	Expenses for vestments for the clergy.
58036	Music & hymnals	Expenses for music & hymnals.
58038	Liturgy resources	Expenses for liturgy resources.
58044	Program Materials & Supplies	Materials and supply expenses for entity programs.
58045	Travel Expenses - Ministry & Program	Ministry & Program Related Travel Expenses.
58046	Grants & Programs Expense	Amounts/grants paid to other organizations for the poor and needy.

Account Number	G/L Account Title	G/L Account Description
58048	Retreat Facilities Expenses	Expenses for facilities used in retreats, rental costs, SJRCC costs, etc.
58050	Speaker Stipend	Stipends paid for speakers.
Academic Expenses		
59000	Field Trip Expenses	Costs Incurred by Students / Adults for Field Trips.
59002	Instructional Expense	Costs Incurred for Instruction Outside of Normal Curriculum.
59003	Testing Materials	Costs Incurred for Academic Testing.
59004	Instructional Support 3rd parties	Costs for Contracted Teacher Support.
59006	Student Health and Safety	Costs Incurred to Promote Student Health & Safety.
59007	Contracted Services - Academic	Nurses, teaching sisters, not employees but contractors.
59008	Teaching Aid Materials	Costs for Supplemental Teaching Materials.
59010	Teachers Discretionary Expense	Teaching Costs Incurred Deemed Necessary by Teacher.
59012	Textbook & Curriculum Expense	Costs Incurred for Textbooks, Curriculum Rights.
59014	Activities Expense - Academic	Extracurricular Activities Costs.
59016	Parish School Support Expense	School Costs Parish Pays For.
59018	Awards, Trophies & Gifts - Academic	Costs Incurred for Academic Awards, Trophies, and Gifts.
Donation Expenses		
60000	Campaign Shortfall Expense	Parish expense when CMA campaign goal is not attained.
60002	Gifts, Donations, & Contributions	Any donation, contribution to gift to an organization.
60004	Diocesan Donations	Donations to various organizations from the diocese directly. No second collections are taken.
Material Expenses		
60100	Bookrack, Periodicals & Library	Expenses for books, periodicals used for classes, meetings, or events.
60102	Catholic Moment Subscriptions	Catholic Moment subscription expense.
60104	Printing & Copy	Printing or copy of material expenses. Lease costs of copier under Technology – copier.
60106	Collection Envelopes	Cost of collection envelopes.
Professional Services		
62000	Accounting Fees	Fees for outside accounting services, including audits.
62002	Accreditation Expense	Fees for accreditation services for the catholic schools.
62004	Administrative Services	Fees for administrative services.

Account Number	G/L Account Title	G/L Account Description
62006	Fundraising Consulting Services	Fees for consulting services regarding fundraising, OSV for example.
62008	Investment Fees	Fees charged such as broker fees and trading fees.
62010	Legal Fees	Fees for any legal services.
62012	Other professional fees	Fees for any other professional service.
62014	Outside Contractors	Expenses charged by outside contractors for services provided. These are reported on 1099-NEC at year end.
62016	Advertising	Costs incurred for advertising activity.
62018	Assessment Expense	Uniting in Heart assessment expense.
62020	Bank, Bankcard, Credit Card, User Fees	Fees for banking accounts, user fees, credit card receipt fees.
Administration Expenses		
63000	Cash (over) short & Small write off expense	Small expense (income) needed to balance bank deposit, write off accounts receivable, or adjust an account to support.
63001	Bad Debt Expense	Estimate of Uncollectible Amounts in Accounts Receivable.
63002	Communication & Public Relations Expense	Communication & Public Relations Expenses incurred to promote / publicize Parish mission and activities.
63004	Conferences, Seminars, Meetings, & Retreats	Expenses for staff, management or priest to attend a conference, seminar, or meeting. Includes costs of attending, including car rental, air fare, mileage reimbursement, meals, lodging, etc.
63006	Continuing Education	Expenses related to the further education of staff, management, or priests. Not seminars or retreats.
63010	Discretionary	An expense that is budgeted for the priest or upper management, to spend as they see necessary, not individually.
63012	Depreciation Expense	Expense posted from the fixed asset module for depreciation of fixed assets.
63013	Amortization Expense	Costs of an intangible asset over its useful life. Monthly JE.
63014	Dues & Subscriptions	Cost for dues and subscriptions to any organization, institute, or publication.
63016	Earnings Distribution	Foundation expense for distribution calculation of endowment funds.
63018	Hosted Conferences/Meetings Expense	Expenses for conferences or meetings that are held by staff for others.
63020	Indiana Catholic Conference	Annual membership fees.
63022	Infirm Priests	Costs associated with priest that are not in active ministry.

Account Number	G/L Account Title	G/L Account Description
63024	Interest Expense	Interest expenses paid to a bank, investment company, diocese or other entity.
63026	Library, Books & Professional Publications	Expenses for books, publications or other reference material for use in the entity.
63028	Marketing	Costs of Marketing Parish / School.
63030	Meals & Entertainment	Cost of meals, meetings, or gatherings relating to a business-related event.
63032	Mileage Expense Reimbursement	Expense for the reimbursement of mileage at the current federal rate.
63034	Office supplies	Expense for supplies used in the operations of the office such as tape, pencils, pens, paper, etc.
63036	Other Expense	Expenses that do not naturally fall within another account.
63038	Permits & Licenses	Expense for permits and licenses required for the operations of the entity or events held.
63040	Postage/Freight/Courier	Expense for postage, freight or courier costs.
63042	Small Equipment, Furniture & Fixtures	Expense for small equipment, furniture or fixtures that fall under the capital threshold of \$1,000 such as calculators, sweepers, etc.
63044	Supporting Expenses in Kind	Expenses related to in kind donations and services.
63046	Taxes	Nonrelated income tax expense.
63048	Write Down (Up) LT Note Receivable	Long term note receivable write down (up) expense.
Technology Expenses		
64000	Entity Hardware Expenses	Keyboards, mouse, cables, or similar expenses, etc. for use in sanctuary, rectory for example.
64002	Entity Software Expenses	Entity Software Costs.
64006	End User - Pcs, Laptops, Monitors	Pcs, laptops, and monitor purchases under capital threshold of \$1,000.
64008	End User - Printers	Expenses for printers under capital threshold of \$1,000.
64010	End User - Toner, ink & miscellaneous	Expenses for toner, ink & miscellaneous.
64012	Software - Licensing	Licensing fees to use software.
64018	Contracted Services - Computer & Software Support	Expenses for computer & software support.
64020	Contracted Services - Consulting	Expenses for technology consulting services.
64022	Contracted Services - Copier	Expenses for copiers including lease and usage costs.
Gaming Expenses		
65000	Bingo Payout	Gaming Activities - Bingo Prize Proceeds Paid Out.

Account Number	G/L Account Title	G/L Account Description
65002	Casino Payout	Gaming Activities - Casino Prize Proceeds Paid Out.
65004	Raffle Payout	Gaming Activities - Raffle Prize Proceeds Paid Out.
65016	Gaming Advertising Expense	Gaming Event Advertising Expense.
65038	Gaming Licenses Fee Expense	Annual Gaming License Fee.
65100	Bingo Expenses	Bingo Event Expenses Incurred.
65102	Casino Expenses	Casino Event Expenses Incurred.
65104	Raffle/Door Prize Expenses	Raffle Expenses Incurred.
Fundraising Expenses		
66000-0001	Advertising - Fundraising	Fundraising Event Advertising Costs Incurred.
66000-0002	Food Expense - Fundraising	Fundraising Event Culinary Costs Incurred.
66000-0003	Permits & Licenses - Fundraising	Fundraising Event Permit / Licensing Costs Incurred.
66000-0004	Printing Expense - Fundraising	Fundraising Event Printing Costs Incurred.
66000-0005	Speaker Stipend - Fundraising	Fundraising Event Speaker Costs Incurred.
66000-0006	Supplies - Fundraising	Fundraising Event Supply Costs Incurred.

DIOCESE OF LAFAYETTE IN INDIANA						
STANDARD TRANSACTION POSTING						
Transaction	G/L Account #	Location Code	Department	Fund	Activity	Notes
Annual HVAC Maintenance Agreement Paid in Advance	13006	P1XXX-101	110	G-00001		Account used for Prepaid Operating Expenses
Merchandise purchased for Gift Shop	16000	P1XXX-101	101,111	G-00001		Gift Shop / Spirit Shop Inventory Purchases
Purchase Food Items for Resale where inventory is maintained, i.e. a coffee shop or cafeteria	16002	P1XXX-101	101	G-00001		
Scrip Purchase for Resale	16004	P1XXX-101	101	G-00001		
Purchased Truck for Parish Use	17016	P1XXX-101	101	G-00001		
Construction of New Building for Parish Use	18000	P1XXX-101	101	G-00001		Upon completion of the project, CIP will be capitalized and become an asset. Restricted monies will be released from Restriction as needed via journal entry.
Employee Retirement Withholding - Lay	25022	P1XXX-101	101	G-00001		
Employee Retirement Withholding - Priest	25023	P1XXX-101	101	G-00001		
Employer Retirement Withholding - Lay	25030	P1XXX-101	101	G-00001		Charge expense accounts with each payroll and offset accruals with monthly Diocesan Billing
Employer Retirement	25032	P1XXX-101	101	G-00001		Charge expense accounts with each payroll and offset accruals with monthly Diocesan Billing

DIOCESE OF LAFAYETTE IN INDIANA						
STANDARD TRANSACTION POSTING						
Transaction	G/L Account #	Location Code	Department	Fund	Activity	Notes
Withholding - Priest						
Monthly Note Payable to Local Bank	27002	P1XXX-101	101	G-00001		Principal portion of payment, account balance should equal the loan balance.
Money Collected at Mass or Received in Mail for operations	40101-0001	P1XXX-101	101	G-00001	A-XXXX-XXX	Adjust the fund or activity as needed to record the revenue appropriately.
Collections for Holy Day Received in Basket or Mail	40101-0003	P1XXX-101	101	G-00001	A-21XX	The Activity code is a required field.
Collections for Holy Day Received Online	40101-0004	P1XXX-101	101	G-00001	A-21XX	The Activity code is a required field.
Contributions to the Building Fund	40102	P1XXX-101	101	G-XXXXX		Select the appropriate fund number, add an activity if needed.
Contributions received from the Lafayette Diocesan Foundation	40106	P1XXX-101	101	G-00001		
Donations made for a specific purpose	40114	P1XXX-101	XXX	G-XXXXX	A-XXXX	Select the appropriate department, fund, and/or activity to record the purpose.
Collections for Mass Intentions in Offertory Basket, Mail, In-Person	40116	P1XXX-101	101	G-00001		
CMA Rebate	41001	P1XXX-101	101	G-00001		

DIOCESE OF LAFAYETTE IN INDIANA						
STANDARD TRANSACTION POSTING						
Transaction	G/L Account #	Location Code	Department	Fund	Activity	Notes
Proceeds from Grant Awarded	41002	P1XXX-101	101	G-00001		Adjust the fund or activity as needed to track the grant activity.
Proceeds from Grant Awarded	41002	S10006	107	G-10035	A-2220-015	Robotics Club
Proceeds from Grant Awarded	41002	S10006	107	G-00001	A-1605	March for Life
Scrip Sales for Parish	41008	P1XXX-101	XXX	G-00001	A-1733	Select the appropriate department that handles the script program.
Scrip Sales for School	41008	S1XXX-101	XXX	G-00001	A-1733	Select the appropriate department that handles the script program.
Property Insurance Claim	42208	P1XXX-101	101	G-00001		
Income collected for hosting events	44504	P1XXX-101	XXX	G-00001	A-XXXX	Select the appropriate department, fund, and/or activity for each event.
Receipts for Parish Activities	44506	P1XXX-101	XXX	G-XXXXX	A-1XXX	Select the appropriate department, fund, and/or activity for each event.
Monies received for TCM subscriptions	45010	P1XXX-101	101	G-00001		
Registration fees collected for school non-athletic events	45506	S1XXX-101	XXX	G-00001	A-XXXX	Select the appropriate department and/or activity for each event.
School Tuition	45514	S1XXX-101	101	G-00001		
Bank Account Interest Income	46000	P1XXX-101	101	G-00001		
Bank Account Interest Income	46000	S1006	151	G-06014	A-2222-004	For interest on the funds set aside for capital building
Investment Account Interest Income	46003	P1XXX-101	101	G-00001		
	46003	S10006	151	G-06014	A-2222-004	For interest on the funds set aside for capital building

DIOCESE OF LAFAYETTE IN INDIANA						
STANDARD TRANSACTION POSTING						
Transaction	G/L Account #	Location Code	Department	Fund	Activity	Notes
Sale of merchandise or products	47002	XXXX-XXX	XXX	G-00001	A-XXXX	Select the appropriate location, department and/or activity for the sales.
Sale of Merchandise	47002	S10006	807	G-10008	A-XXXX	Parent Guild Sales
Purchase of Food Items for sale at an event	50002	P1XXX-101	XXX	G-XXXXX	A-XXXX	Select the appropriate department, fund, and/or activity as needed.
Purchase of Food Items for Resale	50008	S1XXX-XXX	909	G-00001		Athletic concessions.
Purchase of merchandise for resale (non-inventory)	50014	P1XXX-101	XXX	G-XXXXX	A-XXXX	Select the appropriate department, fund, and/or activity as needed.
Payment for Mass Intentions Fulfilled	53010	P1XXX-101	101,803	G-00001		
Employer Retirement Expense Bill from Chancery	54002	P1XXX-101	XXX	G-00001		Split out by department same as salary of individual
Property Tax Portion of Property Tax Bills	57010	P1XXX-101	101	G-00001		
Stormwater Fees Portion of Property Tax Bills	57028	P1XXX-101	101	G-00001		
CMA Shortfall Expense	60000	P1XXX-101	101	G-00001		
Split between liability and interest	63024	P1XXX-101	101	G-00001		Interest expense portion of payment

Cash / Bank Accounts

All financial transactions (all revenues/contributions received, and all expenses incurred) should pass through the entity's regular operating bank account, or other appropriate account, that is in the name of the entity and recorded on the entity's books. Funds, in excess of immediate operating needs, should be deposited through the Chancery in a Savings or Investment account in the name of the entity. Immediate operating needs may be defined as funds needed to operate the entity during the next 6 months.

Each Entity bank account must be reconciled monthly. Entities are permitted to use the following 4 bank accounts: a General Operating account, a Stipend account, a Gaming account, and a Cemetery account. An employee independent of preparing deposits and approving disbursements must perform the bank reconciliation to the general ledger, and follow-up on any unusual reconciling items. Bank reconciliations should be reviewed, initialed, and dated by someone outside the reconciliation process. For example, if the Director of Operations is performing the reconciliation, the Entity must have one other reviewer – Pastor or someone on the Finance Council with Accounting experience. To maintain internal controls, it is important that someone outside the reconciliation process is reviewing the bank statement and the reconciliation.

Most banks offer on-line statements and/or daily transaction downloads, so the bank reconciliations should be completed monthly in conjunction with the month end process.

Change in Bank Account

When an entity changes bank accounts, the process is as follows:

1. Enter all transactions into Sage that pertain to the old bank account
2. Reconcile the old bank account
3. Determine appropriate transfer amount to move into the new bank account
4. Perform funds transfer via banking software (if available use ACH, otherwise process check and deposit)
5. Run a dimension balance report in Sage for the old bank account
(Include all dimensions)
6. Record the transfer (via journal entry) to the new account
(Ensure proper dimensions transferred to new bank account)

Bank Account Requirements

All Entity General Operating bank accounts must be enrolled in their bank's Positive Pay program.

The Chancery CFO must be a signer on any Entity bank account along with the Pastor and the Director of Operations.

The Parish must have a 6-month cash reserve, if this is an issue with a Parish, approval from the Chancery CFO must be obtained.

6 Month Cash Reserve Calculation

Unrestricted Current Assets / Average Total Monthly Expenses

Wire Transfers / ACH

Wire transfers move money from one bank account to another almost instantaneously. They are generally considered safe if the sender is confident the transaction is valid, and the wiring instructions are accurate. In today's environment, those can be hefty assumptions.

International Wire Transfers

- Obtain written approval from local Bishop, the Bishop of the Diocese where the Parish or Ministry is located
- Obtain confirmation from the local Bishop that the account(s) to receive the funds are indeed Parish or School accounts and not that of an individual
- Prior to each transfer of funds, notify the local Priest that the funds are on the way
- Obtain funds received confirmation from the local Priest
- Provide an Accountability and Impact Report to the donor Parish. This could include the Bishop and/or Parish and School Administration. The report should describe how the funds were used and the impact the funds had on the ministry / mission being supported

Domestic Wire Transfers

- Obtain written approval from local Bishop, the Bishop of the Diocese where the Parish or Ministry is located
- Obtain confirmation from the local Bishop that the account(s) to receive the funds are indeed Parish or School accounts and not that of an individual

ACH / EFT

- Same approval process as an Accounts Payable check disbursement

Segregate Duties to Reduce your Risk

- Require two people to execute a wire transfer with the bank [an essential internal control]. Work with your bank to establish a protocol where one employee initiates the wire transfer and a second employee approves releasing the funds. No one person should ever be able to send a wire transfer on their own! Your policy should specify which positions may act as initiators and approvers. For instance, DOO or Bookkeeper initiates, Priest approves.

- Separate banking responsibilities from the payment processes. Employees with the authority to add or edit wire blocks to bank accounts, or those who have responsibility to monitor or reconcile bank account activity, should not have the authority to send or approve wire transfers. For instance, Ministry Director recommends financial support for a particular ministry / mission, Bookkeeper initiates the transfer, DOO reviews and verifies the transfer, and the Priest approves the transfer.

Petty Cash

A petty cash fund provides an amount of cash set aside for the purpose of making immediate small expenditures such as freight or postage. A petty cash fund may be established for various functions such as the bookstore, cafeteria, parish, or school office. A petty cash fund must be established with a definite amount of cash. Limits should be established for individual disbursements as well. Vouchers are used to support each disbursement. Please see voucher example below. Petty cash must not exceed \$ 200. ***There must be written approval from the Chancery CFO for a petty cash fund to be greater than \$ 200.***

Petty Cash Voucher

NO. _____

AMOUNT

DATE _____

PAID TO _____

FOR _____ ACCOUNT _____

FOR _____ ACCOUNT _____

(attach documentation)

RECEIVED BY _____ PAID BY _____

PETTY CASH FLOW

MONTH: [JANUARY]

DATE	DESCRIPTION	CASH IN	CASH OUT	BALANCE
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
2/3/27	Type here	\$0.00	\$0.00	\$0.00
Total Cash left at Month end				\$0.00
Float				\$0.00
Total Cash Left				\$0.00
Top up with				\$0.00

Enter Month Name: January

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Sample Petty Cash Flow Schedule

Mass Stipend

A Mass stipend is a donation given by the laity to a priest for celebrating a Mass for a particular intention. Mass Stipend activity will be recorded in the General Ledger utilizing two accounts. Contributions or payments received for Mass Stipends will be recorded in the General Ledger Income Account # 40116, Mass Stipends. When a Mass intention has been fulfilled, the activity will be recorded in the General Ledger Expense Account # 53010, Mass Stipend Payments. See Diocese of Lafayette in Indiana Policy §1800 MASS OFFERINGS BEQUESTS for more information.

Mass Stipend Contribution (Other Receipts)			DR	(CR)
1XXXX-XXXX	Stipend Bank Account	C-00298 TR	\$ 10.00	
40116	Mass Stipends	C-00298 TR		\$ 10.00
Mass Intention Fulfilled (Process / Convert PO, Priest is Vendor)				
53010	Mass Stipend Payments	C-00298 TR	\$ 10.00	
1XXXX-XXXX	Stipend Bank Account	C-00298 TR		\$ 10.00

The IRS considers Mass Stipends as payments for services rendered and represents earnings subject to both Federal Income tax and Social Security / Self-Employment tax.

Mass Stipends earned by a Priest, must be entered in Paylocity monthly, and included on the Priest's W-2. If the Priest is from another Parish, you must notify the home Parish of the Stipend payment. If the Priest is not in the Paylocity system and exceeds \$ 600 per year in Stipends, a 1099 needs to be issued.

The Mass Stipend account is a separate Parish bank account and therefore must be reconciled monthly. Excess Stipends are forwarded to the Chancery. Please read through the following two examples:

A parishioner contributes \$20 to have a Mass said for their parent. The Priest fulfills the Mass Intention and is paid the \$10 Stipend. The result is an excess Stipend of \$10. The excess Stipend is sent to the Chancery, the check made payable to the Diocese of Lafayette-in-Indiana, Vendor # V-001334, posted to Mass Stipend Income #40116. The check is then deposited into a restricted fund to assist Seminarians. The frequency of forwarding the excess Stipend funds can be monthly or quarterly, whichever works best for the Parish.

A parishioner contributes \$100 to have ten Masses said for their parent but the Parish schedule only allows for two of the Masses to be said. There would be excess Stipends of \$80. A check would be cut by the Parish made payable to the Bishop

Chapel Fund, Vendor # V-001510 and posted to Mass Stipend Income #40116.
Please include a list of the Names and Number of Masses for each name.

Line of Credit (LOC)

While most entities depend on the generosity of Parish member offerings and community-based fundraisers to support the organization's needs, it isn't always enough. Like all businesses, churches have seasonal highs (when money is plentiful) and lows (when money is tight). Unfortunately, having extra money on hand isn't always possible, especially in a stressed-out, volatile economy. An entity Line of Credit (LOC) can provide an ongoing source of money whenever you need it, which comes in handy for those times when cash flow is low or is even negative. An entity line of credit is considered a revolving line, which means, once the organization receives a preapproved amount, the money is always available. The entity can access the entire amount or just a portion, and fees are only charged on the money that has been withdrawn. Revolving credit means once the withdrawn money has been repaid, the money is available again for withdrawal. For the establishment of any Line of Credit, a recommendation from the appropriate Finance Council is highly desirable. In order to draw on a Line of Credit, the entity must obtain approval from the Bishop's office. Therefore, all draw requests must be in writing, with the nature of the draw plainly stated. The draw request will require the signature of both the Bishop and the Chancery CFO.

Accounts Receivable

Accounts Receivable/Pledge Receivable/Tuition Receivable

Receivables must be reviewed monthly, utilizing an Accounts Receivable Aging Report. When a Parish is notified of a donation by a pledge, a pledge receivable must be recorded in the general ledger upon receipt of the notice. Parishes with separate donor software such as Ministry Platform must reconcile monthly donations with the donations recorded in the general ledger. This includes, not only donations, but also registrations for fundraising events. Receipts are received by Parishes in a variety of ways – P.O. Box, finance office drop box, website, on-line payment, credit card services, and on-site cash. Therefore, the requirement must be to reconcile bank accounts, monthly, with the general ledger and with the various software for donations, tuition, cafeteria, store, and any other software used. To facilitate month-end close, post the daily or weekly activity on a regular basis throughout the month.

Each Parish with a school, must reconcile the school's tuition software with Sage Accounts Receivable, on a monthly basis. Schools use a variety of tuition software.

Cash Receipts

All receipts (cash, checks and credit cards) should be counted, deposited daily, and recorded in Entity's general ledger. Recording receipts in the cash receipts journal include the proper account coding - contribution, tuition, grant, bookstore or cafeteria sale, and fundraising; receipt date and description; and program if applicable. Receipts should be deposited **daily** and if not, they must be kept in a locked safe until a bank deposit can be made. If the counters are unavailable, the receipts must be kept in a locked bank bag inside a fireproof safe or cabinet including empty bags.

Some of the Entities use credit card services such as Faith Direct, NDMS, HPS, REALM and Square which automatically downloads activity to the bank account. These credit card services may be used for parishioners' contribution, event registrations and cafeteria payments.

An Entity should download credit card information daily from the credit card websites and record these receipts in the general ledger just as is the daily requirements for cash and checks. This also includes ACH debits.

Guidelines

- If you have one person that handles the finances, train pastoral staff to make deposits or go to the bank.
- Do not hold a check because you do not know what it is for; deposit the check, and code it when you have more information.
- Use duplicate deposit tickets, which the bank provides for a small fee. The franked copy (embossed by the bank) should list the checks in the deposit (see comment above regarding Remote Bank Capture). Night bank deposit slips may be available online.
- Reconcile your financial records with the development records and/or membership records monthly.
- Number special event tickets and reconcile with cash and checks received. Entities are encouraged to use Square for event registration.
- Encourage grantors and contractors to make payments by direct deposit into your bank account.

Collection Receipts Procedures

On Offertory collections, there must be at least two counting teams, with a preference of three people on a team. Counting teams must rotate, preferably on a weekly basis, but not less than a monthly basis. Two individuals should be assigned to remove the basket after the distribution of communion and take the basket to the secure counting room. Some entities might not have a secure counting room available, take the appropriate steps to secure the area as best as possible. Only individuals on the counting team for that week are permitted in the counting room. Visitors, spouses, or children are not permitted in the room. At least two people should be present when cash is counted after collections. The two people should not be related. Signed count sheets or logs should be maintained. If copies of Offering checks or Offering envelopes are retained, the record retention policy must be followed. (Most Accounting related records are retained for a 7 year period) Collections should be counted immediately following the masses. Some Parishes may store the collections from all the Sunday Masses in a locked safe. Then the collection is counted after the last Mass of the day and stored in a locked safe until retrieved by the accounting staff on Monday. Complete confidentiality must always be respected. No counter is permitted to discuss any contribution of any individual with anyone.

When counting collections, loose collections should be counted separately from those received in envelopes. This should facilitate the reconciliation of the envelope amount later. ***Any amounts not deposited should be kept in a locked fireproof safe or cabinet.***

The counters should restrictively endorse ("For Deposit Only, _____ Parish, Account# _____") all** checks received in the collections. As amounts received in envelopes are counted, the amount should be recorded on the face of the envelope. The counters should prepare a deposit slip and all amounts should be deposited in the bank deposit vault immediately after all collections for the day, once completed.

Checks must not be cashed from the deposit for any reason. Clergy and staff persons must not ask the counters to cash checks for them. Petty cash or other expenses must not be paid from the deposit. No one is to be paid for any reason from the deposit.

Envelopes and count sheets should be forwarded to the Parish finance office. The finance office should record the deposit in the General Ledger through the Other Receipts module in Sage. The finance office should post identifiable contributions (i.e., envelope users) to each individual's record in Ministry Platform. At a minimum, annual statements should be sent.

Control should be established over all cash and checks received (whether by mail, collection basket or hand-delivery), and they should be deposited promptly in the

appropriate entity bank account. The entity has the responsibility to exercise proper stewardship over the funds entrusted to it. Cash receipts should be protected from misappropriation. Physical access to cash, cash receipts and cash receipt records should be limited to authorized personnel. Additionally, cash receipts should be recorded in the appropriate period. Implementing adequate internal controls and following certain procedures consistently protects both the assets of the entity and the accounting personnel. Collections from such activities as field trips, cafeteria, Mass Stipends, SCRIP Sales and others must be stored in a locked fireproof safe and deposited at least on a weekly basis. Please refer to the following DOL policy for more detailed information:

§3100 PARISH COLLECTIONS §3101 Offertory Collections §3101.1 Policy

Parishes have the right to expect necessary financial support from the Christian Faithful, but they are required to follow the fundraising norms found in the Code of Canon Law and the Complementary norm of the USCCB on Fundraising regarding canon 1262 issued in 2007.

Fund Raising Receipts Procedures

Entities often use Square, PayPal Here, Clover or other software for Fund Raising events. These events often involve substantial amounts of cash and can represent moments of high vulnerability. Like collections, the same procedures should be followed. All cash should be taken to a secure location for counting. Substantial amounts of cash should not be left to accumulate for a long period of time.

1. At least two people must be present whenever money is counted and secured.
2. All monies (cash, checks, gift cards) must be secured in one of the Entity safes. In the case of an offsite event, fundraising proceeds should be delivered to the Entity safe, by 2 or more individuals, as soon as the event concluded.
3. Funds may not be deposited into any personal account.
4. All receipts must flow through the accounting system of the Entity.
5. Receipts/cash should not be used to pay reimbursable expenses.
6. All receipts must be detailed on the DEPOSIT RECORD and submitted to the business office.

If the Entity has to establish a start up cash box:

1. Process a PO with the vendor being the person in charge of the event. Record it to the Petty Cash account, G/L # 10500.
2. When the event has concluded and the funds are deposited, post the start up cash amount to G/L account # 10500 to zero out the event activity, and the remainder posted to the appropriate Income account.

Tuition Receivable Receipts Procedures

A separate School Tuition Database should be maintained for each student indicating the total tuition charged, the date and amount of each tuition payment, and the remaining balance due. The School Tuition Database should also be utilized for the billing and receipts of any aftercare program that the school may offer. The daily, weekly, or monthly process of applying cash, check and credit card payments to an individual student account should be reconciled to the tuition deposits recorded in the general ledger accounting software. As part of the month end checklist, the School Tuition Database's student accounts receivable balance should be reviewed and reconciled to the accounting software general ledger account - "Tuition Receivable." Policy with written criteria and procedures should be established for following up on past due tuition, and responsibility for such follow-up should be clearly designated. Each school should have specific policy and procedures related to tuition payments regarding the timing of payments and the method of payment by cash, checks or credit cards outlined in the School Manual. Student Tuition Statements should be sent on a regular basis if an on-line portal is unavailable for parents to access their student's balance.

Tuition Assistance Receipts Procedures

Many parishes have a school tuition assistance program. Tuition assistance programs enable students and their families the ability to take full advantage of a Catholic school education. Monies collected that are designated for this program should be posted to Sage General Ledger Income account # 45510, Tuition Assistance. When these funds are disbursed to the students to help cover tuition costs, the payments should be posted to Sage General Ledger Expense account # 58046, Grants & Programs Expense.

Diocesan Campaign Receipts Procedures

If a Parish receives Catholic Ministries Appeal (CMA) donations, those would be recorded in General Ledger account # 20512, Collections – Diocesan Campaign. The Parish would then remit those funds to the Diocese of Lafayette, noting who the Campaign payments were received from, so the Chancery Stewardship department can record their contribution. The accounting for these receipts is as follows:

Campaign Funds Received at Parish

1XXXX-XXXX	Gen Ops Account	101	Unrestricted	\$,,\$,\$,\$
20512	Collect. Diocesan	101	Unrestricted	\$,,\$,\$,\$

Campaign Funds Remitted to Diocese

20512	Collect. Diocesan	101	Unrestricted	\$,,\$,\$,\$
1XXXX-XXXX	Gen Ops Account	101	Unrestricted	\$,,\$,\$,\$

When the Parish receives a CMA rebate, the Accounting is as follows:

1XXXX-XXXX	Gen Ops Account	101	Unrestricted	\$,,\$,\$,\$
41001	CMA Rebate Income	101	Unrestricted	\$,,\$,\$,\$

Collections – Non-Affiliated Groups

There are times when parishes have non-affiliated groups speak and/or present during Mass. In many instances, parishioners feel the need to financially support these groups. Parishioners should then give cash or write a check **directly to the non-profit organization, such as Ladies of Charity. The Diocese of Lafayette would prefer that the parish not be involved in these types of collections.** In general, the Diocese wants to avoid a situation where parishioners donate to the parish, and then the parish writes a check to the non-profit organization. Parishes should try and minimize these situations as it can cause donor fatigue.

Donor Restricted Funds

Temporarily restricted funds are assets that are donated, subject to restrictions and limited by a specific subject. Temporarily restricted assets must be listed separately from unrestricted assets. When the restriction is met on a temporarily restricted asset, the asset value must be transferred into the unrestricted assets. This is a distinct type of transaction known as reclassification, which should be reported separately from the entity's other transactions that it participates in during the year.

Permanently restricted assets are donations that have limitations on the use of the funds for perpetuity. The restriction may only allow interest or dividends to be spent annually while the principal remains intact.

- Each Entity must identify each restricted asset in the general ledger.
- Each restricted asset must be assigned a fund or activity number so all accounting activity to that asset/fund may be tracked.
- All deposits and uses of the funds will flow through the same checking account so the balance of the restricted assets is easily available.
- When a Parish receives an unexpected gift, the parish/school is not at liberty to spend the new gift. To spend the gift, there must be a budgeted expense that has been planned and approved.

Each restricted fund should have complete written documentation as to the nature of the restriction. Copies of wills, bequests, letters of instruction, or other instructions specifying the restriction must be maintained by each Entity.

Sage-Record Other Receipts

Other receipts enable the transaction to either:

- select the bank account to deposit the payment.
- select an undeposited funds account so you can deposit the payment later.

1. **Cash Management > All > Transactions** and select the + sign beside **Other receipts**.

2. Enter a **Receipt date**.

If you're depositing to undeposited funds, the receipt date is the GL posting date.

3. Enter a **Payer**. (Data Field)

This name is not tracked in Accounts Receivable even if it's the name of a customer.

4. Enter the **Payment method**.

Check, cash, or record transfer for ACH.

5. Enter a **Transaction date**.

Typically, this is the check date. However, if you use a credit card, record transfer, or cash, use the date of that transaction.

6. Select to deposit to:

- **Undeposited funds** if you're accumulating receipts for deposit, then select the undeposited funds **G/L Account # 13010**.

When you select an account for undeposited funds, you can't select a General Ledger account that's associated with a bank account. Instead, specify an account that can be used as a transfer account so that you can deposit the receipts later. Recording to undeposited funds enables you to combine multiple receipts into a single deposit slip. This then appears on your bank reconciliation as a single deposit amount rather than multiple amounts. Were you to choose a bank account, the funds would already be posted to that bank even though you have not yet deposited them.

- **Bank account** if you already deposited the receipt, then select the **Account** used for the deposit and the **Deposit date**.

7. In the Entries section, enter the details for each line item.

Specify at least the account (or account label) and an amount for each line item.

8. Select **Save**.

Receipt Examples for Offerings

Weekly Offerings Collected in Church and On-Line During Week.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Sunday Offering	G-00001	Operating	5,000.00	
40101-0001	Sunday Offering-Basket	G-00001	Operating		5,000.00
1XXXX-XXXX	Deposit-Online Offering	G-00001	Operating	1,500.00	
40101-0002	Sunday Offering-Online	G-00001	Operating		1,500.00

Checks Received in Mail (USPS) During Week.

1XXXX-XXXX	Deposit-Mailed In Checks	G-00001	Operating	2,500.00	
40101	Contributions – Offertory	G-00001	Operating		2,500.00

Electronic Funds Transfers Received During Week.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-EFT's/ACH	G-00001	Operating	9,900.00	
40101	Contributions – Offertory	G-00001	Operating		9,900.00

Reclassify 2 Checks Received in Mail Designated for Parish Emergency Fund.

40101	Contributions – Offertory	G-00001	Operating	250.00	
1XXXX-XXXX	Deposit-Mailed In Checks	G-00001	Operating		250.00
1XXXX-XXXX	Deposit-Mailed In Checks	G-03044	Emergency	250.00	
40101	Contributions – Offertory	G-03044	Emergency		250.00

Holy Day Basket and Holy Day On-Line Contributions.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>Activity</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Holy Day Offertory	G-00001	Operating	A-****	600.00	
40101-0003	Holy Day Basket	G-00001	Operating	A-****		500.00
40101-0004	Holy Day On-Line	G-00001	Operating	A-****		100.00

Thanksgiving Day Baskets Weekly Contributions Deposited.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Sunday Offering	G-00001	Operating	365.00	
40101-0001	Sunday Offering-Basket	G-00001	Operating		65.00
40114	Donations-Special Purpose	G-02015	Thanksgiving		300.00

P.O. created and converted for amount collected for Thanksgiving Day Baskets.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
58014	Community Outreach-Food	G-02015	Thanksgiving	300.00	
20000	Accounts Payable	G-02015	Thanksgiving		300.00

Disburse Funds (check) for Thanksgiving Day Baskets.

20000	Accounts Payable	G-02015	Thanksgiving	300.00	
1XXXX-XXXX	Cash / Bank Account	G-02015	Thanksgiving		300.00

Parish Tithing Example

Weekly Offerings Collected in Church and On-Line During Week.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Sunday Offering	G-00001	Operating	2,500.00	
40101-0001	Sunday Offering-Basket	G-00001	Operating		2,500.00
1XXXX-XXXX	Deposit-Online Offering	G-00001	Operating	200.00	
40101-0002	Sunday Offering-Online	G-00001	Operating		200.00

Checks Received in Mail (USPS) During Week.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Mailed In Checks	G-00001	Operating	1,300.00	
40101	Contributions – Offertory	G-00001	Operating		1,300.00

Record 5% Parish Tithing Obligation. (Weekly Offering * 5%) (\$ 4,000 x .05)

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
60002	Gifts, Donations, & Contrib	G-00001	Operating	200.00	
20599-XXXX	Special Collect. To Be Forw.	G-00001	Operating		200.00

P.O. created and converted for amount collected for Tithing Obligation

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
20599-XXXX	Special Collect. To Be Forw.	G-00001	Operating	200.00	
20000	Accounts Payable	G-00001	Operating		200.00

Disburse Funds for Tithing Obligation.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
20000	Accounts Payable	G-00001	Operating	200.00	
1XXXX-XXXX	Cash / Bank Account	G-00001	Operating		200.00

Transfer Funds to Savings Account to Match Tithing Obligation. It is the Diocesan Policy that a Parish must match any tithing efforts with an equal deposit to a Parish Savings Account.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
101XX-XXXX	Cash / Savings Account	G-00001	Operating	200.00	
1XXXX-XXXX	Cash / Bank Account	G-00001	Operating		200.00

National Collection Example**Church in Africa, Weekly Contributions Deposited.**

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
1XXXX-XXXX	Deposit-Africa Church Offertory	G-00001	Operating	700.00	
1XXXX-XXXX	Deposit-Africa Church Offertory	G-00001	Operating	250.00	
1XXXX-XXXX	Deposit-Africa Church Offertory	G-00001	Operating	300.00	
1XXXX-XXXX	Deposit-Africa Church Offertory	G-00001	Operating	150.00	
20500	Collections - Africa	G-00001	Operating		1,400.00

P.O. created and converted for amount collected for Church in Africa.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>Fund Name</u>	<u>DR</u>	<u>(CR)</u>
20500	Collections - Africa	G-00001	Operating	1,400.00	
20000	Accounts Payable	G-00001	Operating		1,400.00

Disburse Funds for Church in Africa. (Forward to Chancery) The Parish can collect funds for 3 months after the collection date. At that time all funds should be forwarded to the Chancery. This will allow time for the Chancery to get all the collections processed and make one payment to the respective charity.

20000	Accounts Payable	G-00001	Operating	1,400.00	
1XXXX-XXXX	Disburse Africa Collections	G-00001	Operating		1,400.00

Create a deposit

Receipts that you deposit to a bank account automatically post to the General Ledger and appropriate subledgers. If you recorded the receipt to the undeposited funds account, it posts to the GL and appropriate subledgers after you deposit the receipt.

When you deposit multiple payments, it's typical to group the payments and submit them to your bank with one deposit slip. After you deposit payments and receive your bank reconciliation statement, you see one entry with the total deposit amount.

When you record a deposit, the payment must already be received against your undeposited funds account. Deposits automatically post to the General Ledger and appropriate subledgers. Deposits can't be edited after they are posted, only reversed, corrected, and re-deposited.

1. Go to **Accounts Receivable > All** and select the + sign beside **Deposits**.
2. Select the **Bank account** where you made the deposit, or where you want to make the deposit.
3. Enter criteria to filter for the exact deposits that you are interested in including, such as the **Undeposited funds date, Customer, or Transaction amount**.
4. Select **Continue** to select payments for deposit.
The payments that appear are payments received into your undeposited funds account.
5. Enter the **Date** to post the deposit to the General Ledger.
The default is today's date, which you can change as needed.
6. For the **ID**, enter the information that correlates this record in your company with the actual deposit slip from the bank
If you already made the deposit, enter the transaction number on your bank deposit slip.
If you have not yet made the deposit, enter a note such as "Deposit slip MM/DD/YY,".
7. Add any optional **Description**.
8. To permanently and safely store a digital version of a supporting document, in the dropdown next to **Attachment**, select an attachment, or select **Add**, then upload your **attachment** or drag and drop your files to add an attachment.
9. Select the payments to include in the deposit.
 - From the list of payments, find the checks to deposit. The details area lists all the payments that you received, or all payments filtered by the selected payment method. Each payment is a one-line item.
 - For each payment method, select the appropriate checkbox under **Deposit**.
10. Verify the deposit **Total** of the payments chosen for deposit at the bottom-left portion of the table.
11. Select **Save**.

Next steps:

Sage Intacct does three things:

- Removes the payments that you selected from the list.
You can't select them to include in other deposit slips. You can no longer void or reverse these payments.

- Posts the amount of the deposit to the General Ledger.
The deposit appears on the Deposits list and the Bank register report.
- Debits the bank account and credits the undeposited funds account that previously held this transaction.

Prepaid Expenses

Prepaid expenses are goods or services that have been paid for but not yet incurred. They are initially recorded as Assets on the Balance Sheet, because they have future economic benefits, and are amortized or expensed at the time when the benefits are realized. Prepaid expenses include, but are not limited to, Rent, Insurance, Maintenance Agreements, Subscriptions, Licenses, and Taxes. The GAAP matching principle ensures that expenses are recorded when the asset is realized. **There is a \$ 1,000.00 threshold for Prepaid Expenses to be amortized. All amounts less than \$ 1,000.00 are simply expensed.**

Sage-Prepaid Expenses

In lieu of the Sage Prepaid Expense Amortization (PEA) module, this type of transaction can be accommodated utilizing the Sage Purchase Order and General Journal functions.

Scenario 1

Parish rents space for \$ 12,000 annually. Rent is paid for the upcoming year on December 28th. PO is processed and converted, referencing the appropriate General Ledger accounts. Invoice is paid on December 28th.

<u>Prepaid Expense Accounting</u>	<u>Account #</u>	<u>Amount</u>	<u>Description</u>
Prepaid Expenses	13006	\$ 12,000.00	PO and Conversion
Accounts Payable	20000	\$ 12,000.00	
Accounts Payable	20000	\$ 12,000.00	Invoice Payment
Cash	1XXXX	\$ 12,000.00	

Monthly Amortization is recorded via journal entry, January through December.

Rent Expense	57011	\$ 1,000.00	Monthly Amortization
Prepaid Expenses	13006	\$ 1,000.00	Jan. through Dec.

Scenario 2

Parish enters into \$6,000.00 annual HVAC maintenance agreement on July 1, XXXX. Invoice is paid July 1st.

PO is processed and converted, referencing appropriate General Ledger Accounts.

<u>Prepaid Expense Accounting</u>	<u>Account #</u>	<u>Amount</u>	<u>Description</u>
Prepaid Expenses	13006	\$ 6,000.00	PO and Conversion
Accounts Payable	20000	\$ 6,000.00	
Accounts Payable	20000	\$ 6,000.00	Invoice Payment
Cash	1XXXX	\$ 6,000.00	

Monthly Amortization is recorded via journal entry, July through June.

HVAC Contracts/R&M	57046	\$ 500.00	Monthly Amortization
Prepaid Expenses	13006	\$ 500.00	Jul. through Jun.

Scenario 3

Parish school purchases textbooks for classroom use on 7/1/20xx. 50 textbooks are bought for \$30.00 per book, for a total cost of \$ 1,500.00. The textbooks are paid for on 8/1/20xx. The textbooks will be put into service on 9/1/20xx. **School Administration estimates the textbooks have a useful life of 3 years.** (This is a very subjective estimate. Each textbook purchase will have to be evaluated individually for an estimate of useful life.) PO is processed and converted, referencing appropriate General Ledger Accounts.

<u>Prepaid Expense Accounting</u>	<u>Account #</u>	<u>Amount</u>	<u>Description</u>
Prepaid Expenses	13006	\$ 1,500.00	PO and Conversion
Accounts Payable	20000	\$ 1,500.00	
Accounts Payable	20000	\$ 1,500.00	Invoice Payment
Cash	1XXXX	\$ 1,500.00	

Annual Amortization is recorded via journal entry at the end of each school year for 3 years.

Textbook & Curriculum Expense	59012	\$ 500.00	Annual Amortization
Prepaid Expenses	13006	\$ 500.00	

Property & Liability Insurance

Responsible stewardship demands protection of the Parish's assets and property from certain risks. The determination of current property value is critical for insurance purposes and coverage amounts. Property assessments should be performed every 10 years. Best Practices suggest that a complete inventory of each entity should be maintained, with a copy stored in a designated off-site safe storage facility. **It is important that new**

purchases are added to and sales deleted from the policy at the appropriate time. Entities in the Diocese of Lafayette are billed monthly for Property & Liability Insurance. These charges should be recorded to G/L Expense account # 57008.

Investments

Introduction

The Dioceses Finance Committee (“DFC”) of the Roman Catholic Diocese of Lafayette-in-Indiana (the “Diocese”) and the Most Reverend Bishop have designated that this Investment Policy Statement (“IPS”) shall apply to all investable assets of the Diocese’s Parishes and/or Schools (“DPS”). Assets available for investment will be invested through an investment portfolio (the “Portfolio”) recommended by the Parish or School Finance Council (“the Committee”) as delegated by the Diocese.

The Bishop strongly encourages Parishes and Schools to pool their investments with the Diocese. This best practice would:

- **Result in Lower Fees Due to Increased Amount of Funds for Investment**
- **Avoid Duplication of Work as RFP’S, Reports, etc. Will be Performed at Chancery**
- **Ensure That Investments are Properly Screened per USCCB Guidelines**
- **Remove Potential Conflict of Interest for Finance Council Members, Donors**
- **Establish Parish Investment Program Now, as Pooling of Funds with Diocese Will Soon Be Required**

If Parish / School Funds are not Pooled with the Diocese, Entity Must Submit an Investment RFP and Develop an Investment Policy Statement. Plans Must Then Be Reviewed by Diocesan CFO.

Social Responsibility Guidelines

The Diocese of Lafayette-in-Indiana investment policy aligns completely with the U.S. Conference of Catholic Bishops’ (“USCCB”) “Socially Responsible Investment Guidelines” published in November 2003. Those Guidelines can be viewed at

<https://www.usccb.org/about/financial-reporting/socially-responsible-investment-guidelines>

In accordance with the USCCB Guidelines, and with our convictions on the matter of social responsibility for investments in the corporate structure, the DPS will not:

- Invest in companies whose activities include direct participation in or support of abortion. Direct participation in abortion may include but not be limited to; companies involved in the manufacture of abortifacients and publicly held health care companies that perform abortions.
- Invest in companies that manufacture contraceptives or derive a significant portion of its revenues from the sale of contraceptives, even if they do not manufacture them.
- Invest in companies that engage in scientific research on human fetuses or embryos that (a) results in the end of prenatal human life; (b) makes use of tissue derived from abortions or other life ending activities; or (c) violates the dignity of a developing person. Specific activities covered by the policy will include embryonic stem cell research (ESCR), fetal tissue research or stem cell research derived from embryos, and human cloning.
- Invest in companies which have significant involvement in the manufacture of weapon systems of any type.

When investing in enterprises, the Diocese prefers investments which reflect high moral standards and a sense of social responsibility such as:

- Operations which sustain the environmental and ecological balance to minimize the effect on living conditions.
- Policies or actions responsible to employees, equal opportunities in hiring or promotion and working conditions not harmful to health or safety; and
- Operations in foreign countries which foster awareness of responsible commitment to human goals of its people economically, ecologically, socially, and politically.

Investment Policy Changes

The DFC will review this IPS periodically to ensure that it continues to reflect the Diocese's objective for Parish Investment activities. This IPS may be modified or terminated, in whole or in part, by the Dioceses at any time as the Dioceses deems appropriate.

Sage-Investments

Parish has \$ 5,000 available for investment in their Building Fund. The Parish Finance Council approves a 6-month Certificate of Deposit yielding 4%.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>DR</u>	<u>(CR)</u>
Entry for Investment:				
14014	Certificates of Deposit	G-01003 Building Fund	5,000.00	
10XXX	Bank Account/Cash	G-01003 Building Fund		5,000.00
Entry for Certificate of Deposit Maturity:				
10XXX	Bank Account/Cash	G-01003 Building Fund	5,100.00	
14014	Certificates of Deposit	G-01003 Building Fund		5,000.00

46000	Interest & Dividend Income G-01003 Building Fund	100.00
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Parish NCCW (Club Account) has \$ 2,000 available for investment. The NCCW members approve moving the \$ 2,000.00 to a Money Market account yielding 2%.

<u>Account #</u>	<u>Memo / Description</u>	<u>Fund</u>	<u>DR</u>	<u>(CR)</u>
Entry for Investment:				
14000-XXXX	Investment Account	G-03058 NCCW	2,000.00	
10XXX	Bank Account/Cash	G-03058 NCCW		2,000.00
Monthly Entry for Money Market Interest:				
14000-XXXX	Investment Account	G-03058 NCCW	3.33	
46000	Interest & Dividend Income	G-03058 NCCW		3.33

The previous examples are very simplified investment scenarios. The key point is to make sure that the proper **“Fund”** is referenced throughout the life of the investment.

Inventory

For Parishes with a gift shop, bookstore, Scrip program, or internally managed food service, tracking the receipt, movement, and stock levels of inventory is key to controlling expenses.

Gift Shop / Bookstore

A physical inventory should be performed quarterly to reconcile the general ledger with the physical inventory records. Count sheets and reconciliation worksheets should be maintained by the appropriate Entity. Inventory should be stored in a secure place to lessen theft and loss. The employee receiving the inventory must count the inventory and reconcile to the packing slip or blind purchase order (no dollar amounts). Then, the employee must sign the slip, date it, and forward it to the Accounting Office.

Gift Shop / Book Store Accounting	Account #	Account Description	DR	(CR)
Purchase Merchandise/Books for Resale	16000	Inventory-Gift Shop	x.xx	
Enter PO and Process	1XXXX	Bank Account		x.xx
Receive Deposit For Merchandise /				
Books Sold	1XXXX	Bank Account	x.xx	
Enter Other Receipt	47002	Merch. Income		x.xx
Perform Inventory Count/Estimate	50000	CGS-Gift Shop	x.xx	
Calculate Inventory at COST	16000	Inventory-Gift Shop		x.xx

Scrip Program

The term Scrip refers to a program where parishes or schools purchase gift cards from a broker at a discounted price and re-sell the gift cards at full face value. The difference between purchase and sale price is retained by the parish or school as net profit. **Note: Potential High Fraud Exposure.**

To reduce risk of loss or theft of gift cards, parishes should keep inventory levels as low as possible. Gift card inventory should be reconciled monthly by someone not involved in buying/selling the cards. Entities should ensure that the people who handle Scrip have **background checks** on file. **Since Scrip is an alternative form of currency, it should be treated as cash.** Accordingly, entities should practice safe procedures in the handling of Scrip. The following procedures should be followed:

1. Volunteers should not take Scrip home for delivery. Parishioners participating in the program should pick up Scrip at the parish in a centralized location. Scrip can be sent home from school with a person's son or daughter if the person signs a waiver providing the entity with permission to do this (a Sample Waiver can be found in Forms Section of Manual).
2. Scrip should be stored in the entity's fireproof drop-safe, which is locked at all times. The parish's fireproof drop-safe should be kept in a non-obvious, secure area on the parish premises.
3. A large inventory of Scrip should not be maintained. Scrip can be received from the National Scrip Center (or other Scrip clearinghouses) in one day by airmail. Parishes should only order the amount of Scrip which has been requested by program participants.
4. Adequate bookkeeping that tracks the purchase and distribution of Scrip is required. At least two people should have dual responsibility for the maintenance of Scrip records. When a parish receives an order of Scrip, serial numbers should be recorded. In the event that Scrip would be lost or stolen, the recording of the serial numbers would allow the parish to quickly identify which Scrip was missing. Local stores could then be alerted to watch for the stolen Scrip.
5. Scrip records should be audited or reviewed by the parish finance council on a regular basis. Additionally, the Scrip records should not be stored with the Scrip, but in a separate area.

<u>Scrip Accounting</u>	<u>Account #</u>	<u>Account Description</u>	<u>DR</u>	<u>(CR)</u>
Purchase Scrip for Resale	16004	Inventory-Scrip	x.xx	
Enter PO and Process	1XXXX	Bank Account		x.xx
Receive Deposit For Scrip Sold	1XXXX	Bank Account	x.xx	
Enter Other Receipt	41008	Scrip Income		x.xx
<u>Scrip Accounting</u>	<u>Account #</u>	<u>Account Description</u>	<u>DR</u>	<u>(CR)</u>
Perform Inventory Count/Estimate	50016	CGS-Scrip	x.xx	
Calculate Inventory at COST	16004	Inventory-Scrip		x.xx

Managed Food Service

Depending on the size and scope of the particular entity's operation, a physical inventory should be performed regularly to reconcile the general ledger with the physical inventory records. Count sheets and reconciliation worksheets should be maintained by Food Service Staff. Here are some general guidelines.

1. Most facilities will conduct a manual Inventory count by hand.
2. Try to utilize the rotation of different staff members to count inventory.
3. Track inventory on a consistent basis.
4. Utilize a food waste schedule.
5. Follow the first expiring, first out (FEFO) inventory method.
6. Use your inventory to guide future buying decisions.

Food Service Accounting	Account #	Account Description	DR	(CR)
Purchase Food Items for Resale	16002	Inventory-Other	x.xx	
Enter PO and Process	1XXXX	Bank Account		x.xx
Receive Deposit For Food Items Sold	1XXXX	Bank Account	x.xx	
Enter Other Receipt	45200	Food & Bev Income		x.xx
Perform Inventory Count/Estimate	50002	CGS-Food	x.xx	
Calculate Inventory at COST	16002	Inventory-Other		x.xx

Whether it's food and beverages, Scrip, or books and merchandise, the recording of the Inventory transactions is very similar. The key principles here are that Inventory is carried on the books at cost and relieved from Inventory at cost. Also, consistent, periodic Inventory counts are necessary, to confirm the integrity and validity of the processes being utilized.

Fixed Assets

In addition to accounting for other assets and financial transactions, an entity must account for their fixed assets. These include items such as land, improvements, building equipment, furniture, tools, and fixtures that have a useful life of more than three years. The Fixed Assets of an entity include all tangible property and real estate that cost more than **\$2,500 on a per unit basis**. Each Entity must maintain a fixed asset record that includes the following information for each asset:

- Item description
- Manufacturer serial number (If Applicable)

- Physical location
- Custodian
- Purchased/received from
- Purchase/donation date
- Purchase price/fair value at donation
- Estimated life
- Estimated salvage value

Fixed asset records should be maintained monthly and included in the month end checklist for closing the books. The *Code of Canon Law* creates an affirmative duty to protect these assets, as they constitute a portion of the stable patrimony of the juridic person, or in lay terms, the assets of the Parish. Reconcile your physical inventory of furniture and fixtures to your accounting records. All fixed assets, except land and property held for sale, must be depreciated in accordance with the Chancery's fixed asset policy using straight-line depreciation over the life of the fixed asset as follows:

3-years property – IT Equipment, Small Equipment

4-years property – Furniture & Fixtures, Small Equipment

5-years property – Vehicles, Large Equipment

7-years property – Office Furniture

10-years property – Land Improvements, Boats

15-years property – Building Improvements, Restaurants

20-years property – Building Additions, Some Farm Structures

30 or 40 years Residential rental property – Rental Apartments or Homes

30 or 40-years Nonresidential real property – Church, Rectory, Office Buildings

IRS rules may be viewed at IRS Publication 946: How to Depreciate Property.

Effective July 1, 2025, it will be mandatory for Depreciation Expense to be recorded at the departmental level. For example, a computer purchased for the Director of Evangelization may be recorded to Department # 201, Pastoral Ministries Administration. Depreciation Expense would also be posted monthly to this same department. Likewise, expenditures for Buildings and Improvements would be recorded to Department # 101, Administration. Monthly Depreciation Expense would also be recorded to this same department.

Sage-Fixed Assets

Asset Additions

Asset classifications have been created to ensure consistent treatment of similar assets from an accounting point of view. Asset classifications also allow for ease of reporting on different asset categories. Common examples of classifications include Computer Equipment, Furniture and Fixtures, and Buildings. Each asset classification includes information about General Ledger accounts and depreciation rules. Sage Intacct uses this data, along with other asset details, to generate depreciation schedules.

Create an Asset

Fixed Asset Workflow:

1. When the PO is created, complete all fields and then click on the “Show Details” (in blue on the line where the dimensions are filled in)
Add the Asset Class
Process the PO as required.
2. Review fixed asset additions for processing.
Fixed Assets
Assets
Assets
Click on the down arrow on View and select Assets to be Reviewed
Click on Edit to the left of each asset
Review the information for correctness, asset name, class, g/l posting date, date placed in service, and asset value.
Add any additional information and click save.
Click on View to the left of each asset
Click on “Generate financial depreciation schedule” at the top.
Click on yes. This will create the depreciation entries for that asset.
After the screen is refreshed (may take a minute or so), go to the Financial Depreciation tab to see the generated depreciation schedule entries.
Do not generate depreciation schedules for Land.
3. Run Depreciation Monthly (Process can be run at end of first week of the following month)
 - Go to Fixed Assets > Depreciation Schedules > Depreciation schedules. A list of all depreciation schedule entries appears.
 - In the View dropdown, select the Due Depreciation view.
 - Click on Filter (blue to the right of the view), on line 4 click the down arrow and select Location. Next to that click on Equals, then click on the magnifying glass and select the location you want to run depreciation for. Click on Refresh view (under due depreciation)
 - From the Select dropdown menu, choose On All Pages: All Depreciation Schedules. If you haven't posted depreciation this will pick up all the months' available. If you only want one month, unselect the ones you don't want to post. For example, it is March, but you are closing January. Depreciation for January, February and March may show

up. Pick the correct entries for the month you are closing. If you stay current with depreciation, this will not be an issue.

- In the More action's dropdown, you have two options:
 - Click Post Depreciation for detailed posting.
 - This posting method creates an individual GL entry or line for each depreciation schedule.
 - Click Post Depreciation Summary for summary posting.
 - This posting method creates a summarized GL batch for all the depreciation schedules submitted.
- Once validated, enter the posting date and description of "(month) depreciation"
Select "Yes" and Done when submitted window shows up.

The depreciation is done offline, and you will receive an email when it is completed.

To save the filter:

Click on the Due Depreciation

Click on Clone (to the right)

Name the View Name, for example Due Depreciation – St. Mary, Muncie

Private means only you see the view, Public means everyone will see it on their list of views

Scroll down the Available Columns, click on Location

Click on the arrow to add to the selected columns (> >)

Move around the Selected columns to put in the order you want, if needed

Save

When you go to make a View selection, your view will be listed under Public or Private based on what you selected.

Similar steps would be used for creating an Asset view different from the ones G3 had created.

Bulk purchase of student laptops

Direct Purchase

Record PO to the fixed asset account #17010

Set up each laptop as an asset for individual tracking

Record depreciation monthly

If the student purchases the laptop, dispose of the asset and record the receipt for the sale amount.

Lease Agreement

Record the lease via journal entry

Equipment & Machines	17010	Debit	
Lease Liability	25002		Credit

Set up each laptop as an asset for individual tracking

Monthly payments recorded via PO, split out interest

Interest Expense	63024	Debit
Lease Liability	25002	Debit
Accounts Payable		Credit

Record depreciation monthly

If the student purchases the laptop, dispose of the asset and record the receipt for the sale amount.

Copy Assets

There are times when multiple assets need to be individually created, for example, bulk purchases of student laptops.

1. Go to Fixed Assets
Assets
Select the checkbox next to the asset(s) you want to copy.
2. Under the "More actions" dropdown, select "Copy Asset".
3. Enter a new name for the copied asset for example, the asset tag #
4. Select "Copy Assets" to create the new asset(s). The copied asset(s) will have a status of "To Review" and will retain the original asset's details, such as asset name, class, date placed in service, cost, and dimensions.
5. View the assets to be reviewed, select Edit for the new asset. Update the serial number or other information as necessary.
6. Follow the instructions in the Fixed Asset workflow for reviewing assets and establishing the depreciation schedules.

Construction in Process (CIP)

Construction in process (CIP) assets provide a way to accumulate and record the cost of capital work in progress, such as construction, development, or installation work that isn't completed. They also can be used to change the value or useful life of an asset after it has been taken out of service.

The CIP process can best be described as a way to build new assets or modify the useful life or value of existing assets. These CIP assets are recorded in a different, separate account

from your normal assets. Because of this, assets held in the CIP GL account don't depreciate. Instead, they continue to accumulate until the asset is capitalized and moved to a GL account associated with the appropriate asset class. CIP assets aren't in service when held in the CIP GL account; rather, they're waiting to be completed and capitalized so they can start being depreciated.

Components

The CIP process operates separately from the regular asset process, and therefore uses three new objects as its main components:

- **CIPs** act as containers that hold one or many CIP assets to track of the accumulated cost of the CIP. They are often linked with a **project** to track the total cost of the project.
- **CIP assets** are the accumulation of CIP items. They can hold one or many CIP items that create the accumulated asset.
Once all CIP items have been added to a CIP asset, you capitalize the CIP asset to make it a normal asset and move it to the GL account associated with the appropriate asset class. After, the CIP asset appears in your regular Assets list and continue in the SIG Fixed Assets workflow as usual, beginning with reviewing and editing the asset.
- **CIP items** comprise CIP assets. These are the individual assets that combine to create the larger CIP asset. Once you create a CIP item, you assign it to the appropriate CIP asset, which updates the overall CIP asset cost as well as the overall CIP project cost.

Workflow

Just like regular assets, CIP has a specific workflow you need to understand before you start using them.

1. Create a CIP
 - Contains one or more CIP assets
 - Tracks the total cost of the project
2. Create CIP assets.
 - Hold one or more CIP items
 - Coincide with established asset classes
 - Tracks the total cost of the asset
3. Create CIP items
 - Comprise CIP assets
 - Create manually or from a bill, purchasing transaction, or credit card transaction
4. Review and edit CIP items and CIP assets
 - Ensure that CIP assets include all appropriate CIP items
 - Ensure that CIP assets have the appropriate dimensions to post depreciation
5. Capitalize CIP assets
 - Automatically moves the assets onto your actuals books and regular Assets list

- Choose an asset class that represents the appropriate asset type and useful life for each asset

Follow Fixed Asset Workflow #2, Reviewing Assets, on Page # 81.

New CIP asset

You can build many different types of assets using the CIP process. For example, let's say you're remodeling one of the buildings on campus. The table below describes how the CIP workflow process could break down.

Field	Description
	<u>Remodel CIP</u>
1. Create CIP	Create a new CIP record for Remodel. Include the project you created for the CIP. This CIP tracks the total cost of the project.
2. Create CIP assets	<p>After you create a CIP, create a CIP asset for each asset class you intend to use. Consider what the asset type will be after the CIP asset is capitalized.</p> <p>In this case of Remodel, we want to create three different CIP assets: Use a naming convention that includes the CIP name, so you know which project the CIP asset belongs to.</p> <ul style="list-style-type: none"> • Remodel: Equipment • Remodel: Leasehold Improvements • Remodel: Furniture <p>Each of these assets will be assigned CIP items, then be capitalized and become a regular asset that will be assigned to an appropriate asset class.</p>
3. Create CIP items	<p>After the CIP and CIP assets are created, you can enter CIP items into Sage Intacct as bills tagged to a CIP-linked GL account.</p> <p>Be sure to assign each CIP item to the appropriate CIP asset and CIP. In this case, be sure that the cooking range, cooking utensils, cooking ware, coffee machine, tableware, and dishwasher assets are all assigned to the CIP asset Remodel: Equipment, and the remaining CIP items are assigned to their correct CIP asset.</p> <p>After you assign a CIP item to a CIP asset, the status changes from Pending to Assigned. If you wanted to expense or split a CIP item, you must do it before it's assigned, when the status still reads Pending.</p> <p>Also be sure that all CIP items are assigned to a CIP so that the total project cost is tracked and updated automatically for you.</p>
4. Review and edit CIP	After your CIP items are in Sage Intacct, review and make any edits to your CIP items and CIP assets before you capitalize CIP assets.

items and CIP assets	<p>CIP items:</p> <ul style="list-style-type: none"> • Ensure that all information is correct in the CIP item. • Ensure that the CIP items are assigned to both a CIP asset and a CIP. <p>CIP assets:</p> <ul style="list-style-type: none"> • Review the CIP items assigned to the CIP asset and be sure they belong to that CIP asset. • Ensure the dimensions defined in the CIP asset include the dimensions required to post depreciation after the asset is capitalized.
5. Capitalize CIP assets	<p>When you're confident that all your CIP assets contain all the correct information and their related CIP items, capitalize your CIP assets to automatically convert them into regular assets.</p> <p>Capitalizing a CIP asset creates an automated journal entry that moves it from the CIP GL account to the GL account associated with the selected asset class. Be sure to choose the asset class that represents that appropriate asset type and useful life for each asset.</p> <p>In this case, when you capitalize the CIP asset Remodel: Furniture, you could choose an asset class like Furniture_36 to depreciate the furniture over three years.</p> <p>After you finish capitalizing a CIP asset, it appears as a regular asset in your Assets list with the status To Review.</p>
6. Review, edit, and generate depreciation	<p>After your CIP assets are all capitalized, review and edit them as usual before you place them in service and generate depreciation to continue in the standard asset workflow.</p>

Asset Disposals

Dispose of an asset

Permissions and other requirements

1. Go to **Fixed Assets Management > All > Assets**.
2. Select an active asset that's in the in-service state.
3. At the top right of the page, select **Dispose**.
The GL accounts in the Dispose dialog are for informational purposes only. Administrators can change the Gain or loss GL account in Fixed Assets Management configuration.
4. Select a **Disposal date**.
The Disposal date must be after the last posted period date and before the next unposted

period date. If no periods are posted yet, it must be after the In-service date and before the first period's posting date.

5. Select a **Disposal type** for the reason of disposal.

Types of disposals: Sale, Casualty Loss, Theft, Other. Select Other in the case of Demolition and note accordingly.

6. If the disposal type is a Sale, enter a **Sales price**.

If the Sales price is greater than zero, a Disposal GL account is required. The Disposal GL account is defined on the asset and is **Sage G/L Account # 42100 Gain / Loss**.

7. Optionally, enter any comments about the disposal.

For example, you can note who you sold the asset to.

8. Select **Save**.

Purchasing

Each Parish should designate an individual(s) who is authorized to order supplies and place orders on the Parish's behalf, including contracts for maintenance, repairs, and construction. Each Parish should have a written designated list of approvers with Chancery's dollar amounts, types of expenditures, and the flow process from request to receipt. Before authorizing expenditures, the Parish's budget should be reviewed to ensure that the expenditure had been budgeted. Vendor invoices, packing slips and other support for all disbursements should be maintained by the Parish finance office.

If a purchase request exceeds the line item in the budget, line items may be moved within the approved budget, but the Pastor, Principal or Director of Operations must approve the change. If a purchase request will result in an increased additional appropriation for an approved budget, the Parish Finance Council must approve the increase in the budget.

Purchasing Guidelines

- Purchases of goods and services are made only after review, documentation, and approval.
- Competitive bids mean requests for bids are used whenever they can be effective.
- Negotiation is used whenever it can be effective.
- Technical assistance is sought from disinterested experts whenever it can be effective. It may be advantageous to hire a consultant when purchasing or contracting for items like employee benefits or computer systems. This consultant selection process should always be accomplished **through the Chancery**.

- Staff responsible for the purchasing process have a level of training and experience appropriate to the type and amount of the purchase and the level of negotiating required.
- When making purchase decisions, the use of funds and personnel time is appropriate to the total amount of the purchase.
- The Parish recognizes community considerations in its purchasing activities.
- A Parish may also want to establish a consumer credit card at stores such as Walmart or Home Depot. The number of cards should be limited to maintenance staff, Director of Operations, and/or school staff. An individual card should have a limit of \$ 1,000 and a total card in aggregate of no greater than \$10,000.

Purchase discounts should be used whenever possible. After invoices have been properly approved, checks or ACH payments with the appropriate supporting documentation should be given to the authorized Sage approver(s) for review and signature. In the normal course of operations, a Parish may find it advantageous to set up automatic electronic payments with their banking institution for reoccurring expenses such as utilities.

Purchase Order Guidelines

- PO Number – is assigned by the Sage Accounting software
- Name and address of vendor
- Date of order
- Name of person who initiated the order
- Description of the items being ordered, the cost for each, and the total amount
- Name of department to which the expense should be charged
- General Ledger account number to which the expense should be charged
- Dated signature of approver (Within Sage)
- Billing Address
- Shipping Address – should be the Parish address, **not** a personal address
- Shipping designation – should be “FOB Destination”

Sage-Purchasing Transactions

A purchasing transaction can be a purchase requisition, purchase order, receipt, vendor invoice, or adjustment. All vendor invoices must go through the Sage P.O. module, using the appropriate P.O. based on Parish size and utilities.

Add a purchase transaction

To add a new transaction:

1. Go to **Purchasing > All > Transactions** and click the + sign next to the type of transaction you want to create. **For example**, click the + sign next to **P.O.-Medium Parish**.
2. Enter the needed information in the applicable fields: Vendor, Item #, Location, Department, Fund, Restriction, etc.
At a minimum, you must complete the required header fields and add at least one line item to post or save a draft of the transaction.
3. When you have completed entering the transaction information, do one of the following:
 - Click **Post** to save the transaction. The transaction has a **State** of Pending and is ready for the next step in your workflow.
 - Click **More actions** and click **Post & new** to save this transaction and create a new transaction.
 - Click **Draft** to save the transaction in a Draft **State**.
 - Click **More actions** and click **Draft & continue** to save this transaction as a Draft and create a new transaction.

Copy an existing purchase transaction

Copying is an easy way to duplicate the information from an existing transaction to create a new transaction. For example, you can copy a purchase order into a purchase order, a vendor invoice into a purchase, and so on. When you copy the transaction, the vendor and line-item information is duplicated. **Be aware that if the transaction was reclassified as a bill, the change is not made to the P.O. Reclassifying invoices generated in Purchasing or Order Entry does not affect the original transaction. For example, say you create a bill in Purchasing or OE, and use General Ledger account # 63004. Sometime in the future, after the bill has been paid, you determine that General Ledger account # 63004 was used in error, and that General Ledger account # 63040 should have been used instead. You can edit the General Ledger account # in the Accounts Payable module, but you cannot re-open the original PO transaction to change the General Ledger account # manually. It will remain General Ledger account # 63004.**

Copying does not change the transaction you are copying from. It simply creates a new transaction.

1. Go to **Purchasing > All > Transactions** and select + next to the type of transaction you want to create.
The **<Transaction name>** page appears.
2. Find the transaction you want to copy and then **Select**.
A new transaction is created with the information from the selected transaction

3. Select **More actions** and then select **Copy from**.
A Select Purchasing Transaction list appears.
4. Edit the fields as needed.
At a minimum, you need to complete the required header fields and add at least one line item to post or save a draft of the transaction.
5. When you have completed entering the transaction information, select one of the following options:
 - **Post:** Saves the transaction. The transaction has a **State** of Pending and is ready for the next step in your workflow.
 - **More actions > Post & new:** Saves the transaction with a **State** of Pending and creates a new transaction.
 - **Draft:** Saves the transaction with a **State** of Draft.
 - **More actions > Draft & continue:** Saves the transaction with a **State** of Draft and creates a new transaction.

Check request guidelines (No purchase order)

- Date of submission
- Date the check is required
- Effective date of the expense (the date the expense was actually incurred)
- Amount to be paid
- The name and address of the vendor (**For a new vendor, a W-9 is required.**)
- General ledger account to which expense should be charged
- Detailed description of the expense
- Any special instructions regarding mailing instructions or enclosures
- Name of person requesting check
- Signature and date of approver

Accounts Payable

In Sage Intacct Accounting software, purchase order transactions have three documents - a purchase order, a vendor invoice, and proof of receipt (packing slip). The purchase order module will be used to enter POs or vendor invoices. Check disbursements are initiated from the Accounts Payable module. It is highly recommended that entities establish an A/P check run schedule. Either once or twice each week, A/P checks will be generated. This is an effort to minimize walk-in requests which can be quite disruptive.

For Parishes using purchase orders, a purchase order is required for ordering goods and services. A purchase order is a document that is supplied to a supplier or vendor which authorizes the shipment of a product to the entity at a specified price and terms. The

creation of a purchase order creates a legally binding contract which cannot be changed without the consent of both parties.

Accounts Payable Guidelines

- Invoices are entered as PO's upon receipt
- Approval will be within Sage or a combination of manually on invoice and Sage approval
- Convert the invoice to Accounts Payable
- Reconcile vendor statements to accounts payable balances
- Review any debit balances on accounts payable listing
- Reconcile Accounts Payable Aging Report to the General Ledger account

The Indiana Department of Revenue requires each parish to request their own NP-1 forms. You will utilize the federal employer identification number that is used for your payroll to get registered with INTIME. Also, this will mean that everyone must file the NP-20 return as well. The INTIME system will give you the link to file the report and the due date. All parishes will have the same officers (Bishop, Fr. Ted, and Matt). The parish/school does not need to register with the Secretary of State. That is for an actual corporation and the diocese is a corporation sole. If a parish/school has registered with the Secretary of State, they will need to dissolve that registration.

Sage-Accounts Payable Invoices

Convert a transaction

Converting a transaction moves the transaction to the next step in the workflow, for example, a purchase order to a vendor invoice. The conversion process copies data from the source transaction to the subsequent transaction. The source transaction continues to exist as a distinct transaction. For example, if you convert a purchase order to a vendor invoice, you can still access the source purchase order. Changes to the vendor invoice do not affect the source transaction.

There are several methods that you can use to convert a transaction. You can:

- Convert all or part of the transaction to another transaction type.
- Convert a non-inventory line item to a specific amount (see Price conversion).
- Convert two or more transactions into one transaction (see Process Purchasing transactions).
- Convert line items from different transactions into one transaction (see Process Purchasing transactions).
- Convert one transaction into two or more transactions (see Process Purchasing transactions).

To find your purchase transactions, go to **Purchasing > All**.

You can view all the Purchasing transactions in one list, or you can view a list of transactions by transaction type.

To view a list of transactions by transaction type:

- Go to **Purchasing > All > Transactions** and click the applicable **transaction type**.

To view a list of all transactions:

- Go to **Purchasing > All > Other transaction activity > View transactions**.

Convert the entire transaction

Convert the entire transaction when there are no line item adjustments needed. For example, you received a bill for all line items in a purchase order and are ready to pay the vendor. Convert the entire sales purchase order to a vendor invoice.

You can only convert transactions that have a state of Pending or Partially converted.

1. In the applicable Purchasing transaction list, select **Convert** next to the transaction to convert.
 - i. A pop-up appears containing links to all transactions to which this transaction can be converted.
 - ii. Select the transaction type to which you want to convert the transaction.
 - iii. The new transaction appears with all of the data from the original transaction.
2. Make changes as needed to the transaction. The following fields may be available for edit depending on your specific permissions: Date, Vendor, Document #, G/L Posting Date, Due Date, and Shipping Method.
3. When you finish entering or editing the transaction information, select one of the following buttons:
 - **Post:** Saves the transaction and displays the list of transactions.
 - **Post & new:** Saves the transaction and opens a new transaction page,
 - **Draft & continue:** Saves the transaction as a draft and opens a new transaction page.
 - **Draft & done:** Saves the transaction as a draft and displays the list of transactions.

By default, the transaction list for the transaction type you converted to is displayed when you click **Post** or **Draft & done**.

Convert part of a transaction

Sometimes you might need to convert part of a purchase transaction but not the entire transaction. For example, you have a purchase order for a certain quantity of an item, but you need to pay for a quantity that's less than the purchase order quantity or invoice an amount that's less than the total purchase order (such as a blanket purchase order)..

What happens after you convert part of a transaction depends on how the **Partial Conversion Handling** setting of the transaction definition is configured. The configuration for the Diocese of Lafayette in Indiana is set at Leave Transaction Open.

1. In the applicable Purchasing transaction type list, find the transaction to convert and select **Convert**.
A pop-up appears containing links to all transactions to which this transaction can be converted.
2. Select the applicable **transaction name**.
The new transaction appears with the transaction data from the original transaction.
3. If needed, change the **quantity** or the **price** of a line item (the Conversion type column can be edited if your entity is configured to allow override of an item's default conversion type.)
For example, if the quantity on line item 1 is 10 and you are only receiving 8, change the **Quantity** on line item 1 to 8. Or, in the Conversion type column select **Price**, then enter the modified purchase amount in the **Price** field.
You cannot enter a number in the **Quantity** field that has the opposite sign of the number in the original transaction. For example, if the original purchase order quantity is 5 and you enter -3 in the **Quantity** field on the vendor invoice, Intacct displays an error.
4. Make any other changes as applicable.
5. Select one of the following buttons:
 - **Post**: Saves the transaction and displays the list of transactions.
 - **Draft**: Saves the transaction as a draft and displays the list of transactions.
 - **More actions**: Use to select more Post and Draft options.

Transaction conversion user preferences

There are two options in your user preferences that you should use:

- Choose the transaction list that appears after you convert a transaction. The **Select the list type to display after posting a converted transaction** defaults to "Transaction list for the converted transaction type". Select "Transaction list for the original transaction type" to always display the transaction list for the transactions that you want to convert.
 - Indicate whether the target transaction date defaults to the source transaction's date. When you convert a transaction to another transaction, the transaction date for the new transaction defaults to today's date. In many scenarios, the transaction date for

the new transaction should really be the transaction date specified on the source transaction.

For example, say you are converting a purchase order to a vendor invoice. The purchase order's transaction date is May 1, 2024 and today's date is May 15, 2024. If **Inherit date from source transaction for Purchasing transactions** is selected in your user preferences, the vendor invoice transaction date defaults to May 1, 2024.

Troubleshoot transaction conversion

The following table describes potential conversion problems and gives possible solutions to enable you to accomplish your goal:

Problem	Possible solution
Received error message, "Cannot convert more than available quantity. Please enter valid quantity to convert."	<p>This can happen when you try to enter a value in the quantity field that's greater than the quantity value in the source transaction. For example, the widget quantity in the source transaction is 5. If you enter 7 in the quantity field in the transaction to which you are trying to convert, you will receive this error. The same applies to negative values. If the source transaction quantity is -5 and you try to enter -7 in the quantity field, you will receive this error.</p> <p>In addition, you cannot enter a quantity value that has the opposite sign of the quantity value in the source transaction. For example, if the quantity in the source transaction is 5 and you enter -3 as the quantity in the transaction to which you are trying to convert, you will receive this error.</p> <p>To resolve this error, do one of the following:</p> <ul style="list-style-type: none">• Use the same quantity as the source transaction when you convert the transaction.• Use a quantity that's less than the quantity in the source transaction when you convert the transaction. <p>What happens after you convert part of a transaction depends on how the Partial Conversion Handling setting of the transaction definition is configured. See About partial transaction conversion for detailed information on what to expect after you convert part of a transaction.</p> <ul style="list-style-type: none">• Edit the source transaction to change the quantity, then convert the transaction.

Problem	Possible solution
I cannot convert an In progress transaction	<p>An "In progress" transaction is a transaction that has been converted to another transaction type and that transaction has a Draft state. For example, you convert a purchase order into a vendor invoice and save the vendor invoice as draft. The system sets the purchase order state to In Progress.</p> <p>You cannot edit or convert a transaction that's In progress. If you want to edit or convert an In Progress transaction, either delete or post the Draft upstream transaction. This will set the In Progress transaction's State to either Pending or Partially converted.</p>
I cannot edit a Partially converted transaction	<p>The system does not allow you to edit a transaction if the State is Partially converted. If you want to edit the Partially converted transaction, delete all upstream transactions.</p> <p>For example, if you want to edit a purchase order that has been partially converted to a vendor invoice, delete the vendor invoice.</p>
Your transaction definition is configured to affect AP. However, no GL Accounts were found in the AP GL Information tab for itemid <item>.	The system cannot post the transaction because it doesn't know to which GL account to use. To resolve this error, contact the Chancery.
Invalid item specified.	<p>An item was set to Inactive after the transaction being converted was created.</p> <p>Contact the Chancery.</p>

Reclassify and edit bills

Reclassifying enables you to edit certain fields in bills and adjustments that are in a Selected, Partially Paid, or Paid state. If you can't make the changes that you need to by reclassifying, you can reverse the transaction.

1. Go to **Accounts Payable > All > Bills** or **Accounts Payable > All > Advances**.
2. Click **Edit** next to the appropriate transaction.
3. Click **Reclassify**.
4. Update the bill or adjustment details.

What information can I change?

You can edit the following information in a transaction:

- Accounting information on both partially and fully paid bills.
- How revenues are assigned for a bill that was paid or partially paid.
For example, you might want to assign the line items to different GL accounts or change the department, location, or other dimensions.

- Attachments, reason for the transaction, memo fields.

- Dimensions and account numbers

- 1099 information.

For example, you paid a 1099 vendor for mileage reimbursement. You are able to uncheck the 1099 box and that line item will not be included in the 1099 total.

You cannot do the following:

- Edit amounts or currency information.
- Edit transaction dates, GL posting dates, or payment dates.
- Edit the billable flag for a line item
- Change the vendor, pay to, or return to contact.
- Split lines.
- Add new lines.

If you can't make the change that you need by reclassifying, reverse the transaction.

Vendor Debit / Credit Memos

Adjust the amount that you owe a vendor by creating an adjustment. Depending on the type of adjustment you make, you can either increase or decrease the amount you owe. A credit memo adjustment increases the amount that you owe a vendor, while a debit memo adjustment decreases the amount you owe.

Debit memo adjustment

When you create a debit memo adjustment, it appears on the Pay bills page as a vendor credit that you can then apply to a bill on the Pay bills page.

A debit memo adjustment becomes a vendor credit that you can apply to a bill on the Pay bills page to decrease what you owe to a vendor.

A vendor credit is different from a credit memo adjustment, which becomes a bill you pay on the Pay bills page, to increase the amount you owe a vendor.

Create an AP adjustment.

For the Type, select Debit Memo.

Post the adjustment.

The debit memo adjustment becomes a vendor credit.

Apply the vendor credit on the Pay bills page.

Choose to either:

- Automatically apply the vendor credit. On the Pay bills page, select the bill and click Apply credits.
- Manually apply the vendor credit. On the Pay bills page, select the bill and click Line details.

Process the bill for payment

- Create a payment request for the payment on the Pay bills page.
- Take the payment through your normal Accounts Payable workflow (for example, approving the payment and printing a check).

Example

Say you receive a bill for \$1000 for catering for an event and you pay the bill in full. Later, you discover that not all the services were provided and you contact the vendor. The vendor agrees to credit your account for \$100. You would create a debit memo to decrease the amount you owe to the vendor by \$100.

	Accounts Payable (credit account)	
	Debit	Credit
		\$1000, bill posted on May 1

Bill paid	\$1000 on May 2	
Debit memo posted	\$100 on May 8	
	Balance due: (\$100)	

Credit memo adjustment

When you create a credit memo adjustment, Intacct treats it as a payment because you're increasing the amount you owe to a vendor. After you post the credit memo adjustment, it appears as a bill on the Pay bills page. Process the transaction as you would any other payment.

Create an AP adjustment.

For Type, select Credit Memo.

Post the adjustment.

Intacct treats credit memo adjustment as a payment to the vendor.

Process the credit memo adjustment as a payment to the vendor.

- View the credit memo adjustment on the Pay bills page.
- Process the payment through your normal Accounts Payable workflow (for example, creating a payment request, approving the payment and printing a check).

Example

Say you accidentally underpaid a vendor or incurred a late charge for \$50. You would create a credit memo to increase the amount you owe the vendor by \$50. You would then pay the credit memo when you go to pay bills.

Accounts Payable (credit account)	
Debit	Credit
	\$50 posted on May 1
Balance due: \$50	

Cash Disbursements

Controls over Cash Disbursements ensure the legitimacy of expenses incurred. The following duties should be split as much as possible : (1) bookkeeping, (2) access to assets (Signor on Bank Accounts), (3) independent reconciliation, and (4) authorization of transactions. The following procedures are an important part of this control environment.

1. Entities, with the approval of the Pastor or parish financial governing body, should designate only a limited number of individuals (no more than five or six, e.g. Pastor, school principal, day care director, pastoral associate, director of religious education, maintenance director, and parish secretary) who are authorized to place orders, purchase supplies, or sign contracts. These individuals will be responsible for those budgeted expense accounts assigned to them.
2. Before authorizing any expense, the budget should be reviewed to ensure that the expense has been properly anticipated or the exception/overage approved.
3. A check request should be utilized which requires a signed authorization by the person responsible for the given budgeted expense account in order to pay a bill. The person requesting payment should indicate the account to be charged, not the bookkeeper.
4. All cash disbursements should contain substantiation for the expense (e.g. invoice, receipt, etc.). Requests for mileage reimbursements should include the date, destination, purpose and number of miles for each individual trip. Requests for expense reimbursements including mileage should be made timely. Mileage is measured from place of employment to destination, not home to destination.
5. Before making a disbursement, the individual who has direct knowledge of the expense incurred must certify that goods or services have been received and verify the mathematical accuracy of the charges.
6. Payment discounts shall always be taken. Because the entity has been granted tax-exempt status, Indiana state sales tax should not be paid nor reimbursed to individuals purchasing items for the entity. To purchase tax exempt, complete and

provide to the vendor a Form ND-1; the transaction must be directly invoiced to the organization and directly paid via the organization's funds. Purchases for social events, hotels, airfare, and meals (for the private benefit of an individual) are never exempt.

7. After proper certification of the expense, and after securing any other designated approval(s), invoices/check requests should be forwarded to the bookkeeper for payment. Prior to payment, the bookkeeper should review the documentation for completeness, accuracy and reasonableness.
8. Payment will be made by utilizing **blank stock pre-numbered checks** issued in a sequential manner.
 - a. A check log should be maintained which details the sequential issuance of checks and clearly identifies any voided checks.
 - b. An individual recognized by Canon Law as having complete responsibility for the fiscal affairs of a church entity must be a signer on all parish bank accounts. This individual may sign all checks, which have been properly prepared and authorized. Or, as an alternative, the canonical administrator may authorize that checks will also be honored so long as they bear the signatures of at least two properly authorized and unrelated individuals associated with the church entity. Those responsible for preparing checks should not be signers on the account. If the canonical administrator is the only signer on the checking account, two other signers on the account are suggested as backup signors.
9. Blank checks shall never be pre-signed and signature stamps shall not be utilized.
10. If Electronic Banking is utilized:
 - a. Set up the bank to require the approval of two people for any electronic payment.
 - b. Maintain payment evidence and retain with paid invoices.
 - c. Pastor reviews all electronic transactions, verifies to supporting documents and initials to evidence review and approval.
 - d. Pastor accesses online banking on a routine basis of no less than weekly to see that all transactions paid electronically have been included in documents reviewed.
 - e. Bank reconciliation completed by an individual who does not process or approve electronic payments. The reconciliation includes detail review of electronic payments listed on the bank statement and comparison to supporting documents approved by the Pastor.
11. Once paid, all invoices, receipts, and supporting documentation will be visibly "canceled" in some manner so as to prevent duplicate payment. This documentation will be electronically maintained in the Sage system.
12. No checks shall ever be made payable to "cash" or "petty cash". When replenishing petty cash, the check should be made payable to the custodian of petty cash fund.
13. All disbursements should be summarized and reported to the finance committee or other appropriate oversight body on a regular basis (a monthly financial statement is sufficient). No corrections should be "backdated" without authorization of the

finance committee or oversight body, as this will change financial reports from prior months.

14. Advances to an employee or volunteer making purchases for the entity are allowable. However, the individual is responsible for returning all unused cash and submitting proper documentation for all expenses incurred within three business days of the event. Advances made should always closely approximate the actual expenses incurred so as not to give the impression of granting a short-term employee loan, which is prohibited.
15. If an independent contractor is paid \$600 or more in a calendar year, then a 1099-NEC is required.

New Vendors

Vendor Request Form to Chancery

For New Vendors, it is mandatory to request both a W-9 and 1099 information

Attach Vendor Request Form here

1099 Vendors

Set-Up

For New Vendors, it is mandatory to request both a W-9 and 1099 information

For those vendors that are not 1099, please attach negative response to vendor record

If appropriate, Make Sure the Vendor is classified as 1099

Under Accounts Payable, Vendors, Additional Information

Tax ID

Form 1099 (Usually 1099 Misc)

1099 Box (Usually 7-Non Employee Compensation)

For Changes to 1099 Vendor information, please contact the Chancery

Enter PO

Enter PO and Submit for Approval

Convert Approved PO to Invoice

Uncheck Any Line Not Included on 1099 (Ex. Mileage Reimbursement)

Post Invoice

Changes

Once a processed invoice has been paid, changes can be made to the invoice.

Click on Edit

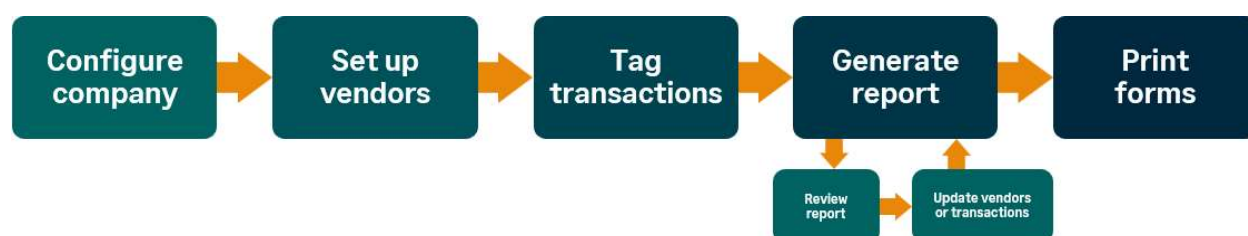
Click Reclassify

Check/Uncheck 1099 Box

Click on Post

1099 Processing

The basic flow looks like this:



Configure your company for 1099s

The Diocese has been configured to issue 1099s in a multi-entity environment.

Tag transactions for 1099 treatment

Transaction line items are automatically tagged for 1099 tracking if the vendor or employee is set up for 1099 treatment. If your company is configured to allow overrides, you can change flag a transaction as 1099-able or non-1099 able, or change the form and box on a case-by-case basis during transaction creation.

Intacct generates 1099 information for transactions that meet the following criteria:

- Tagged as 1099-eligible.
- Paid in the same year covered by the 1099.
- Exceed the minimum reportable amount of \$ 600.00 .

Run the 1099 report

Preview your information and correct any issues before you print tax forms by running the 1099 report.

- Verify that you set up your vendors with the correct 1099 form.
- Review the amounts paid to 1099 vendors for a specific year.
 1. Go to **Accounts Payable > All > Reports > 1099 > 1099 report**.
 2. Run the 1099 report.

Solve 1099 reporting issues

If you generate the 1099 report and discover issues, you can update 1099 information as necessary.

You can also contact the chancery to change the status of a vendor or change the status of an employee from 1099 ineligible to eligible (or vice versa). Intacct will automatically update all the associated transactions.

File forms

If you're filing 1099s for more than 10 records, tax law requires you to file electronically.

Based on the software the parish is using to file their 1099s, you may be able to have Sage Intacct create a file that you upload to the software. There, you complete the e-filing process and file forms with the IRS. Otherwise, utilize the 1099 report to create the 1099s.

If you have less than 10 records to file, you can order forms and print and mail information yourself.

Sage-Disbursements

Select bills and create payment requests on the Pay bills page. Here, you can apply vendor credits, such as advances or adjustments. Pay the bill accordingly, for example, print and confirm a check, record a transfer (EFT), or generate an ACH payment file.

To combine bills into one check, make sure the Payment request method is set to Use Vendor Preference. If you are needing a single check or EFT for each bill make sure the Payment request method is Generate one request per bill.

Accounts Payable>Pay Bills

1. Select the **Payment method**.
 - Check
 - Cash
 - Record Transfer (bills paid via EFT, automatically withdrawn from bank)

- ACH or bank file (send the file to the bank for them to process ACH)
2. Select the **Payment request method**.
 - Use vendor preference will combine multiple invoices on one check.
 - Generate one request per bill will have one invoice per check.
 - Merge request options not applicable.
 3. Select the **Bank** to be used.
- Your selection depends on what you chose for the Payment method.
4. Select the date to make the payment in the **Set payment date to** field.
- This is the date that appears on the payment and when it will post to the General Ledger.
5. Select the contact to use to send notifications in the **Send payment notifications from** field.
- If vendors are enabled for payment notifications, they will receive an email from a designated contact.
6. Select the checkbox next to the bill you want to select for payment, or use the Select all option.
 7. Manually or automatically apply any existing vendor credits.
- Applying credits can be tricky. To apply a vendor credit to bill:

Manually apply credits to bills and bill line items

You can selectively apply credits either to an entire bill or specific line items. When you apply credits manually, you can drill down to see the type of credit and view the details.

If you need to, select the **Clear credits** button to clear the Credits to apply field. The Amount to pay field automatically updates to the correct amount.

Go to **Accounts Payable > All > Bills > Pay bills**.

Apply a filter to load bills.

The **Credits available** column shows the amount of available advances, adjustments, and inline credits for the vendor.

Select **Line details** next to the appropriate bill.

The Bill details page appears.

Select **Credit details**.

The Apply credit page appears.

The **Credit type** column shows the source of the credit: Advance, Bill (inline credit), or Adjustment.

The **Amount** column displays the credit amount.

The **Credits available** column displays how much of the credit amount is available to apply to the selected bill.

Select one or more checkboxes next to the credits that you want to apply.

Intacct automatically zeroes out the Credits available field and populates the credit amount in the Credits to apply field. You can manually change this amount to anything less than the total credit amount.

Select **Save** and return to the Bill details page.

The designated credit amount appears in the Credits to apply field.

Save and return to the Pay bills page.

The sum of the applied credits appears in the **Credits to apply** field for that bill.

Do one of the following:

Apply the credit to the bill (leaving a remaining balance to pay later, or if the credit completely pays off the bill). Select **Pay now**, or **Add to outbox**.

Enter the rest of the **Amount to pay**, to pay off the bill. Then, select **Pay now** or **Add to outbox**.

Automatically apply credits across selected bills

You can automatically apply all available credits to bills from Pay bills. When you apply credits automatically, credits created recently might be applied to older bills. If this is not what you want, apply credits manually.

If you need to, click the **Clear credits** button to clear the Credits to apply field. The Amount to pay field automatically updates to the correct amount.

Go to **Accounts Payable > All > Bills > Pay bills**.

Apply a filter to load bills.

Are you using an on-the-fly filter to show bills based on a due date range? You can filter available credits at the same time to ensure that you see only credits with transaction dates in a particular date range. For example, to see all credits created on or before a date, provide an end date for Credit date range and leave the start date empty.

Select the appropriate bill.

On the left side of the page above the bill table, click **Apply credits**.

8. Verify or adjust the **Amount to pay.**

When you select a bill, the Amount to pay automatically populates with the total amount due.

If the bill has multiple line items, the amount to pay distributes according to the waterfall method. The amount to pay is consumed from the first line item to the next

until all line items have been paid. Override the waterfall method and apply payments to line items manually by selecting **Line details**.

9. Do one of the following:

- Select **Pay now** to create a payment request.
- Select **Add to outbox** to create a payment request and store it in the outbox, until you're ready to pay it.

The [Outbox](#) page appears with a list of draft payment requests.

If you have existing payments for this vendor in the Outbox, Intacct might ask if you want to merge the bills selected with the existing payment. The payments must have the same payment method, payment date, bank, and currency, and the payment request method must not be **Generate one request per bill**.

10. After you select **Pay now** or **Add to outbox**, Intacct prompts you for a memo and document number for those transactions with Record Transfer or Cash as the payment method. While these fields are recommended, they are not required. Select **Save** to continue with or without entries.

Chancery Disbursement Approval for Parish

This applies for an individual disbursement exceeding the amount established by the Bishop before the disbursement can be made. The ceiling figure is determined by the Bishop's policy as follows:

Parish registering less than 200 households	\$10,000
Parish registering 201 to 750 households	\$25,000
Parish registering 751 to 1,500 households	\$40,000
Parish registering 1,500 or more households	\$50,000

For listed disbursement amounts the approvers must review all support documentation prior to approving. The first approval should be the Pastor or DOO. The second approver should be the Vicar, Bishop, or the Chancery CFO. All approvals are done within Sage Intacct.

NOTE: Authorization from the Bishop's Office is required (regardless of the dollar amount) to negotiate debt financing, to establish trust, or to purchase and/or sell property. Special permission is required for construction/renovation projects.

Refer to the following DOL policies for additional information:

Book V §600 Contracts

Book V §700 Capital Projects for Diocesan Entities

Check Signatures Required for Payment

Two signatures are required for an expenditure greater than \$ X,XXX as follows:

- | | |
|---|---------|
| • Parish registering less than 200 households | \$1,000 |
| • Parish registering 201 to 750 households | \$2,500 |
| • Parish registering 751 to 1,500 households | \$4,000 |
| • Parish registering 1,500 or more households | \$5,000 |

Guidelines

- Check signers must be the Pastor, Principal, Director of Operations, and one other signer. If a Pastor has several Parishes, the Pastor should have the opportunity to review the documentation and approve the disbursement.
- Do not have pre-signed blank checks. Checks must be signed by someone other than the Employee preparing the check.
- ACH and EFT transfers must also be subjected to the same limits as check limits for approval. Check Signer(s) would also be required to approve any ACH/EFT transactions, which is the preferred payment method.
- **All entities will utilize Positive Pay, an automated cash-management service employed to deter check fraud.** Banks use positive pay to match the checks a company issues with those it presents for payment. Any check considered suspect is sent back to the issuer for examination.
- Never write a check out to Cash for any reason.
- Petty cash checks should be made out to a person (e.g., Mary Smith, Agent for [name of parish] or John Jones, Cashier of the Petty Cash Fund).
- The signer(s) need to double check that the vendor's name and address on the invoice matches the vendor's name and address on the check. In this age of computerization, specifying the wrong payee due to the "autofill" function is a common error.
- With current technology, anyone can create a professional looking invoice. Avoid paying dummy invoices by requiring a signature and the purpose for the expense on the invoice of the staff person who received the goods or services. The signature should be on the document itself, not an attached note.
- Limit pay advances to staff for ministry program supplies. Set up accounts with stores used most often and direct purchasing to these stores. This is not only a good financial control, but also typically results in reduced spending/shopping.
- Mailing of the checks should be done by an employee outside the accounting office. This may not be able to be performed in smaller

parishes.

- Check signature stamps are disallowed.
- ***Please remember the Diocese of Lafayette-in-Indiana is exempt from Sales Tax.***

If a credit card is to be used to make a purchase, the same expenditure policy and guidelines must be in place, ***approval, and comparison to budget. Please see the Credit Card Policy in the policy section of the manual.***

Extraordinary Expenditures for Repairs, Renovations or New Construction

Please refer to the following DOL Policies for additional information.

\$700 CAPITAL PROJECTS FOR DIOCESAN ENTITIES THRU \$706 EQUAL OPPORTUNITY

Allocation of Expense Among Parishes Within a Pastorate

There will be instances where expenses are incurred by the Pastorate and will need to be split between the Parishes of the Pastorate. These expenses should consistently be processed through one Parish (Central). Parish (Central) will then invoice the other Parishes whereby they will be reimbursed for those expenses. Reimbursement can be made in the form of a check or ACH between the bank accounts.

The Parish (Central) will utilize the Inter-Entity Receivable account for the respective Parish or Entity. The account should periodically have a zero balance once all invoices have been paid.

Utilizing the ***Allocation of Expenses policy***, the vendor bills will be divided among the Parishes. When the PO is created, it will post to the proper G/L account and entity. As part of the month end close, the Parish (Central) will clear the respective receivable / payable account with PO to Central Parish. The Parish (Central) will maintain all the vendor bills related to the invoices.

Accounting for Inter-Entity

- Allocate the vendor bill/expense between the Parishes.
- Record the vendor bill, via PO, to the proper expense account for each Parish.
- Monthly, generate a PO to the Central Parish to clear the Inter-Entity Payable.
- Deposit and record the payment when received. It will be posted to the Inter-Entity Receivable.

- Reconcile the Inter-Entity Receivable and Payable accounts monthly.

Accounting for Parishes

Shared expenses between Parishes within a Pastorate can be allocated utilizing the following Expense Allocation Form:

Allocation of Expense (Form)

Pastorate Name:						
Month of:						
	Monthly Total	Account #	Parish #1	Parish #2	Parish # 3	Parish #4
<i>Percentages</i>			41%	11%	8%	40%
<i>Priest Salaries</i>	\$ 2,614	52000	\$ 1,071.74	\$ 287.54	\$ 209.12	\$ 1,045.60
<i>Health Insurance</i>	\$ 200	53008	\$ 82.00	\$ 22.00	\$ 16.00	\$ 80.00
<i>Priest Retirement</i>		54004	0	0		
<i>Extra Clergy</i>	\$ 300	52012	\$ 123.00	\$ 33.00	\$ 24.00	\$ 120.00
<i>Clergy Food</i>	\$ 200	63030	\$ 82.00	\$ 22.00	\$ 16.00	\$ 80.00
<i>Office Wages</i>	\$ 1,500	52002	\$ 615.00	\$ 165.00	\$ 120.00	\$ 600.00
<i>Payroll Taxes</i>	\$ 300	53014	\$ 123.00	\$ 33.00	\$ 24.00	\$ 120.00
<i>Priest Mileage</i>	\$ 175	63032	\$ 71.75	\$ 19.25	\$ 14.00	\$ 70.00
<i>Office Mileage</i>	\$ 250	63032	\$ 102.50	\$ 27.50	\$ 20.00	\$ 100.00
<i>OSV</i>	\$ 350	63002	\$ 143.50	\$ 38.50	\$ 28.00	\$ 140.00
<i>Altar/Sanctuary</i>	\$ 400	57054	\$ 164.00	\$ 44.00	\$ 32.00	\$ 160.00
<i>Office</i>	\$ 500	63034	\$ 205.00	\$ 55.00	\$ 40.00	\$ 200.00

There are other occasions where expenses need to be allocated among Parish departments, School departments, and between Parish and School. Common expenses

that require allocation include Utilities, Rent, Insurance, Facility Maintenance, Copiers, Telephones, and certain Personnel costs. The allocation basis for these expenses could be square footage, number of employees, number of students, direct identifiable usage, or hours worked.

Sage-Purchasing Transactions Allocation

Use transaction allocations to automatically distribute the amount of a Purchasing line item across multiple dimensions—such as departments, locations, activities, or classes

About transaction allocations in Purchasing

In Purchasing, transaction allocations can only be applied to line items with non-inventory items, and the amounts can only be spread to the dimensions defined in the transaction allocation template by percentage.

For example, you can create a transaction allocation definition that distributes costs across several departments. When a user enters a line item in a transaction and selects that allocation, the amount of the expense is automatically spread across the appropriate departments in the General Ledger. The following table shows how a single line for \$4,000 in rent is automatically spread across three departments based on the selected allocation:

Transaction allocation definition	Allocated amount
50% to Dept A	\$2,000 to Dept A
25% to Dept B	\$1,000 to Dept B
25% to Dept C	\$1,000 to Dept C

Transaction allocation setup

To enable transaction allocations:

1. Define one or more transaction allocation definitions that allocate by percentage in the General Ledger application. (Go to **General Ledger > Setup tab > Allocations** and click the + sign next to **Transaction allocations**.) The transaction allocation definition needs to allocate by percentage for it to appear in the Allocation dropdown menu in a Purchasing transaction.
2. Ensure the dimensions used in the transaction allocation definitions are turned on in the Configure Purchasing page. (Go to **Purchasing > Setup tab > Configuration**.)

Set up transaction allocations in Purchasing

Several steps are needed to enable the use of transaction allocations in Purchasing. In a multi-entity organization, configure allocations at the top level first.

1. Enable transaction allocation in journal entries on the Configure General Ledger page. (Go to **General Ledger > Setup tab > Configuration**.)
2. Enable transaction allocation in bill entries on the Configure Accounts Payable page. (Go to **Accounts Payable > Setup tab > Configuration**.)
3. Define one or more transaction allocation definitions that allocate by percentage in the General Ledger application. (Go to **General Ledger > Setup tab > Allocations** and select Add next to **Transaction allocations**.)
The transaction allocation definition needs to allocate by percentage for it to appear in the **Allocation** dropdown menu in a Purchasing transaction.
4. Ensure the dimensions used in the transaction allocation definitions are turned on in the Configure Purchasing page. (Go to **Purchasing > Setup tab > Configuration**.)
5. Configure the Purchasing transaction definitions for the transactions in which you want to allocate line-item amounts. In the Accounting section on the transaction definition page, complete the following steps:
 - a. Select the **Enable allocations** checkbox.
 - b. If subtotals is enabled, ensure that the **Apportioned** checkbox is not selected for any of the subtotal lines.
 - c. If you have a standard company, select **Location** in the User overrides subsection.
 - d. If you have a multi-entity company and are configuring the transaction definition at the entity level, select **Location** in the User overrides subsection.

Transactions that use these transaction definitions will include an **Allocation** dropdown menu for each line item. The dropdown menu includes all the transaction allocations that are defined in the General Ledger application that allocate by percentage.

If you use a workflow where a transaction with allocated lines is converted to a purchasing return, the transaction definition for the return needs to be configured for transaction allocations. The return will use the same allocation.

If you use a workflow where a transaction with allocated lines is converted to a purchasing return, the transaction definition for the return needs to be configured for transaction allocations. The return will use the same allocation.

Cemetery Accounting

Many parishes and diocese operate cemeteries. These may be separate not-for-profit corporations, or they may be divisions operating within the central administrative offices. The accounting for these operations is the same regardless of the entity structure. Generally accepted accounting principles for parish/diocesan cemeteries are generally included in the Codification as it relates to various assets, liabilities, revenues and expenses. Accounting policies and disclosures in the following areas may be unique to cemeteries:

- Provision of perpetual care and maintenance
- Liability for future care costs
- Net asset classification
- Revenue recognition policies for deferred service contracts
- Rights of return
- Recognizing the costs of developed space as those spaces are sold
- Installment sales contracts

In addition, state and local laws and regulations do vary significantly, and these variations can have a significant impact on the items discussed below. Parishes/dioceses should have discussions with their auditors and legal counsel.

Catholic Cemeteries Within the Diocese of Lafayette-in-Indiana

Our Catholic Parish Cemeteries throughout our Diocese should be viewed as a major ministry within our Pastorates.

- The cemetery is a ministry of the Parish. The Pastor and Director of Operations must be signers on the cemetery bank account.
- Accounting for cemeteries is to be done through Sage Intacct by the Parish. This includes all transactions involving income, expenses, assets, and liabilities. The cemetery must be included in the financial records of the Parish.
- All cemetery expenses must be entered using the Sage Intacct PO process. This includes approvals, by the cemetery designee, before invoices can be

paid. This can be done by handwriting approval on the invoice. This is then recorded in the Sage Intacct PO Module.

- Checks are Sage system generated and not handwritten.
- The cemetery bank account must be reconciled monthly. Reconciliation report should be presented to the appropriate individual(s).
- Cemetery accounting should follow the processes and procedures contained in this Accounting Manual.
- The cemetery must produce an annual budget that is approved by the Pastor and loaded into the Sage Intacct system.
- Every Parish Catholic Cemetery should submit an annual report to the appropriate individual(s) responsible for the cemetery.
- **Each Cemetery within the Diocese of Lafayette-in-Indiana shall follow the RULES AND REGULATIONS OF THE CATHOLIC CEMETERIES OF THE ROMAN CATHOLIC DIOCESE OF LAFAYETTE-IN-INDIANA, INC. promulgated and approved by Most Reverend Timothy L. Doherty, Bishop Diocese of Lafayette-in-Indiana on February 22, 2016.**
- Each cemeteries' by-laws needs to reflect this policy / procedures.

Provision of Perpetual Care and Maintenance

Typically, cemeteries maintain the property and facilities associated with the operations of the cemeteries in perpetuity. The annual operating costs can be substantial and when projected into perpetuity, in most instances, can be material to not only the cemeteries but also to the parish/diocese that oversees their operations. From a canonical perspective there is no explicit obligation on the part of the operators of the cemeteries to ensure perpetual maintenance. However, given the fact that cemeteries are sacred grounds for the burial of the dead, they should be cared for with dignity, thus implying a moral obligation to maintain cemeteries. The policy of the Diocese of Lafayette in Indiana is that perpetual care and maintenance should be provided for cemeteries within the Diocese. Contractual terms vary greatly from one parish/diocese to another but generally call for some commitment by the cemeteries to maintain properties as cemeteries. In addition, state and local laws vary. In some cases, state law may require that operating cemeteries are required to deposit a portion of new sales proceeds into a state-run or state-supervised fund set up to provide for perpetual care. Other regulations require the establishment of segregated or set-aside net assets in separate bank accounts but maintained on the statement of financial position of the cemeteries. Finally, some state statutes specifically exclude religious cemeteries from these requirements all together. In the State of Indiana, the establishment and regulation of cemetery associations are governed by Indiana Code Title 23, Article 14. These associations must be organized as nonprofit entities, dedicated to maintaining and preserving cemetery grounds. The law requires at least seven individuals to form an association, fostering collective governance. Cemetery associations are required to maintain detailed records of burial plots, including ownership and transfer information, as well as financial transactions.

These records ensure transparency and may be inspected by state authorities to confirm compliance with legal standards. Perpetual care funds are essential for long-term maintenance. A portion of burial plot sale proceeds must be allocated to these funds, which are invested prudently. The income generated is exclusively used for cemetery upkeep, ensuring the interests of plot owners and the community are safeguarded. Cemetery plot ownership in Indiana is a limited property right, restricted to burial purposes. Cemetery owners are legally obligated to maintain the dignity and preservation of these sites. Maintenance responsibilities include repairing and managing infrastructure like roads, fences, and pathways to ensure safety and accessibility. Regular inspections and timely repairs prevent deterioration and protect the investment of plot owners.

Perpetual care funds, derived from plot sales, provide financial resources for ongoing maintenance. These funds are strictly regulated, with only the income generated used for upkeep, ensuring long-term care without financial strain.

The accounting treatment for the perpetual care and maintenance of cemeteries is dependent on the applicability of a number of the above factors. A careful and detailed review of the contractual terms and the state and local laws in each jurisdiction should be undertaken with the assistance of the operator's attorneys and accountants in arriving at the appropriate accounting treatment. Most contracts would be governed by state law and the contractual terms should be reviewed periodically to ensure a continued appropriate understanding and accounting of the contractual terms. In some instances, a conclusion may be reached that supports the recording of an actuarially calculated liability projection to properly reflect a specific obligation to provide perpetual care and maintenance. In other instances, the review may lead to the conclusion that amounts set aside should be recorded as unrestricted assets held for limited use. An essential step is determining whether the existing factors (contractual terms, state and local laws and regulations, published intent, etc.) support recording a liability. A conclusion that a liability exists would result in future maintenance costs (discounted at an appropriate discount rate) being recorded as sales occur.

Net Asset Classifications

The net assets of cemeteries are typically classified in the financial statements as unrestricted, as the revenues generally originate from exchange transactions. As discussed above, some cemeteries designate a portion of unrestricted net assets for permanent maintenance and future development. Some cemeteries operate in accordance with state laws that require a set-aside of sales contracts for permanent maintenance funds and for future development funds. Such laws may require that the principal shall remain inviolate. The net assets could therefore fall into any one of the following categories:

- Unrestricted—operating (includes net assets invested in land, building, and equipment)
- Unrestricted—designated for future development or for future maintenance
- Unrestricted—assets held for limited use
- Temporarily restricted—donor-imposed

- **Permanently restricted**—donor-imposed restrictions (such as trust funds)

Undesignated unrestricted net assets. These represent general operations of the cemeteries.

Unrestricted designated for future development or future maintenance Some cemeteries internally designate a portion of the unrestricted net assets for future development or future maintenance. These designations should be formally made by the appropriate cemetery governing body. These designated net assets are to be held by the cemeteries and are to be used solely for development and maintenance of cemetery grounds. Such designations may be re-designated by the cemeteries because they do not represent funds restricted by a donor. Other designations may be contractually stipulated.

Unrestricted assets held for limited use States may have a requirement that a portion of the sales for lots, crypts, and niches be set aside for permanent maintenance funds. In some cases, the principal is to remain inviolate. If after review of state and local laws and the contractual terms the organization concludes that amounts set aside should be recorded as net assets, these should be recorded as unrestricted assets held for limited use.

Temporarily restricted In the event a contribution, independent of a burial contract, is made to the cemetery that is restricted by time or purpose, the unexpended portion is presented as temporarily restricted. Expenses may be incurred for purposes for which both unrestricted and temporarily restricted net assets are available. If such an expense is incurred, the temporarily restricted net assets are used first unless the expense is for a purpose that is directly attributable to another specific external source of revenue.

Permanently restricted If a contribution is made to the cemetery which stipulates that the principal cannot be used and only the earnings thereon are to provide special care or adornments (i.e., flags, wreaths, etc.) or perpetual maintenance for all or any portion of the entire cemetery grounds, then these funds are permanently restricted. The earnings on the funds used to provide this required special care or adornments are treated as current revenue. Any unused earnings would be treated as temporarily restricted until the required special care or adornments are provided.

Revenue Recognition for Deferred Service Contracts Typically, revenue is recognized upon the execution of a contract at the time a contract is signed. Some sales contracts provide for the option to prepay burial or other service fees. Such prepayments are reflected as deferred revenues and are recognized as revenue when the burial or other service is performed.

Rights of Return Some cemeteries have sales contracts that provide for the right of return for a definite period. A provision for cancellation of those sales contracts written in prior years is recorded in the financial statements based upon historical experience.

Amortization of Developed Space Inventory of developed space should be recorded at historical cost. The cost of each space is based on an allocation of total expenses incurred in developing the burial space. The costs of the space is computed on a basis of the cost of each space sold and is recorded as cost of sales at the time of sale.

Installment Sales Contracts Some cemeteries allow customers to purchase contracts on the installment method. A provision for interest in accordance with Codification 835 needs to be considered if the interest rate is below market. If preneed contracts are sold, there could be state requirements to segregate some or all of the funds collected in a trust. The accounting and reporting can be significant based on contractual and cancellation terms.

Budgeting

One of the important tools in the financial planning process is the budget. Each Parish must operate within a budgetary framework which starts with the initial planning for the preparation of the budget and is completed with the actual implementation and comparison of actual financial data to budget data. The primary purpose of the budget is to identify the financial resources needed to accomplish the Parish's programs. Budgetary control and financial reporting should assure all concerned that Parish funds are administered properly. The first step is to study the specific needs of the Parish, the comparative urgency of each need, and complete a thorough review of the income possibilities. Operating and Capital Budgets must be reviewed by the Finance Council before being submitted to the Office of Finance & Administration at the Diocese of Lafayette in Indiana.

Martus Budgeting Software

Martus makes church budget management easier by bringing your teams together, automating tasks, and keeping everything up-to-date in the cloud—all in real time. Martus integrates seamlessly with Sage Intacct Accounting software. Martus will be used for all budgets beginning in 2026.

Budgeting Guidelines

The budgeting guidelines are presented here. The material is intended to describe the essential elements of the budgeting process and provide advice on how to implement them. Annual Parish budgets should be prepared so that planned expenditures do not exceed expected revenues. When a Parish develops a "deficit budget", where planned expenditures exceed expected revenues, approval must be obtained from the Bishop, even if reserves cover the deficit. Bishop approval of the budget is also required, when a Parish has operated at a deficit for the past two completed fiscal years.

A Parish is a community of believers working together in responding to God's call. Because of our unique perspectives on what that response should be, there may be differences of

opinion about how the Parish should act in various situations. These differences come to the forefront when those actions require funding and are seen as competing in the budget process. The school budget should be developed independently, as should the proposed budgets for other programs, and the proposed school budget should be integrated with those of other programs to form the consolidated parish budget. ***The school budget must be approved a month prior to the collection of tuition for the new school year.***

In discussing the budgeting process, reference should be made to the Budget Review Committee. This is a committee (possibly ad hoc) appointed to prepare a recommended parish budget. It can take different forms in various parishes including the Finance Committee, Business and Administration Committee, or a similarly named committee of the Parish Council. There are several factors and phases that should exist in the budgeting process. In practice, however, the lines among these factors are often blurred. The specific factors include:

- Budget Process
- Budget Approval
- Budget Implementation
- Budget Review and Comparison
- Budget Timeline

Budget Timeline

As much time should be provided to the budget process as is needed in each individual circumstance. Sufficient time is necessary to allow those involved in the budget process to prepare and review the data to be submitted. This should recognize that many facets of budget preparation include volunteers who are involved in the various programs as chairpersons, as well as staff, advisory boards, and other interested parties. Contract timelines must also be taken into consideration. The following general timeline should provide sufficient time for all aspects of the budget preparation and approval process. The span of time indicated by the chosen dates should be sufficient for most parishes to perform the necessary budgeting tasks. The dates used are for a calendar year and are simply a general guide for the suggested time frame for Budget preparation.

July 15th - Budget forms should be distributed to responsible persons for any program or function in the Parish. Only portions of the budget forms which apply to each specific program or function should be completed. Previous fiscal year, current

fiscal year, and budgeted fiscal year financial data should be provided by the Director of Operations.

August 31st - Completed budget forms should be returned to the Director of Operations and assembled by designated members of that committee prior to review by the whole committee. In assembling the various programs or function budgets, a consolidated budget should also be prepared.

September 30th - The Budget Review Committee should complete the initial review of the proposed budget. The review should provide for suggested adjustments or areas of adjustment to ensure a balanced budget.

October 1st-15th - The Pastor and Director of Operations discuss proposed adjustments with persons responsible for the program budget preparations.

November 1st - The Budget Review Committee finalizes proposed budget and submits a summary of the proposed budget to the Parish Finance Council members in advance of the November Parish Finance Council meeting.

November 2nd to 30th – the proposed budget is presented to the Parish Finance Council for discussion and approval by the Pastor/Pastor Administrator should be obtained through the Parish Finance Council.

Budget Process

A budget is a written financial plan covering a future fiscal year. Budgets should be developed for operating purposes and for capital investments. These guidelines and suggestions focus on what is called a "program budget." The various activities to be performed are identified by the program or service that is anticipated. The proposed conduct of continuing programs as well as possible new programs are included in this process. All programs or functions of the Parish should be a part of the budget process. It is important that if any expenditure is to be made, that the people responsible for the expense be consulted. And the expenditure be evaluated considering the approved budget.

The budget process should proceed according to a timeline established by the Chancery. A suggested budget timeline is described while the sequence of budget activities is described below. Also, the roles of the various people involved in the process are outlined at the end of this budget section. ***All persons preparing a budget should be familiar with***

the standard Chancery's Chart of Accounts and what is included in each revenue and expense category. Committee members and Parish employees should be made aware of their responsibility in the preparation of an accurate budget and, at the same time, of their responsibility for monitoring the budget as finally approved. They should be made aware of the basic objectives and goals of the Parish. Instructions should be provided to all preparers as to what fiscal parameters should be considered in the upcoming fiscal year. Items to be taken into consideration are as follows: providing for price increases; anticipating new programs; and availability of funding.

Often, budgets are prepared, using prior year actual figures with an automatic percentage increase. Although certain categories of the budget lend themselves to automatic percentage increases, e.g., liability insurance, expected revenues and planned expenditures. Each budget year should determine the specific programs or functions using the appropriate activity levels for the year.

A standard set of budget preparation forms should be developed and used by each committee or employee in charge of the program. The importance of uniformity in the budget preparation form becomes apparent when the total consolidated budget of the Parish is assembled. At the beginning of the budget preparation cycle, all committee members, and employees responsible for any program or function, should be provided with these standard forms. To the extent that new programs are anticipated by the Parish Finance Council or other persons, the scope of those programs should be identified by the responsible person preparing the proposed budget. In addition, previous year data including budgeted amounts and actual revenues/expenses should be provided to the budget preparers.

Projecting revenues and expenses on a monthly or quarterly basis can assist in the budget process. The more refined breakdown of projecting revenues and expenses by month or quarter should often suggest ways of leveling the expenses and determining where new revenues should be required. These monthly or quarterly projections should be provided to the budget preparer as an additional tool to help prepare the budget, or they might be part of the required budget package for each program, depending on the needs of each individual parish. The Budget Review Committee should provide the preparer with the monthly or quarterly revenue and expense data, budget and actual. At this point in the budget process, often, funding desired for programs or functions is unavailable.

As required by canon 1284, a Parish has an obligation to safeguard donations and other revenues it receives.

Forecast expenses/revenues each year. Some revenue lines found in an operating budget include:

- Grants/awards broken down by funding source with time and purpose restrictions, if applicable
- Revenues from fundraising activities
- Sales of goods or services by specific type (if more than one)
- Interest
- Total revenues

Once the proposed budget has been reviewed and suggested adjustments made to balance the Parish budget, a member(s) of the Budget Review Committee and the budget preparers should meet with the responsible persons for programs or functions to discuss the proposed adjustments. However, any changes should not be allowed to unbalance the total overall Parish budget. The resulting proposed budget is forwarded to the Parish Finance Council for its review and action. Normally, a summary of the proposed budget is presented with the Budget Review Committee available to address specific issues with the budget.

Parish budgets demonstrate responsible fiscal stewardship when they account for:

- Meeting normal operating expenses
- The provision of sufficient reserve funds (6 months)
- Contributions to a capital improvement fund for the long-term maintenance of facilities
- Payments of insurance premiums
- Payments to employee benefit and retirement plans
- Appropriate accruals for the servicing of existing debt

Budget Approval

The development of a balanced budget should be a cooperative effort of the Parish Finance Council and the Pastor/Pastor Administrator. The proposed final budget should be presented to the Finance Council for review. Any substantial increase in expenditure, decrease in funding, or a new program should be discussed thoroughly with the Parish Finance Council. These factors should have been discussed with the Parish Finance Council during the initial stages of the budget process, and the discussion at this time would reflect the impact on the total parish budget.

If the Parish Finance Council does not agree with a certain portion of the proposed budget, it should return the entire budget to the Budget Review Committee with a rationale for disapproval and the suggested solutions.

The Budget Review Committee should meet with the various people responsible for the preparation of the budget and communicate the proposed adjustments for the affected programs or functions. The proposed budget should be adjusted as appropriate, and resubmitted to the Parish Finance Council for review.

The Pastor is the chief juridic officer of the Parish according to canon law, the Pastor should have final authority over the budget. The Pastor may exercise that authority through the vote and consensus process of the Parish Finance Council or may choose to do so in a separate approval action after receiving a recommended budget from the Parish Finance Council. If the Pastor/Pastor Administrator feels that he must in conscience veto the Parish budget, he should resort to the normal appeal procedures. If the conflict cannot be resolved locally, the matter can be referred to the Bishop's office and action on the budget is suspended until the conflict is resolved.

Budget Implementation

The final approved budget must be entered / uploaded prior to the first day of the new fiscal/calendar year. It is required that a summary of the approved budget be given to the Parish (e.g., Parish bulletin) in order that the entire Parish community is fully aware of the proposed financial emphasis for the coming year. Expenditures should not exceed the limits of the approved budget. The budget is used to make certain that the funds are spent only for approved programs and that budgets should not be exceeded unless approved by the Pastor/Pastor Administrator after consulting with the Budget Review Committee and the Parish Finance Council.

Budget Review & Comparison

While having a structured budget is essential, churches should also be prepared for unexpected expenses. Therefore, a budget should not be a set-in-stone document. Periodic reviews, at least quarterly, allow for adjustments based on actual income and expenditure. Budgets should be continuously reviewed. Monthly financial reports should be prepared comparing actual figures with budgeted figures and any discrepancies should be reviewed with the people responsible for the specific program or function. ***Any variance and / or discrepancy must be reviewed with the Parish Finance Council.***

The Pastor of a Parish is normally responsible for expenditure approval. There may be occasions during this process, where the Pastor is considering Finance Council involvement. If the expenditure will cause total expenses to exceed the Finance Council accepted budget, then additional funding is necessary. This appropriation for additional funding will come from the Finance Council. If the expenditure will not cause total expenses to exceed the Finance Council accepted budget, the Pastor can approve without Finance Council involvement. Although there is no official Diocese of Lafayette policy, it would be an appropriate goodwill gesture for the Pastor to share the expenditure information with the Finance Council, if the dollar amount is material or significant.

Cash Flow Analysis

Once Operating and Capital budgets are prepared and approved, it can be very beneficial to analyze the budgeted fiscal period cash flows. The need for monthly supplemental cash flow analysis is especially important when the inflows and outflows of cash are mismatched. Many organizations, which are primarily donation-supported, have fluctuations in their cash flow during the fiscal year. During Christmas and Easter, a Parish may be cash rich, whereas; a Parish may be cash starved during the summer. Similarly, schools tend to be cash rich at the beginning of a semester and cash poor in June and July. Consequently, a cash reserve must be maintained to cover the fixed costs of operating the institution during times when cash flow is traditionally low. Sage Intacct contains a standard Cash Flow report. It is currently being developed for use in the Diocese.

Financial Statements

Each Parish should prepare basic financial statements on a monthly basis, including a Balance Sheet/Statement of Financial Position and an Income (Loss)/ Statement of Activity. A Parish should also include a Statement of Changes in Fund Balances or a Statement of Cash Flows. A financial report should be prepared to compare actual expenditures against the approved budget. Variances should be explained. These reports should be distributed to not only the Finance Council, but also to the Ministry and Operational department leaders. The Finance Council may request supplementary information, for example, investment activity.

- As much as possible, internal financial reporting should be on a basis consistent with external financial reporting.
- Financial statements should present adequate information to serve as the basis for an informed review.

Current Internal Audit

According to the American Institute of Certified Public Accountants, a system of internal controls is the plan of an organization and all its adopted coordinated methods to:

- Safeguard its assets
- Ensure the accuracy and reliability of its accounting data
- Promote operational efficiency and effectiveness
- Encourage adherence to prescribed managerial policies

This definition recognizes that a system of internal control extends beyond those matters that relate directly to the functions of the accounting and financial staff members. Internal control is the process of assuring achievement of your mission objectives with operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

- Separation of Duties - Directors of Operations, Accounting Managers, Staff Accountants, Bookkeepers and Volunteers are responsible for the various steps associated with each transaction. Directors of Operations and Accounting Managers would have more review and approval tasks, while Staff Accountants, Bookkeepers, and Volunteers would have more preparation, execution, and recording tasks. The roles of authorizing transactions, having custody of assets, and keeping records should be separated within the Parish Accounting and Administration departments. In the case of financial assets, custody is maintained by a reputable financial institution.
- Position specific responsibility – In the full cycle from Purchase Order to Invoice, many individuals throughout the Parish could initiate the need for a Purchase Order. Any discrepancies between PO and invoice would be remedied by the PO initiator or Accounting Manager / Director of Operations.
- Utilize sequential numbering - All checks, forms, and documents should have a logical numbering system, accounting for all (unused and voided) numbers. This helps prevent common errors such as losing documents, confusing similar documents, and handling the same transaction twice.
- Storing supporting documentation with the transaction – Sage allows for attaching supporting documentation to most transactions. This facilitates efficient research for both internal and external purposes.
- Finance Council Involvement – For all transactions that exceed a certain dollar threshold, Finance Council review is mandatory. Depending on Parish size, dollar limits will be established for both operating and capital expenditures. A smaller Parish may have a \$ 1,000 operating threshold and a \$ 25,000 capital threshold. A larger Parish may have \$ 5,000 and \$ 50,000 thresholds respectively.
- Clearly Documented Processes - for handling routine transactions. Sage steps for these types of transactions should be standard across the Diocese. For more

involved activities, utilizing a monthly, weekly or daily checklist can be beneficial to ensure that all steps are completed. All parishes will be required to use a standard checklist for the monthly and yearly close processes.

- Utilizing Activity Logs – Sage offers Activity Reports / Logs by item, department, location, and fund, etc. Generating the Activity logs or reports at the time of the transaction, allows for verification and reconciliation to future Sage summary reports.
- Sage Reporting Integrity - Verifying calculations using some form of cross-footing (comparing addition of rows to addition of columns). Spreadsheets can be used to confirm Sage reporting information.
- Adequate Security Measures - Requiring IDs, using locks or other limits on physical access. Information Systems require Userid, a strong password, and two step verification where appropriate.
- Reviewing all procedures regularly and making required adjustments when necessary.

Internal control is a process. It is a means to an end, not an end itself. It is accomplished by people, it is not merely policy manuals and forms, but people at all levels of the Parish. Internal control can be expected to provide only reasonable assurance, not absolute assurance.

Internal Financial Review

When a Pastor or Director of Operations ends a term at a Parish, or every three years, a full financial audit is requested. It is important to be able to separate both financial and administrative details from one Pastor to the next. A reconciliation of all accounts will be performed. The Director of Operations and the Accounting/support personnel will need to be accessible to provide documents as requested and answer questions. Complete honesty and full cooperation is expected at all times from the pastor, staff members of the parish, or volunteers in the parish. At the start of the review, please have the most recent financial statement available along with the most recent reconciled bank and investment accounts with statements.

The schedule of the type and time interval for a review is as follows:

- 2 or fewer years – quick high level account summary review
- Every 3 years – normal parish review
- More than 6 years to 10 years – detailed parish review
- More than 10 years – approaching a full audit

Each Parish should have an internal review committee. In the larger Parishes, there may be a more formalized Audit Committee while the smaller Parishes should be working with their Parish Finance Council. The purposes of the committee are as follows:

- Ensure that the Parish is operating in accordance with the Diocese of Lafayette-in-Indiana's Accounting Manual.
 - Ensure internal control procedures are being followed.
 - Ensure the accuracy of Parish financial reports.
 - Examine underlying documentation to support the financial statements.
- Recommend any changes, the committee believes it is appropriate to improve financial structure and internal control.

The annual internal review by the committee should be undertaken as soon as possible after the annual financial report has been completed. A written report should be prepared which briefly summarizes the procedures the committee follows and its findings and recommendations. The report should be reviewed with the Pastor who should communicate the recommendations to the Parish Finance Council. Additionally, the report should be submitted to the Chancery's Finance Department.

Formal Diocesan Review On-Site Procedures

1. On arrival, the reviewer(s) shall meet with the administrator. Then, the reviewer will meet with other personnel who have fiscal management responsibilities to describe the purpose of the visit and the financial review plan, including the order of activities for the visit. (This information may be exchanged in one or more meetings as appropriate.) The on-site financial review, at a minimum, will include the activities described below.
2. Confirm cash accounts year-to-date including all checking, stipend, savings, investment, and restricted fund accounts. Please have the following materials for the Parish and all affiliated organizations available:
 - Checkbooks
 - Savings Passbooks
 - Bank Statements (year-to-date)
 - Bank Reconciliations
 - Computer Generated Reports, if available.
3. Obtain at least two monthly bank reconciliations for the primary checking account (months to be selected by the reviewer), and test math accuracy.
4. Compare bank statement balance to book balance.
5. Examine reconciling items for propriety, including deposits in transit and outstanding checks, and compare to the next most recent statement.

6. Review supporting documentation for randomly selected expenditures, including small as well as large expenditures.
7. Obtain supporting details for investments. Examine or confirm all such investments for all things, including cemeteries and trusts.
8. Review misc. revenue accounts, as necessary. Determine that miscellaneous receipts are not offset against expenditure.
9. Inquire as to any unrecorded cash, and schedule.
10. Review and test payroll procedures.
11. Review payroll for proper inclusion of eligible employees in the Lay Employee Retirement Plan and Health Plan.
12. Obtain detail of restricted funds and test compliance with restrictions.
13. Review school and cemetery procedures and records if applicable.
14. Confirm responses to questions on Internal Control Questionnaire, if needed.

Report Procedures

- The reviewer(s) will prepare a summary narrative of the work performed, noting the exceptions and conclusions reached as well as any preliminary recommendations before leaving. These results will be presented at a meeting with the Pastor/Pastor Administrator and other personnel at the end of the on-site visit. (This information may be exchanged in one or more meetings as appropriate.) This meeting also provides an opportunity for involved personnel to offer input as to how they can carry out the recommendations.
- Within four to six weeks of the actual site visit, the reviewer(s) will prepare an Administrative Review Report of the visit with detailed findings, conclusions, and recommendations about the current fiscal management practices. The report will be submitted to the Chancery's CFO for review. A summary report will also be presented to the Bishop.
- The approved report will be sent to the Pastor/Pastor Administrator within six to eight weeks of the on-site visit and to the Chancery's CFO. The approved report will be retained in the official files in the Chancery.
- Within ninety days of receipt of the approved Administrative Review Report, the Pastor/Pastor Administrator shall notify the Pastoral Office for Administration of any action taken regarding the significant issues in the report and any specific action taken in response to the recommendations included in the report on those issues. Records of additional action are encouraged but not required.

DIOCESE OF LAFAYETTE IN INDIANA

INTERNAL CONTROL QUESTIONNAIRE

Parish/School:

Location:

Pastor/Priest Administrator:

Director of Operations:

Finance Council Chairperson:

Person(s) who maintains Accounting records:

Person(s) who maintains Accounting records:

On-site visit date:

Purpose:

This questionnaire is designed to help the Office of Finance and Administration, and the reviewers assigned to conduct the financial review in your parish/school, to evaluate the accounting controls and financial management procedures in use. The purpose of this questionnaire is not to find fault or place blame; it is intended to identify areas where internal controls can be improved or strengthened as part of our stewardship process. The answers to these questions will help the reviewers in assisting you in improving the quality of the financial information you use, as well as improve the security of your assets. If space is insufficient to respond to a question, please provide the answer on the Appendix tab and cross reference it to that question number. The Appendix tab is the last tab of the Excel worksheet.

Instructions:

Please answer each of the questions on the series of tabs, identify the persons completing the questionnaire, and submit the completed questionnaire, along with a copy of the most recent monthly financial statements signed by the pastor/priest administrator, to:

smitchell@dol-in.org

OR
**Pastoral Office for Administration
P O Box 260
Lafayette, IN 47902**

These materials should be emailed/mailed to arrive **no later than**_____.

Please retain one copy of the completed questionnaire for your Parish records.

Please attach the latest annual report / letter sent to the Diocese.

List the personnel for the following activities:			
Able to make deposits in the bank			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Records the deposits into the respective systems (Intacct, Ministry Platform, etc)			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Reconciles the bank accounts			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Approves the bank reconciliation			
	(Name)		(Title)
	(Name)		(Title)
Enters invoices for processing (Intacct)			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Creates the Accounts Payable checks			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Access to and approves ACH/EFT payments			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Has Parish/School credit card access			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Signors on the bank account			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)
Processes payroll			
	(Name)		(Title)
	(Name)		(Title)
	(Name)		(Title)

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Administration (A)</u>		Yes	No	N/A	Remarks
A1.	Do the accounting records include the applicable accounts, controls and subsidiary records prescribed by the Diocesan Best Practice Guide?				
A2.	Does the Parish/School follow the pertinent accounting procedures called for in the DOL-Finance and Accounting Manual?				
A3.	Are investment, accounting records and unused checks maintained in a safe or locked fireproof cabinet?				
A4.	Have monthly financial reports been prepared?				
A5.	Are the monthly financials reviewed by the Parish Council or Finance Committee?				
A6.	Are all special events properly recorded in accordance with the DOL-Finance and Accounting Manual policy of reporting income and expenses separately?				
A7.	Is the gaming permit valid? Is there a separate gaming bank account that is reconciled monthly and reported correctly on the financial statements?				
A8.	Do journal entries have documentation attached?				
A9.	Are all contract or grant agreements recorded in the general ledger?				
A10.	Are there any lease agreements that need reviewed other than office equipment (under accounts payable)?				
A11.	Please list name and title of individual who normally opens the mail.				
A12.	Does the Priest or DOO control the keys to Parish properties?				
(a)	Is a record kept of all keys in use?				
(b)	Are all extra keys kept in a locked cabinet?				
(c)	Is there a termination check list such that all keys, passwords, credit cards, phones, etc. are returned?				
(d)	Is there a process for updating pass codes to doors, safes, etc. when a person leaves?				
A13.	Does the Parish have a Finance Council?				
(a)	Are Finance Council members term of service 3 years?				
(b)	Are rules in place to ensure that Finance Council members do not serve for any more than two consecutive 3 year terms?				
(c)	Are minutes of Parish Finance Council meetings prepared and maintained at the Parish?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

Internal Control Questionnaire		DOL Finance and Accounting Manual (DOL-FAM)			
		Yes	No	N/A	Remarks
Banking (BK)					
BK1.	Do all bank accounts have the the pastor/administrator and Diocese CFO as signators? Please list all signators for all bank accounts on Appendix Tab.				
BK2.	Are all the bank accounts of affiliated Parish/School organizations included in the financial statements?				
BK3.	Do persons who have no cash receipts or disbursements functions reconcile the bank accounts each month?				
BK4.	Have the bank accounts been reconciled to date of financial statement review?				
(a)	Are the bank accounts reconciled on a monthly basis?				
(b)	In the Remarks section, describe how long it takes to complete bank reconciliations.				
(c)	Is the bank reconciliation reviewed and signed by someone other than the individual performing the reconciliation?				
(d)	If cancelled checks are received in the mail or are available on-line, are they reviewed for authorized signatures, irregular endorsements, or alterations?				
(e)	Investigation of bank transfers to determine that both sides of the transaction have been properly recorded on the books?				
BK5.	Are checks that are outstanding for a considerable period of time investigated, payment stopped, and either reissued or voided?				
BK6.	Is a signature stamp or automatic check signer utilized for signing checks?				
BK7.	Are stipends maintained in a separate account?				
(a)	How often is the account reconciled?				
(b)	Are the procedures being followed as documented in the DOL - FAM?				
BK8.	Does the Parish have any monies invested in stocks, bonds, and mutual funds, other than in the Diocesan Central Bank Deposit Fund ?				
BK9.	Is Positive Pay being utilized for the General Operating Checking account ?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Cash Funds (CF)</u>		Yes	No	N/A	Remarks
CF1.	Is a petty cash or other cash fund maintained?				
CF2.	Is the responsibility of cash funds vested in only one person?				
CF3.	Is there an established maximum amount for individual disbursements from each fund?				
CF4.	Are fund disbursements evidenced by supporting data properly approved?				
CF5.	Are payees required to sign vouchers for all disbursements?				
CF6.	Are replenishments approved by persons other than custodians upon adequate inspection of supporting data? How often is this done?				
CF7.	Are supporting data effectively canceled at the time of fund reimbursement to preclude their reuse? (ie attached to replenishment request)				
CF8.	Is the cashing of personal checks prohibited?				
CF9.	Are surprise counts made of cash funds by an independent person?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
		Yes	No	N/A	Remarks
<u>Cash Receipts (CR)</u>					
CR1.	Does the Sunday collection process follow the DOL-Finance and Accounting Manual policy?				
CR2.	Does the special collection process follow the DOL-Finance and Accounting Manual policy?				
CR3.	Are cash receipts:				
	(a) Deposited intact daily?				
	(b) Posted as received?				
	(c) Is a Night Depository used?				
	(d) If receipts remain, are they kept in a safe or fireproof cabinet? Who has access?				
CR4.	Are counters rotated on a periodic basis?				
	(a) How many counting teams are there?				
	(b) Are Family Members or Relatives serving on the same counting team?				
CR5.	Are all checks endorsed for deposit only to the credit of the parish/school when counted or as soon thereafter as possible?				
CR6.	Are personal checks accepted in the payment of tuition limited to the amount of tuition due?				
CR7.	Are refunds made by check only?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

Internal Control Questionnaire		DOL Finance and Accounting Manual (DOL-FAM)			
Cash Disbursements (CD)		Yes	No	N/A	Remarks
CD1.	Is the supply of unused checks adequately safeguarded and under the custody of persons who do not sign checks manually nor have access to a signature stamp?				
CD2.	Are checks prepared only on the strength of properly approved check requests containing documentation by persons who do not approve the check requests?				
CD3.	Are spoiled checks mutilated or properly voided to prevent reuse and kept on file for subsequent inspection?				
CD4.	Is the practice of drawing checks to "cash" or "bearer" prohibited?				
CD5.	If a signature stamp or automatic check signer is used, are they kept locked when not in use? Who has access to them?				
CD6.	Are the check signers authorized by the pastor/administrator?				
CD7.	Do the persons who manually sign checks (at least one person where dual signatures are required) or control the use of the signature stamp scrutinize supporting documents at the time of signing?				
CD8.	Are the persons who manually sign checks or control the use of the facsimile signature plates independent of:				
(a)	Others requesting the specific expenditure?				
(b)	Persons approving check requests?				
(c)	Persons preparing the accounts payable register or reconciling open payables with the general ledger?				
(d)	Persons preparing checks?				
(e)	Persons preparing the cash disbursements journal or transaction register?				
CD9.	If there is a "No" answer for CD8 a - e, is the indicated weakness minimized:				
(a)	By dual signatures where both signers scrutinize the supporting data or				
(b)	By dual signatures where one signer is independent of the functions in the preceding question and this signer scrutinizes the supporting data?				
CD10.	Is the signing of checks in advance of their being completely filled out prohibited?				
CD11.	After a check has been prepared and signed, is the check stub attached or payment information indicated on the invoice?				
CD12.	Are checks mailed without allowing them to return to persons who prepare checks or approve check requests for payment?				
CD13.	Are all restricted funds being used for the intended purpose?				
CD14.	Are the pastorate expenses being allocated to the parishes in accordance with the DOL-Finance and Accounting Manual policy and included in the parish financial statements?				
CD15.	Is there a procedure for ACH/EFT payments?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

Internal Control Questionnaire**DOL Finance and Accounting Manual (DOL-FAM)****Purchasing (P)****P1.** Are purchase orders used?**P2.** If so, are they:**(a)** Prenumbered and controlled?**(b)** Required for all purchases, except small items purchased from petty cash?**(c)** Prepared only on the basis of a proper request approved by authorized persons?**P3.** Are competitive bids received on purchases of materials, supplies, services, equipment, and construction contracts over a specified amount in accordance to the DOL -Finance and Accounting Manual?**P4.** Are written explanations required in instances where bids were not requested or where the purchase was made from other than the lowest bidder?**P5.** Do persons independent of the purchasing office (such as a member of the parish finance council or school board) periodically review prices paid for items to determine that such prices are not in excess of current market prices?**P6.** Is there an adequate record of open purchase orders and commitments?**P7.** Is information clearly indicated on the purchase order where partial shipments are involved as to payment to avoid duplicate payment upon completion of the order?**Name of Person Completing This Schedule** _____**Title of Person Completing This Schedule** _____

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
		Yes	No	N/A	Remarks
<u>Accounts Receivable/ Pledges/ Donations (AR)</u>					
AR1.	Are pledge and tuition subsidiary records maintained on a current basis and reconciled to the general ledger monthly?				
AR2.	Are there any past due balances or balances over 30 days past due?				
AR3.	Fund raising campaigns:				
(a)	Are pledges, payments, and expenses being recorded in accordance with the DOL-FAM policy?				
(b)	If a sub-ledger of pledges is utilized, is it reconciled to the general ledger monthly?				
AR4.	Are all online donations and weekly envelopes posted timely to the proper donor record and tie to the general ledger?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Investments (I)</u>		Yes	No	N/A	Remarks
I1.	Are securities and investment transactions reviewed by the parish finance council or school board?				
I2.	Do all investments follow the DOL-Finance and Accounting Manual policy and USCCB standards for Catholic investing?				
I3.	Are the investment records kept by persons independent of those having access to the securities?				
I4.	Do the investment account statements agree to those balances report on the financial statements?				
I5.	Does the Parish have any monies invested in stocks, bonds, and mutual funds, other than in the Diocesan Central Bank Deposit Fund ?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Inventory Management (IM)</u>		Yes	No	N/A	Remarks
IM1.	Are materials and supplies adequately safeguarded against loss by theft by being kept in locked areas, access to which is granted only to authorized individuals?				
IM2.	Do you maintain a SCRIP program ?				
	(If "No" , skip to Question IM7)				
IM3.	Are the SCRIP gift cards stored in a locked cabinet or safe ?				
IM4.	Is SCRIP delivered directly to buyer in person?				
IM5.	Are accurate records maintained on all SCRIP purchases and sales ?				
IM6.	Is an Inventory of SCRIP gift cards maintained ?				
	(a) Is the Inventory of SCRIP gift cards taken weekly ?				
	(b) Do two individuals sign off on the Inventory count ?				
	(c) Is anyone involved with the SCRIP program that is on the Parish payroll ?				
	(d) Do purchasers of SCRIP have the option of receiving the rebate in cash ?				
IM7.	Do you operate a Gift Shop or Bookstore ?				
	(If "No" , skip to next tab)				
IM8.	Is inventory of merchandise maintained, recorded, and on the books?				
IM9.	Is the Inventory of Gift Shop / Bookstore merchandise taken monthly ?				
IM10.	Are accurate records maintained on all purchases and sales ?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Fixed Assets (FA)</u>		Yes	No	N/A	Remarks
FA1.	Are detailed property, plant and equipment records maintained?				
FA2.	Is a Net Present Value / Discounted Cash Flow Analysis Performed prior to Fixed Asset acquisition ?				
FA3.	Are periodic checks made of the physical existence of the items shown in the detailed asset records?				
FA4.	Has the repairs and maintenance account been reviewed for possible asset additions?				
FA5.	Is the policy in the DOL-Finance and Accounting Manual being followed in regards to asset records and depreciation lives?				
FA6.	Is a Construction in Process account utilized for accumulating Capital Project expenditures ?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Accounts Payable (AP)</u>		Yes	No	N/A	Remarks
AP1.	Are all invoices received directly from the mail opened by the persons who process invoices for payment, and is control over the invoices established immediately upon receipt?				
AP2.	Does the processing of items for payment include:				
(a)	Check of terms, prices, and quantities on invoices against purchase orders?				
(b)	Mathematical check of footings, extensions and discounts?				
(c)	Check of account distribution?				
(d)	Check of invoices which do not involve purchase orders (e.g. fees and travel) for approval by authorized persons?				
AP3.	Are there any leases that need special treatment on the financial statements? Such as copier, lease to own.				
AP4.	Are all items for payment checked and approved by persons independent of those requesting the specific expenditures?				
AP5.	Do expense reports contain documentation and proper approvals? Do all expenses fall under reimbursable expenses per the DOL -Finance and Accounting Manual?				
AP6.	Are ACH/EFT payments utilized? Do they follow the same approval process as invoices?				
AP7.	Are there any past due invoices or invoices over 30 days past due?				
AP8.	Is an Accounts Payable Trial Balance or Aging taken and balanced to the General Ledger control on a monthly basis?				
AP9.	If necessary, have all 1099 forms been prepared and filed for the prior year?				
AP10.	If necessary has the 990T been prepared and filed for the prior year?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Credit Card Payment Processing (CC)</u>		Yes	No	N/A	Remarks
CC1.	In Remarks section, list the holders of Credit Cards.				
CC2.	In Remarks section, list the holders of Store Cards.				
CC3.	Is all documentation attached/submitted for all charges?				
CC4.	Has the proper approval been noted?				
CC5.	Does the credit card statement reconcile to the accounts payable invoice?				
CC6.	Are all credit card receipts and expense reports linked to the credit card purchases?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Payroll (P)</u>		Yes	No	N/A	Remarks
P1.	Review a list of payroll with the pastor/principal. Are all individuals listed legitimate and the pay rates appropriate?				
P2.	Are pay increases documented?				
P3.	Are personnel files complete?				
P4.	Are all salary levels reviewed by the Parish Finance Committee or its Chairperson?				
P5.	Have all eligible employees been offered coverage under the Diocesan health insurance and 403(b) programs?				
P6.	Is the Priest compensation, mileage, and food reimbursement consistent with the Priest compensation policy?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Cemetery (CM) (if applicable)</u>		Yes	No	N/A	Remarks
CM1.	Are there separate accounts for cemetery operations, perpetual care, or care funds? Are they reconciled monthly and agree to the general ledger?				
CM2.	Are all the accounts listed in the General Ledger and included in the financial statements of the parish?				
CM3.	Are all the accounts reconciled on a monthly basis?				
CM4.	Are there any transfers or payments from/to the parish and are they recorded on the financial statements?				
CM5.	Are there invoices generated to customers and payments received for those invoices? Are they recorded on the financial statements?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>Budget (BU)</u>		Yes	No	N/A	Remarks
BU1.	Is an annual operating budget prepared?				
(a)	Is the operating budget reviewed by the Parish Finance Council?				
(b)	Are all changes to the operating budget recommended by the Finance Council recorded in the minutes?				
(c)	Is there a periodic review of the operating budget by the Finance Council?				
(d)	Is a comparison of actual to budget prepared?				
(e)	Are variances noted with explanations and documentation?				
BU2.	Is an annual capital budget prepared?				
(a)	Is the capital budget reviewed by the Parish Finance Council?				
(b)	Are all changes to the capital budget recommended by the Finance Council recorded in the minutes?				
(c)	Is there a periodic review of the capital budget by the Finance Council?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

<u>Internal Control Questionnaire</u>		DOL Finance and Accounting Manual (DOL-FAM)			
<u>System Safeguards (SS)</u>		Yes	No	N/A	Remarks
SS1.	Are computer files backed up at least weekly?				
SS2.	Are backups maintained in a secure area off-premises?				
SS3.	Is surge protection used?				
SS4.	Is access to computer programs limited to authorized individuals with passwords?				
SS5.	Has the Resultant Network Upgrade been completed?				
Name of Person Completing This Schedule _____					
Title of Person Completing This Schedule _____					

Month-End Closing Checklist

A monthly / annual checklist is a list of things to do to “close the books” for the period. This not only ensures that no process or procedure is omitted, but it also helps achieve consistency and comparability before financial statements are prepared. Books should be “closed” within 4 weeks of the end of the month.

Accounts Payable

- Enter all vendor invoices for month
- Enter all automatic payments
- Enter all diocesan invoices
- Reconcile & enter credit card
- Reconcile and process Petty Cash reimbursement
- Print A/P Aging vs General Ledger

Accounts Receivable

- Create any bills
- Post all A/R payments
- Print A/R Aging vs General Ledger

Banking

- Enter all weekly collections and deposits
- Enter all online deposits
- Enter any automatic deposits / disbursements
- Savings of Net Income Requirement (Diocesan Mandate 5% of Net Income transferred to Savings / Investment account)

Payroll

- Record payroll Entries including any transfer
- Record pension expense accrual
- Record Charles Schwab activity

Fixed Assets

- Review General Ledger Detail for Expenses that should be Capitalized
- Convert any CIP assets
- Review, create Depreciation schedules for new assets
- Post Depreciation
- Fixed Asset Rollforward vs General Ledger

Monthly Entries

- Accrued Expenses expensed
- Depreciation
- Inter-Entity clearing invoices and deposits
- Inventory adjustment Script (Gift shop annually at minimum)

Investment activity
Prepaid Expenses expensed
Savings at Diocese activity (quarterly)

Reconciliations

All bank accounts
All investment accounts
A/R and A/P Aging vs General Ledger
Fixed Asset Roll forward vs General Ledger
Reconcile donations from ministry platform vs General Ledger
Reconcile student tuition from school software vs General Ledger
All Outside systems vs General Ledger

Payroll

Payroll is processed by a third party, *Paylocity*. The related payroll journal entry, related benefits and tax liabilities should be recorded in the general ledger after each pay period within **five business days**. The parish will employ two types of individuals: clergy and lay employees. Clergy are not subject to Social Security or Medicare, while lay employees are subject to these provisions. ***All parishes and pastorates should have a copy of “Income Taxes for Priests Only” for a reference guide.***

The Priest Compensation Policy is updated annually by the Vicar of Clergy.

The Diocese of Lafayette in Indiana Book 2 Policy # 600.

Salaries and other compensation for individual parish employees should be documented and approved by the Pastor and/or Finance Committee, and Chancery Human Resource Staff. Compensation levels should be determined using the fiscal parameters established at the beginning of the budget process and in concert with Chancery Human Resource. The Chancery communicates the COLA each year, as well as the salary increases for the priests. The percentage level of increase or decrease from previous levels and the resultant salary should also be documented. This will provide adequate support of the amounts being paid.

For schools, the teachers' contracts provide the support. School salaries should be recorded on the 12 month pay schedule. While salary levels are approved at a general level by the Parish Council, the sensitive nature of salary information requires that individual salary information not be disclosed in any public forum.

Employees that are shared by the Parish and School must be split in Paylocity between the two entities.

Regular payroll, part-time, and independent contractors should prepare some type of time report and be approved by their supervisors. The purpose of this review is to ensure that the payroll has been prepared properly and is reasonable considering parish and school operations. All parishes use Web Time within Paylocity to record time for full-time and part-time employees. However, independent contractors should submit an invoice for a time report to be processed via PO in Sage.

When the regular bi-weekly Payroll has been processed, **but before submission**, a Payroll register should be printed. The Priest or DOO, if DOO does not process Payroll, should sign off on the last page of the register, which is summary information. This signed summary page should then be attached to the Payroll Journal Entry along with other necessary reports. **All other detail pages from the Payroll Register should be shredded.**

Payroll reports generated by Paylocity, that are utilized as support documentation within Sage, should always be in summary format. The same goes for Journal Entries and supporting documentation for entries. There is no need for sensitive, confidential information, such as name, salary, and pay rate to be available in Sage for too many people to see. Such reports as earnings registers, and all related tax filings to federal and state agencies, should be maintained by the parish in accordance with the Record Retention Policy.

Standard Payroll Entries

Account #	Account Description	Dept #	Location	DR	(CR)
52000	Wages-Clergy	106	PXXXX	\$,\$\$\$	
52000	Wages-Clergy	106	SXXXX	\$,\$\$\$	
52002	Wages-Lay	101	PXXXX	\$,\$\$\$	
52002	Wages-Lay	801	SXXXX	\$,\$\$\$	
52006	Wages-Music	101	PXXXX	\$,\$\$\$	
52007	Wages-Teachers	801	SXXXX	\$,\$\$\$	
52010	Wages-TeachAides	801	SXXXX	\$,\$\$\$	
25010	Withholding Taxes	101	PXXXX		\$,\$\$\$

Account #	Account Description	Dept #	Location	DR	(CR)
25010	Withholding Taxes	801	SXXXX		\$,\$\$\$
25010	Withholding Taxes	101	PXXXX		\$,\$\$\$
25010	Withholding Taxes	801	SXXXX		\$,\$\$\$
53008	Group Insurance	101	PXXXX		\$,\$\$\$

53008	Group Insurance	801	SXXXX		\$,\$\$\$
25014	AFLAC Supp Ins	801	SXXXX		\$,\$\$\$
25016	Flex Spend Acct	101	PXXXX		\$,\$\$\$
25020	403b Withholding	101	PXXXX		\$,\$\$\$
25020	403b Withholding	801	SXXXX		\$,\$\$\$
53012	P/R Process Fees	101	PXXXX	\$,\$\$\$	
53014	ER P P/R Taxes	101	PXXXX	\$,\$\$\$	
53014	ER S P/R Taxes	801	SXXXX	\$,\$\$\$	
1XXXX-	Parish Net P/R	101	PXXXX		\$,\$\$\$
1XXXX-	Parish P/R Taxes	101	PXXXX		\$,\$\$\$
25010	Withholding Taxes	801	PXXXX	\$,\$\$\$	
25010	Withholding Taxes	801	SXXXX	\$,\$\$\$	
1XXXX-	School Net P/R	801	SXXXX		\$,\$\$\$
1XXXX-	School P/R Taxes	801	SXXXX		\$,\$\$\$

Standard Retirement Entries

Record the Accrued Employer Retirement expense with each Payroll. When the Chancery bills the Parish / School in January or July, post the PO to G/L account # 25030 or # 25032.

Account #	Account Description	Dept #	Location	DR	(CR)
54002	Retire Exp Lay	101	PXXXX	\$,\$\$\$	
54002	Retire Exp Lay	801	SXXXX	\$,\$\$\$	
25030	ER Ret Exp Lay	101	PXXXX		\$,\$\$\$
25030	ER Ret Exp Lay	801	PXXXX		\$,\$\$\$
54004	Retire Exp Priest	101	PXXXX	\$,\$\$\$	
25032	ER Ret Exp Priest	101	PXXXX		\$,\$\$\$

Standard Workers Comp Entries

Breakout Workers Comp expense by department based on the number of employees in each department. Allocate in PO for the Property & Liability bill from the Chancery.

Account #	Account Description	Dept #	Location	DR	(CR)
53009	Workers Comp.	101	PXXXX	\$,\$\$\$	
53009	Workers Comp.	103	PXXXX	\$,\$\$\$	
53009	Workers Comp.	108	PXXXX	\$,\$\$\$	
53009	Workers Comp.	110	PXXXX	\$,\$\$\$	
53009	Workers Comp.	111	PXXXX	\$,\$\$\$	
53009	Workers Comp.	116	PXXXX	\$,\$\$\$	
53009	Workers Comp.	801	SXXXX	\$,\$\$\$	
53009	Workers Comp.	901	SXXXX	\$,\$\$\$	
13004	Prepaid Insurance	101	PXXXX		\$,\$\$\$

Charitable Gaming

Parishes in the Diocese of Lafayette in Indiana have 501 (c) (3) tax exempt status, and are a Bonafide Charitable Organization. Only qualified tax-exempt organizations may conduct charitable gaming activities in Indiana. The Indiana Gaming Commission, Charity Gaming Division, regulates and enforces charity gaming activities in the State of Indiana. Gaming activities that have received approval by the Indiana Gaming Commission are as follows: Bingo, Raffles, Casino Game Night (dice, card, and wheel games), Water Races, Guessing Games, and sale of pull tabs, punchboards, or tip boards. **Charity Gaming is a privilege.** To ensure your organization continues to have that privilege the following responsibilities should be reviewed carefully. Otherwise, you and your organization may be subject to penalties, fines, and loss of all gaming privileges. **Organizations Must:**

- be qualified and authorized by the Indiana Gaming Commission
- apply for a license or exempt activity with all applicable endorsements indicated
- have proper signatures on all applications– presiding officer and secretary
- receive and post a valid license or approved exempt event notification with all applicable endorsements at your event
- have operators and workers at these activities that meet statutory guidelines
- purchase licensed supplies from a licensed distributor
- ensure participants are at least 18 years old
- maintain a separate and segregated charity gaming checking account
- use charity gaming **Net Proceeds** for the organization’s nonprofit lawful purpose

The Net Proceeds from an allowable activity can be computed as follows:

Gross Proceeds	Gross Receipts (\$) Collected
Less: Allowable Expenses	
Prizes	Value of Prizes Awarded at Event
Supplies	Purchase Price of Supplies Used
License Cost	Event License Fees
Advertising	Event Advertising Costs
Facility Rent	Event Facility Rent Paid (\$200/Day Max)
Security Costs	Contracted Personnel or Barriers
Net Proceeds	Gross Receipts Minus Allowable Expenses

See Indiana Code 4-32.3-5-3 for a complete listing of all Allowable Expenses.

Expenses NOT Allowed

Employee wages/salaries/benefits/insurance

Taxes –employee federal, state or county withholding taxes, sales tax, etc

Alcoholic Beverage Taxes or Fees

Purchases of alcohol, beer, or wine for any purpose other than to be awarded as a prize in a licensed charity gaming event.

All activities associated with the Gaming Event must be recorded in the General Ledger with a Gaming Event identifier. All transactions associated with the Gaming Event, need to be processed through the separate and segregated charity gaming checking account.

Contact Information

**Indiana Gaming Commission
East Tower, Suite 1600
101 W Washington Street
Indianapolis, IN 46204**

**Charity Gaming Division
Website: www.in.gov/igc
Email: charitygaming@igc.in.gov
Call: (317) 232-4646**

Complaint Hotline Number

1-866-610-8477

Extraordinary Financial Assistance (EFA)

It is not uncommon for a Pastorate / Parish / School to be asked to assist with some financial hardship due to a variety of events in the lives of Parishioners or non-Parishioners who live within the local community. Events such as funerals, vehicle accidents, home loss due to fire, medical bills, and job loss all occur in the life of a Parish. In many of these instances, individuals require financial assistance such as gift cards for gas and groceries, aid for utility bills, childcare expenses, etc. The following are some suggestions for reasonable guidelines to follow, without stifling the Holy Spirit.

1. Each Parish should have an EFA committee consisting of a Priest and at least 2 parishioners. The committee will establish an assistance limit for this ministry. For some parishes the limit will be \$ 1,000, while others it may be \$ 10,000. Dollar limits that require Diocesan approval are still applicable.
2. The EFA committee will identify what types and situations are appropriate for this type of assistance. The committee will review requests that have been made and determine how the Parish can help. If necessary, they can even assist with the raising of funds from private donations.

3. If the Parish has experienced that this type of assistance inevitably occurs each year, the Parish should establish a budget amount in the G-02001, G-02002, or G-02003 Funds. These are all Assistance Funds for community or employees.
4. Funds should be disbursed to service providers, not to individuals. A family or person seeking assistance should never be given funds directly. Checks should be made out to a vendor like a hospital, clinic, grocery store, drug store, funeral home, or repair shop.

Accounting Policies

Central Bank Deposit Fund

The Central Bank Deposit Fund (CBDF) is designed to assist and support Parishes, schools, and Diocesan agencies in the management of their funds. ***Currently, the Chancery does not have a formal loan program.***

- Each Parish and non-incorporated Diocesan Agency is encouraged to deposit their investment funds in the CBDF. Investment funds are defined as all funds exceeding that which is needed to operate the Parish or Agency for a three-month period. This includes checking account funds, all ordinary savings funds, gifts (restricted, designated, and undesignated), building campaign funds, special purpose funds, as well as Parish activity, social and ministry funds.
- Depositing funds with the CBDF fall into the equity category of the Parish Investment Policy statement.

The Parish funds are invested according to the same investment policy used by the Chancery for its investments. The stock investment decisions of the Chancery are chosen for compliance with the Socially Responsible Investment Guidelines published by the US Conference of Catholic Bishops.

The guidelines may be viewed on the Conference's website at: <https://ccftx.org/usccb-socially-responsible-investment-guidelines/>

Deposits and Withdrawals

Deposits and withdrawals of funds from the CBDF can be made at any time. The withdrawal of funds is available within 24 hours of notice. Advance notice of withdrawals is appreciated and will be necessary for requests more than \$100,000.

Deposit checks must be sent to the Chancery, Attention: Controller. The approval and signature of the check must follow the check amount guidelines along with the necessary two signature requirements. An ACH transfer is also acceptable with the same check guidelines. Please contact the Chancery controller to obtain the necessary account information for facilitating the transfer of funds by ACH. The minimum amount of the deposit is \$1,000.

The request for a withdrawal is to be sent to the Chancery controller. The approval of the withdrawal must be approved by the Pastor and the Director of Operations. The minimum amount of the withdrawal is \$ 5,000. Again, the method of transfer may be determined by Parish.

Central Bank Accounting – Chancery

Each month, the Chancery controller downloads the statements from the investment firms. First, the controller ensures that any transactions involving the pooled investments have been properly accounted for - that is, any deposits or withdrawals from Parishes or other sources have been properly recorded. Then the controller loads the net investment income from the statements into the Chancery's Allocation Management Module within the accounting software and the Module automatically allocates the net investment income to all the Chancery funds, including the Parish funds, seminarian funds, other funds the Chancery maintains, and the general Chancery fund.

Letters are sent quarterly to the Parishes with earning amounts and investment return. Interim data may be available but is not sent in a formal letter. It may be obtained by contacting the Chancery controller. Because of the allocation timetable, information is only available as of the end of each month, well after month-end.

Central Bank Accounting – Parish

When a deposit is sent to the Chancery, a savings account has been created and an entry will be made to record the activity:

Diocesan Savings Account	10103	Debit
Bank Account	10XXX	Credit

When a withdraw is made or money received, an entry or deposit will be made to record the activity:

Bank Account	10XXX	Debit
Diocesan Savings Account	10103	Credit

Each quarter, when the letter is received by the Parish or non-incorporated Agency, an entry will be made to record the investment income or loss and the investment fees to the investment account:

Diocesan Savings Account 10103 Debit (Income) or Credit (loss)

Investment Income 46002 Credit (Income) or Debit (loss)

Investment Fees 62008 Debit

The investment account balance will be the balance of the fund noted in the letter.

Central Bank Activity Request (Form)



DIOCESE OF LAFAYETTE-IN INDIANA CENTRAL BANK ACTIVITY REQUEST

Parish Name, School Name, or Retreat Center

Central Bank Fund #_____

Amount to be deposited \$_____

Check enclosed ☐

Paid via ACH ☐

Amount to be withdrawn \$_____

Paid via Check ☐

Paid via ACH ☐

Approved by:

Pastor signature

Director of Operations signature

Date received by Controller

Date processed by Controller

Conflict of Interest

The Diocese of Lafayette in Indiana Book V Policy § 3500

This policy applies to each Parish advisory council members, clergy, staff, certain volunteers, and at times, parishioners. A volunteer is covered under this policy if that person has been granted significant independent decision-making authority with respect to financial or other resources of the Parish. A specific policy for Finance Council Members has been developed by the Diocese of Lafayette in Indiana.

Annual Affirmation of Compliance and Disclosure Statement

I have received and carefully read the Conflict-of-Interest Policy for council members, staff, and volunteers of (name of parish) and have considered not only the literal expression of the policy but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict-of-Interest Policy.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, below, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of (name of parish) or the diocese, nor does any relative or business associate of mine have such an actual or potential conflict of interest.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the chairperson of the parish finance council of (name of parish) or to the pastor as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information, and belief.

Name (Please print)

Signature

Date

DISCLOSURE STATEMENT

Please complete the questionnaire below, indicating any actual or potential conflicts of interest. If you answer “yes” to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits because of a decision made or transaction entered by the Parish.

Answers should reflect the **past twelve months**:

Has the Parish contracted to purchase or lease goods, services, or property from you, or from any of your relatives or business associates?

☐ Yes

☐ No

If yes, please describe:

Has the Parish purchased an ownership interest in, or invested in, a business entity owned by you or by any of your relatives or business associates?

☐ Yes

☐ No

If yes, please describe:

Has the Parish offered employment to you, or to any of your relatives or business associates, other than a person who was already employed by the parish?

☐ Yes

☐ No

If yes, please describe:

Have you, or have any of your relatives or business associates, been provided with a gift, gratuity, or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the Parish?

☐ Yes

☐ No

If yes, please describe:

Have you or any of your relatives or business associates been gratuitously provided use of the facilities, property, or services of the Parish?

☐ Yes

☐ No

If yes, please describe:

[Add additional examples, if any]

Other Interests - A conflict may also exist when an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage due to his or her relationship with the parish, or when his or her duty or responsibility to the parish conflicts with a duty or responsibility owed to some other organization.

Answers should reflect the **past twelve months**:

Did you obtain preferential treatment by the Parish for yourself, or for any of your relatives or business associates?

☐ Yes

If yes, please describe:

☐ No

Did you make use of confidential information obtained from the Parish for your own benefit or for the benefit of a relative, business associate, or other organization?

☐ Yes

If yes, please describe:

☐ No

Did you manipulate an opportunity that you believed to be of interest to the Parish to enable yourself, a relative, business associate, or other organization to benefit inappropriately?

☐ Yes

If yes, please describe:

☐ No

Credit Cards

The Diocese of Lafayette in Indiana Book V Policy § 4300

Loan Guidelines

A Parish, School, or Agency shall not borrow an amount of money from a person or entity other than the Diocese of Lafayette without the written consent of the diocesan bishop or his designee.

The Parish, school or agency will complete and submit all the forms and attachments required by the lending agency. The Parish, school or agency must as a matter of diocesan policy and procedures and canon law present its request to the bishop in writing stating in detail:

- i. the amount to be borrowed,
- ii. the reason for the loan,
- iii. the identity of the lender,
- iv. the collateral or security demanded,
- v. the amount of its total indebtedness,
- vi. whether the parish, school or agency is in debt to the diocese for assessment or insurance payments,
- vii. and other relevant information;
- viii. the written permission request must include a list of any, and all loans entered into by the Parish, School or Agency, especially with the same person or entity over the past eighteen months.

The request must also include a copy of the proposed promissory note, parish loan acknowledgment agreement or similar form and a copy of the mortgage or security agreement, if any.

A Parish, School or Agency shall not lend money to an individual or entity without the permission from the Diocesan Bishop.

Priest and Parish Expense Guidelines

This Chart Distinguishes Priest Expenses Paid by Parish and Paid by Priest

Parish Expense

Priest Expense

<u>Vehicle</u>	<u>Vehicle</u>
Vehicle Allowance or Mileage Reimbursement	Vehicle Payment, Vehicle Insurance, Taxes, License
	Plate, Gasoline, Maintenance & Repair, Personal Trips
<u>Housing</u>	<u>Housing</u>
Housing Allowance	Vitamins, Supplements, and Prescriptions,
For Parish Provided Housing: Utilities, Repairs & Maintenance, Furniture, Household & Laundry Supplies, Kitchen Utensils, Vacuum Cleaner,	Meals With Family & Friends, Hotel For Family And Friends, Furniture or Furnishings Belonging To Priest,
Housekeeping Services, Property Insurance, Basic Cable or Satellite TV	Toiletries, Personal Telephone Lines, Premium or On-Demand Cable / Satellite TV
	Pet Supplies, Food, Vet Bills
<u>Clothing</u>	<u>Clothing</u>
Parish Vestments, Church Linens & Priest Albs, Dry Cleaning of Vestments	Priest Vestments, Shoes, Daily Clerical & Personal Clothes, Jackets, Coats, Dry Cleaning of Personal & Clerical Clothes
<u>Parish Office</u>	<u>Parish Office</u>
Parish Furniture & Equipment	Priest Office Furniture & Equipment
Parish Telephone System, Parish Cell Phone	Priest Cell Phone
Parish Internet Access	
Office Supplies	
Parish Business Postage & Stamps	Personal Business Postage & Stamps
<u>Tithing</u>	<u>Tithing</u>
	Personal Stewardship, Charities & Orders
<u>Other</u>	<u>Other</u>
Parish Gifts (Not For Parish Staff)	Personal Gifts
Meal Cost for Staff for Official Parish Business	Personal Entertainment
Costs Incurred Meeting and Visiting Parishioners,	Vacations
Costs to Conduct Parish Ministry – Non-Parishioners	Hobbies
Retreat & Formation Expenses	Golf Club Dues, Health Club Dues
Sabbatical and Other Policy-Refer to Archdiocese	Supplemental Life Insurance
Clergy Policy and Practices	Investments

Employee Business Expense Reporting

Travel Expense Guidelines

Employees traveling out of town on Diocese business shall be reimbursed for actual expenses including transportation (coach airfare) up to the maximum IRS per diem rates and IRS auto mileage reimbursement rates in effect at the time of travel. It is the policy of the Diocese that there is no reimbursement for alcohol. (Please see Employee Expense Reimbursement Form)

Approval and Responsibilities

Employees are required to review trip plans, meetings, or travel with their supervisor/department head prior to planning the trip or committing to any expense. There needs to be sufficient funds in the budget to pay for the expenses. Employees are required to obtain supervisory approval for their expense reports. It is the responsibility of each employee to understand and comply with the business expense policy prior to submitting expenses for payment. Any questions or guidance should be directed to the employee's supervisor. Periodic audits will be conducted on expense reports for compliance with the policy.

By signing an expense report form, an employee is representing that the expenditures incurred are in accordance with this policy. The completed and signed expense report form with the required documentation and receipts should be forwarded to the Parish finance department for processing.

Expense reports should be submitted monthly unless the amount due to the employee is \$300 or greater to warrant more frequent submissions. Upon submission of a proper expense report, employees will be reimbursed by ACH or check for ordinary and necessary expenses incurred while on Chancery, parish business (as described elsewhere herein).

Documentation Requirements

A daily record of expenses is required. All items listed on the expense report must show the date, location (city and state) and purpose. Receipts must be attached for individual meals, entertainment, lodging, auto rental, cab fare and commercial travel. Although receipts are not always readily available for individual miscellaneous expenditures (gratuities, parking, baggage handling, etc.), employees are encouraged to submit receipts whenever possible. ***Original receipts are required for processing.***

Additional requirements unique to a particular type of business expense are detailed in the appropriate sections as follows:

Expenses Charged to Diocese, Parish, or School by an Employee

Certain expenses may be paid directly by the Parish on behalf of the employee. Examples include such items as airline tickets, rental cars, leased vehicles, hotel deposits and seminar registration. The fact that certain allowable business expenses may be paid directly by the Parish does not relieve an employee from complying with the substantiation requirements of this policy. Original receipts, airline tickets and other supporting documentation should be forwarded to the appropriate office with any invoice or credit card statement for processing.

Lodging

Receipts must substantiate lodging expense. When a guaranteed reservation is made and the employee has a change of plans, every reasonable effort should be made to cancel the reservation on a timely basis.

Transportation

Every effort should be made to use the lowest priced transportation available. Reimbursement will be made for the following modes of transportation:

- Commercial airline travel will only be reimbursed for coach class unless approved in advance of booking by the department head and CFO.
- Rental cars - additional **insurance must not be purchased**. If proof of coverage is required, Catholic Mutual can provide an Evidence of Coverage form.
- The Diocese of Lafayette-in-Indiana has a vehicle rental agreement with Enterprise. Any employee of the diocese may use this corporate contract at any Enterprise location when renting vehicles for business purposes. The agreement provides for a discount on all rentals and Enterprise has the right to ask for proof of employment (e.g. business card, name tag) when you pick up the car. The discount varies based on the class of vehicle and provides unlimited mileage when renting a full-size vehicle or smaller. When the agreement is used, no Indiana sales tax should be applied by or paid to Enterprise as our policies do not reimburse for sales tax since we are a non-profit. Additionally, our Catholic Mutual auto policy already provides all the insurance that is needed and thus no additional insurance offered by Enterprise should be purchased as an add-on. Our corporate discount code is XZ08071. This code must be used at reservation time and can be setup as a default in your online profile. Anytime you rent a vehicle, for business use, online or in person, you can use this code to obtain the discount. Enterprise also provides pick-up and drop-off if needed to get to/from the rental location. Frequent renters may want to create an online login account with Enterprise at www.enterprise.com. For longer business trips, renting often saves locations money verses paying the per

mileage reimbursement rate and helps protect employees from potentially having to pay their deductible, out of pocket, in the event of an accident. If you find a rental that costs less than Enterprise, you are not obliged to use Enterprise but likewise must not pay Indiana sales tax and not accept any insurance options. Again, the details of the Enterprise program are:

Rental Company = Enterprise

Web Site = www.enterprise.com

Contract Number = XZ08071

Contract Name = Diocese of Lafayette-in-Indiana

Insurance = Decline Enterprise Insurance since Catholic Mutual provides

Mileage Rate = Unlimited Mileage when renting a full-size vehicle or smaller

Sales Tax = Is not to be paid as our non-profit status is on file with Enterprise

- Personal auto usage for travel required for in service to the church (Parish, Chancery, and other church-related business) will be reimbursed at the prevailing IRS mileage rate. The mileage reimbursement rate covers all vehicle expenses including gas, insurance, and depreciation. IRS regulations define what is reimbursable based on one's "tax home." Your tax home is your regular place of business or post of duty, regardless of where you maintain your family home. It includes the entire city or general area in which your business or work is located. If you have more than one regular business, your tax home is your main place of business. Therefore, short trips within one's tax home are not reimbursable.
- Cost of a taxi or a bus to hotel or airport from place of business or residence has exceptions as follows:

Local commuting mileage costs between residence and work location are disallowable business expenses

Business travel to place of departure more than local commuting mileage is an allowable expense.

Please review the Guidelines at

<https://www.irs.gov/publications/p463>

Meals

Business meal expenses must be related to business and incurred under circumstances conducive to a business discussion. A restaurant, hotel, dining room or similar place would be considered conducive to a business discussion. Reimbursement will be made for the actual cost of meals, including reasonable gratuities. Please observe the following:

- Meals can be expensed only when away from home overnight on Diocesan business. Meals are not reimbursable when doing a day trip, for example to a parish or school.
- Meals can be expensed when served as an integral part of formal business meetings, seminars, etc.
- Alcohol is not a reimbursable expense.
- Only meals are reimbursable. In-between meal snacks, coffee break drinks, etc. are not meals and do not qualify as reimbursable.

Business Entertainment

General

Expenditures for entertaining individuals, other than employees of the Diocese, must be ordinary and necessary to be allowable and must meet Diocesan standards for appropriate business conduct. The person(s) must have an influence on Diocese business or business activities and their entertainment should be “direct” or “associated” as defined in the following paragraphs.

Directly Related Entertainment

Entertainment expense is related to the Diocese or Parish if the employee is actively engaged in a business meeting, negotiation, discussion, or other bona fide business activity, other than the entertainment itself.

Associated Entertainment

Entertainment directly preceding or following a substantial and bona fide business discussion is associated with the active conduct of business and is reimbursable. The entertainment should occur on the same day the business associate arrives from out of town, on the day before or the day after the business discussion.

Documentation Requirements

When reporting entertainment, the following items should be shown on the expense report form:

- Date
- Name and address or location of restaurant or other facility.
- The name, title, and company of the person(s) involved. When expenses are incurred for many people as a particular group or individuals, the group itself may be identified rather than the individual participants.
- Business reason - the nature of the expected business benefit to be derived.
- If associated with entertainment, list the date, duration and location of the related business discussion or activity.
- List the amount of each expenditure, separately.

Miscellaneous Expenses

Costs incurred for items of a business nature not provided for above (such as postage, service gratuities, small supplies on an emergency basis, etc.) should be included on the expense report and have the proper documentation attached.

Purchases of miscellaneous supplies, software or computer hardware should be purchased through the appropriate department and not included on employee expense reports. Exceptions must be approved by the department director, Pastor, or principal.

Business Gifts

Gifts will not be reimbursed in an expense report. If an employee would like to give a gift, the proper check request must be completed, approved by the department director, and forwarded to the finance office.

Expenses of Spouse

Travel and related expenses of a spouse are disallowable. Travel expenses for spouses and dependents related to relocation are addressed in a separate Human Resource Policy.

Dues of Professional or Technical Organizations

Dues paid by department directors for pre-approved and budgeted memberships in professional or technical organizations are reimbursable and if not directly paid by the Chancery or Parish should be itemized on the expense report and substantiated by receipts.

Training, Conferences and Seminars

Registration fees or similar expenses for approved training courses, conferences, seminars, and conventions are reimbursable if approved by the department director.

Donations or Contributions

Donations or contributions are not reimbursable expense items.

Relocation of Employees

Reimbursement of relocation expenses incurred, is to be processed through the Human Resource Department under a specific HR policy and should not be on an expense report.

Expense Advances

Cash advances for employee travel are not provided. Employees regularly travelling on Diocesan business are encouraged to personally obtain a widely accepted credit card. Any interest charges incurred are considered personal expenses and will not be reimbursed to the employee. Exceptions to this policy need approval from the Pastor, principal, or CFO.

Employee Expense Reimbursement (Forms)

Name:_____ Department:_____

Mileage

Date	Location	Function	Miles

Total Mileage_____x \$0.70 (2025) = \$_____

Meals

Date	Location	Function	Cost

Total Meals Amount = \$ _____

Other Miscellaneous Expenses

Date	Location	Function	Cost	Account #

Total Amount = \$ _____

Expense Account Worksheet

	\$	Account #
Total Mileage Expenses		
Total Meals		
Break Out Miscellaneous (by expense):		
Total Conf/Retreat (hotel, meals, cab fare, parking)		
Total Office Supplies		
Total Sundry Expenses		
Total _____		
Total _____		
Total _____		
Total _____		

Total Amount to be Reimbursed = \$ _____

Authorization By: _____

Check Payable To: _____

Gift Acceptance Procedure

The Diocese of Lafayette in Indiana Book V Policy § 1300

Sample of Acknowledgment Letter

St. XXXXX Church

Giving Statement

123 Lafayette Rd
Lafayette, IN 46996-1327

01/01/2020 to 12/31/20

Written Acknowledgment Letter must contain:

1. Name of Organization
2. Amount of cash contribution of \$ 250 or greater
3. A description of non-cash contribution (but not dollar value)
4. IRS statement listed below

Mr. & Mrs. John XXXXX
456 Church Road
Lafayette, IN 46996-1327

Fund Summary

Fund	Non-Cash	Amount
Program A		\$ 100
Program B		\$ 50
Program C		<u>\$ 1,000</u>
		\$ 1,150

Note: Per IRS Publication 1771, *Charitable Contributions – Substantiation and Disclosure Requirement* – No goods or services were provided by the organization in return for the contribution.

In-Kind Donation (Form)

DATE: _____

DONOR NAME: _____

DONOR STREET ADDRESS: _____

DONOR CITY, STATE, ZIP: _____

DONOR PARISH AFFILIATION: _____

IN-KIND DONATION DESCRIPTION:

DONATION VALUATION (FMV, ***provided by donor***): \$ _____

If more than \$5,000 attach outside appraisal.

DONOR – SIGNATURE

Pastor or Director of Operations

SCRIP WAIVER

STUDENT DELIVERY

Permission Waiver Form

WAIVER OF RESPONSIBILITY: Complete this waiver if you give consent for your student to deliver your SCRIP order home. Gift Cards will be sent home with your child only if this disclaimer is signed and on file with the program coordinator.

I authorize XYZ SCHOOL to release my SCRIP order to the following students:

Student Name: _____

Student Name: _____

Student Name: _____

Student Name: _____

I understand that XYZ SCHOOL and/or the SCRIP Coordinator/Volunteers are not responsible for and I will not hold them accountable for any lost or misplaced SCRIP order.

Parent/Guardian Signature

Date

Records Management & Retention

Definition of Records

The word “records” used in this policy refers to all recorded information, documents, letters, maps, books, academic transcripts and records of coursework, photographs, films, sound recordings, tapes (magnetic and otherwise), electronic data processing records, emails sent and received, recorded voice mails, electronic data banks and other documentary material created, received, maintained or preserved by an Entity of the Diocese in the course of transactions of business ministry or in pursuit of its legal obligation.

Ownership of Records

All records as defined above and created or preserved by a department, ministry, Parish, school, or employee of the Diocese business are solely the property of the Diocese.

Conservation of Records

No records shall be removed, destroyed, transferred, stored, transferred into another media, or otherwise disposed of except in compliance with the Diocese’s policies.

Retention Period

Retention periods in the policy are absolute, except when legally halted by official notice.

Litigation Hold

Retention periods and the disposal of records maybe suspended in the event of litigation where records that have been defined to be instrumental to legal proceedings must be excluded from the effects of this policy until such time as all legal processes have completed their course and legal counsel has advised that the litigation hold for specified records is no longer in effect.

Electronic Records

Records generated and/or stored electronically, including emails, are subject to these policies in the same manner as printed documents. Retention decisions should be based on the content of the electronic record in the same manner as a printed document. As in the case with all records, they must be accessible and retrievable for the state retention period.

Disposable Information

Disposable information consists of records and data that may be deleted or discarded at the discretion of the person holding the record or data. These records or data that have served its temporary and useful purpose and that may be deleted or discarded because it is not a record defined in the policy. Examples of disposable information include but are not exclusively of the following types; a) duplicates of originals have not been annotated, b) drafts of letters memoranda, reports, worksheets, and informal notes that do not represent significant steps or decisions in the preparation of an official record, c) books, periodicals, manuals, training binders, and other printed materials obtained from sources outside of the Diocese and retained primarily for reference purposes, d) SPAM and junk mail.

Disposal of Expired Records

Annually each department of the parish and school of the Diocese should dispose of records whose retention time has expired. Records may be shredded or, if electronic destroyed by approved methods. No exceptions may be made, the retention times are absolute. A Certificate of Disposal (destruction) should be executed and signed by the department head. One copy presented to the Office of the Vicar General or his designee and the other retained by the department that executes the destruction of the record.

Certification of Disposal of Expired Records

Annually each department head should submit to the Office of the Vicar General or his designee a letter testifying to the fact that all expired records pertaining to his/her department have been disposed of in accordance with the Record Retention Schedule.

Off-Site Storage of Inactive Records

Records that are inactive but must be retained permanently or for a set period should be stored in a manner that protects them from the harmful effects of the medium in which they reside. The storage must be secure from unauthorized access. Such a facility may be either on premise or off site with a third-party vendor.

Records should be prepared for storage annually using appropriate containers that ensure the protection of the records to be stored. Each container should be identified with a label denoting the contents and scheduled disposal date. A **Certificate of Off-Site Storage** must be created to ensure a “paper trail” documenting the movement and storage of the containers. This certificate is to be submitted to the Office of the Vicar General of his designee.

Conversion of Records to Electronic Medium

Paper records may be scanned or otherwise transferred to an electronic medium. When the conversion is complete the paper records should be destroyed in accordance with above.

Administration

Administration of the Records Management and Retention Program should be the responsibility of the Office of the Vicar General of the Diocese of Lafayette-in-Indiana or his designee.

Changes and Implementation

Changes to this policy or the Record Retention Schedule may be made only with the written approval of the Bishop of the Diocese. This policy should become effective upon approval of the Bishop of Diocese.

Tribunal of the Diocese of Lafayette-in-Indiana

Record retention for the Tribunal require special attention due to the sensitivity of the Tribunal's ministry and the elements of Canon Law to which the Tribunal is bound. At the end of this policy document, you should find a section devoted to the exceptional attention that must be given to Tribunal specific records.

Questions and Points of Clarification

The Office of the Vicar General of the Diocese is the administrator of this policy and is the authority to which questions and/or inquiries for clarification must be directed to the following:

Responsibility of Leadership:

Pastors, directors, department heads, manager and supervisors who have reporting staff for which they are responsible should ensure that all staff are provided a copy of this policy, that the policy has been read and understood, and that they have in place periodic audits to ensure records files and electronic storage are being maintained in compliance with this policy and schedule.

Enforcement

The success of the Records Management, Data Retention Policy and Schedule lies in uniform and diligent enforcement of its provisions. For this reason, the failure by an

employee to comply with the provisions herein may subject that employee to disciplinary action, up to and including termination of employment. Any employee found to have knowingly and intentionally violated this policy should be subject to immediate dismissal.

Authority of the Policy

This policy is the lone source of authority for the retention of records and data for the Diocese. The policy supersedes policies and directives that addressed the retention of records and data.

**The entire policy can be viewed at <https://dol-in.org/documents/2017/Records>
Management Data Retention Policy and Schedule Rev 09082017**

Canon Law – Citations and Notations of Particular Importance

CAN. 482, Section 1. In every curia, a chancellor is to be appointed whose principal function, particular law establishes otherwise, is to take care that acts of the curia are gathered, arranged, safeguarded in the archive of the curia.

CAN. 486, Section 1. All documents which regard the Diocese and Parishes must be protected with the greatest of care.

Section 2. In every curia, there is to be erected in a safe place a Diocesan archive, or record storage area, in which instruments and written documents which pertain to the spiritual and temporal affairs of the diocese are to be safeguarded after being properly filed and diligently secured.

Section 3. An inventory, or catalog, of the documents which are contained in the archive is to be kept with a brief synopsis of each written document.

CAN. 487, Section 1. The archive must be locked and only the bishop and chancellor are to have its key. No one is permitted to enter except with the permission either of the bishop or of both the moderator of the curia and the chancellor.

Section 2. Interested parties have the right to obtain personally or through a proxy an authentic written copy or photocopy of documents which by their nature are public and which pertain to their personal status.

CAN. 488, It is not permitted to remove documents from the archive except for a brief time only and with the consent either of the bishop or of both the moderator of the curia and the chancellor.

CAN. 489, Section 1. In the Diocese curia, there is also to be a secret archive, or at least in the common archive there is to be a safe or cabinet, completely closed and locked, which cannot be removed; in it documents to be kept secret are to be protected most securely.

Section 2. Each year documents of criminal cases in matters of morals, in which the accused parties have died, or ten years have elapsed from the condemnatory sentence, are to be destroyed. A summary of what occurred along with the text of the definitive sentence is to be retained.

CAN. 490, Section 1. Only the bishop is to have the key to the secret archive.

CAN. 491, Section 1. A Diocesan bishop is to take care that the acts and documents of the archives of the cathedral, collegiate, parochial, and other churches in his territory are also diligently preserved and that inventories or catalogs are made in duplicate, one of which is to be preserved in the archive of the church and the other in the Diocese's archive.

Section 2. A Diocesan bishop is also to take care that there is an historical archive in the Diocese and that the documents having historical value are diligently protected and systematically ordered in it.

Section 3. To inspect or remove the acts and documents mentioned in Sections 1 and 2, the norms established by the Diocesan bishop are to be observed. One person should be the keeper of the files to ensure their integrity.

Canon Law provides for two types of files. Personnel and restricted. One is the regular Pastor personnel file which has to do with ordination, assignments, healthcare, etc. The other is the restricted access file which has to do with the more sensitive personnel issues or penal files.

Both should be following the human resources laws and norms.

- The restricted access files should be in a locked room, only accessible to those designated to do so. One person should be the keeper of these files.

- The ordinary, in accordance with Canon Law, may designate the people allowed access to these files. The keeper should have a record of those who have had access to the files and when that access has occurred.
- Those designated by the ordinary should only have access through the person who is the keeper and sign in and sign out. This allows for a documented custody of the files if there is any future question about who had access.
- Nothing should be removed from these files unless covered under the section of the file retention policy which addresses a time limit for the retention of information.

Any addition of information to these files should be in a format.

Financial & Accounting Records Retention Schedule

Financial Banking

Type of Record	Time Period	Medium	Location	Disposal
Bank deposit slips	7 years	Paper/Elec	Onsite/DMS	Shred/Wipe/Purge
Bank statements	7 years	Paper/Elec	Onsite/DMS	Shred/Wipe/Purge
Bank Reconciliation	3 years	Paper/Elec	Onsite/DMS	Shred/Wipe/Purge
Cancelled checks	7 years	Paper/Elec	Onsite/DMS	Shred/Wipe/Purge
Cash receipts	3 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Check register	Permanent	Paper/Elec	On site/DMS	N/A
Check requests of check vouchers	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Financial General

Type of Record	Time Period	Medium	Location	Disposal
Annual audit report	Permanent	Paper/Elec	On site/DMS	N/A
Records relevant to an audit or review, including memoranda, correspondence and other	Permanent	Paper/Elec	On site/DMS	N/A
Annual balance sheet	Permanent	Paper/Elec	On site/DMS	N/A
Balance Sheets (monthly/quarterly)	1-year	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Budgets, approved, revised	3 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Financial reports (annual)	Permanent	Paper/Elec	On site/DMS	N/A
Financial reports (monthly/quarterly)	1-year	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Financial statements (annual)	Permanent	Paper/Elec	On site/DMS	N/A
Financial statements (monthly)	2 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Investment/Insurance

Type of Record	Time Period	Medium	Location	Disposal
Bonds, cancelled	7 years from day of cancellation	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Certificates of Deposit (cancelled)	3 years after redemption	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Insurance policies (active)	Until cancelled & then 7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Insurance policies (cancelled)	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Mortgage records	Permanent	Paper/Elec	On site/DMS	N/A
Securities sales	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Stock investment	7 years after sale	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Accounting

Type of Record	Time Period	Medium	Location	Disposal
Accounts payable (invoices)	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Accounts payable (ledgers)	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Accounts receivable (ledgers)	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Collection and count sheets	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Daily collection record	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Credit card stmt, charge slips	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Invoices and paid bills (major building construction)	Permanent	Paper/Elec	On site/DMS	N/A
Invoices and paid bills (general accts)	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Cash journals - receipts, offerings and pledges	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Petty cash records	3 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Purchase orders, requisitions	3 years after termination	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Mortgage payments	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Payroll registers, summary schedule of earnings, deductions and accrued leave	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge

Other Records

Type of Record	Time Period	Medium	Location	Disposal
General ledger	Permanent	Paper/Elec	On site/DMS	N/A
Journal entries	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Subsidiary ledgers	7 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Office equipment records	6 years after current fiscal year	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Pension records	Permanent	Paper/Elec	On site/DMS	N/A
Permanently restricted gift documents	Permanent	Paper/Elec	On site/DMS	N/A
Requisition for supplies	1-year after current fiscal year	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Temporarily restricted gifts	7 years after meeting restrictions	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Travel expenses	3 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge
Other expenses	3 years	Paper/Elec	On site/DMS	Shred/Wipe/Purge

- **DMS** – Document Management System refers to the software solutions which are designed specifically for the management of documents in their electronic format. A Document Management System may reside within the facility or it may be hosted at service provider facility.
- **Wipe** – the method of obliterating the electronic signature of a record that is captured on magnetic surfaces or solid state storage. Alternatively, this type of media may be destroyed through a physical obliteration of the storage medium.
- **Purge** – to remove old and unneeded data systematically and permanently.

Report the Financial Improprieties Policy

Benefits of Reporting Improprieties

One of the greatest threats to the Church is the betrayal of the community's trust, the disappointment of the parishioner's confidence. It is vital to the health and well-being of parishes to allow for and protect systems that serve to expose misconduct and improprieties, and which encourage correcting such situations.

Misconduct and financial improprieties can take many forms including, but not limited to:

- Embezzlement;
- Timesheet misrepresentation;
- Stealing funds, goods, or services; and
- Forgery.

The Sarbanes-Oxley Act protects whistleblowers who report suspected illegal activity in an organization and prohibits the organization from punishing the whistleblower in any manner.

Whistleblower is a term used to refer a person who reveals wrongdoing within an organization to the public or to individuals within the organization in positions of authority.

Policies addressing confidential reporting of suspected financial impropriety or misuse of parish resources are often included in a parish's personnel manual, manual of operating procedures, or a similar document. Wherever the policy is found, it is important that employees, advisory body members, and anyone else who may be covered by the policy are aware of its existence and how to report such an impropriety. Such policies should also allow for the fact that in many cases, impropriety or fraudulent activity is the result of ignorance or misunderstanding.

Those Guidelines can be viewed at <https://www.dol-in.org/report-ethical-misconduct>

Parish Finance Council Guidelines

The Diocese of Lafayette in Indiana Book V Policy § 2000

In 1983, the Code of Canon Law was revised and enhanced to describe the responsibilities of the parish pastor, administrator, or parish life coordinator to establish **a finance council to assist and advise in the fiscal matters of the parish**. In particular, Canons 532 and 537 require that a finance council be established.

Canon 532 The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of Canon 1281-1288.

Canon 537 Each parish is to have a finance council which is regulated by universal law as well as by the norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of Canon 532.

“In each Parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, **are to assist the pastor* in the administration of the goods of the Parish**, without prejudice to the prescript of can, 532 (i.e., the Pastor represents the Parish in all juridic affairs).” *Code of Canon Law*¹, c. 537. This consultative body is called a Parish Finance Council.

Each parish must have a parish Finance Council. In the spirit of Uniting in Heart, parish finance councils within a Pastorate, may collaborate and plan some aspects of parish and pastorate finances, **but there is not to be a Pastorate Finance Council.**

Purpose

- **Provides advice and guidance to the Pastor** in the administration of Parish assets.
- Develops appropriate procedures for budget preparations (such as meaningful involvement by ministry program directors), reviews budgets initially prepared by staff, **provides recommendations concerning the Parish budget** and any budgets for extraordinary expenditures (additional appropriations), and comments on consistency between the budget and the parish’s plans
- Reviews financial statements of the parish and has a right to review any source documents related to parish finances and works with the staff to design reports and ensure the reports are timely and accurate.
- Monitors the financial condition of the Parish, including regular financial reviews/audits as well as the internal financial controls by following the recommendations in the audit/review. This includes identifying any financial irregularities, concerns, or opportunities.
- Oversees short- and long-term investments, unless there is a separate investment’s committee.

- Reviews any indebtedness of the Parish and assists the Pastor in fulfilling his obligations under canon 1284.5 (“pay the interest on a loan or mortgage when it is due and take care that the capital debt itself is repaid in due time”).
- Reviews the terms and conditions of major grants and contracts.
- **Advises the pastor and other appropriate staff on financial priorities and information systems.**
- Ensures that financial guidelines established by the Chancery (such as establishing a reserve fund or minimizing checking accounts, etc.) are adhered to and where others are needed recommends additional guidelines;
- Assists in the formulation and communication of an annual financial report to the Parish community as required by canon 1287.2.
- Helps in the formulation and communication of an annual financial report to the Bishop via the Diocesan Chief Financial Officer.
- If not provided by the Chancery office, recommending the auditor, working with the auditor, receiving the auditor’s report, and responding to its recommendations, unless there is a separate audit committee.

Range of Responsibility

- The Council is the consultative body in all Parish financial matters, except to the extent limited by church or civil law or diocesan policy/norms.
- If the Pastor judges a recommendation to be outside the limits set forth in Canon 537, the Pastor may withhold implementation, providing the Council with a rationale. The Council may take recourse to the Office of the Bishop or one appointed by the Bishop for clarification or arbitration. Any decision regarding the recourse is final.
- If any member of the Council interprets an action of the Council to be outside the limits set forth in Canon 537, the member shall present the interpretation no later than the next meeting of the Council and ask for reconsideration.
- In any case where reconsideration has failed to resolve the matter, any Council member may then take the matter to the Office of the Bishop or one appointed by him, for clarification or arbitration. Any decision resulting from such recourse is final.

Annual Reporting

- Chancery runs financial reports so no Excel sheet to complete
- By June 30th of each year, need from each parish and school, **a letter signed by pastor & finance council chair** that lists out finance council members & backgrounds (titles)
- Dates the council met in prior year
- Date the current year budget was approved
- Date current year budget was loaded into Sage
- Date the prior year finances and budget were presented to the parish/school
- Method (s) by which the finances and budget were presented to the parish/school
- Date of last internal review or outside audit

- Assertion/date that finance council reviewed last review or audit
- Part of new internal audit files/function

Membership

- The Council is comprised of not less than 5 nor more than 9 members. These 5 to 9 members are invited and appointed by the Pastor, although anyone from the parish can volunteer to serve or recommend a candidate to the pastor.
 - Members collectively reflect the diversity of the Parish and communities served by the Parish
 - Parishes serve diverse communities – ethnically, culturally, and economically
- All Council members must meet the following qualifications:
 - Baptized, practicing Catholics
 - Registered members of the Parish
 - Participants in the Parish worship life, especially Mass and the sacraments
 - At least 25 years of age
 - Selected because of their familiarity with financial matters and related expertise
- At least two members should have accounting, financial, legal, banking, and/or administrative expertise.
- The responsibilities of members are:
 - Participate in training and formation for Council service
 - Prepare for meetings by reading and reviewing the agenda, minutes, and other materials.
 - Attend all meetings unless excused. Attendance of at least 80% of the meeting in a calendar year is expected.
 - Participate in Council discussions, including online, and other activities.
 - Serve as a liaison to a committee (optional) or the Pastoral Council (optional).
 - Perform other duties consistent with Council membership.
- **The Council is advisory to the Pastor who presides at all Council meetings.**
- One representative is selected from the membership to be a member of the Pastoral Council. That representative is to keep the Pastoral Council updated on key parish financial matters, the parish budget and the parish annual financial report.

- The Pastor may invite an Associate Pastor as a non-voting observer. The Parish Director of Operations serves as a non-voting resource to the Council.
- In cases where a pastorate has more than one parish in the pastorate, the Pastor may invite a person from the finance council of another parish in the pastorate to attend meetings as a non-voting observer.
- The term of office for members is three years and is limited to two consecutive terms. The new members begin their terms with the beginning of a new fiscal year, which can start on January 1 or July 1 depending on the fiscal year the parish has established.

Selection of New Members

- At the start of the fiscal year (Jan 1 or July 1) and at a regular meeting of the Council, members are selected for three-year terms of office.
- Parish employees, their immediate family members, and the chairperson of the Parish Pastoral Council are ineligible to serve on the Council. Spouses, siblings or parents and child may not serve together on the Parish Finance Council.

Officers

- The Pastor is the president of the Parish Finance Council. The Pastor presides at the Council by:
 - Attending all Council meetings.
 - Ensuring that Finance Council members have adequate training in Diocesan procedures
 - Assisting in formulating the Council agenda
 - Supporting the chairperson in the role as facilitator of the Council meetings.
 - Sharing in the dialogue which leads to Council recommendations.
 - Serving as administrator of the parish.
 - Implementing the recommendations formulated by the Council.
 - Consulting with the Council before requesting a waiver and proxy from the Bishop. The consensus of the Council is represented in the request
- A chairperson is selected from among and by the Council members present at the first meeting of the fiscal year. The office is for a one-year term and

may not be held for more than three consecutive terms. The chairperson moderates the meetings of the Finance Council by:

- Knowing the tasks and responsibilities of the Council.
 - Preparing the meeting agendas in consultation with the Pastor and submitting the agenda to Council members at least 3 days before the meeting.
 - Facilitating Council meetings by helping the members work together, participate fully in discussions, and make decisions through consensus.
 - Maintaining an official list of Council members.
 - Performing duties consistent with the office as the Council may direct.
- A secretary is selected from among and by the Council members present at the first meeting of the fiscal year. The office is for a one-year term and may not be held for more than three consecutive terms. The secretary documents the key decisions, outcomes and next steps of the meeting by:
 - Taking notes during the council meeting or recording the council meeting.
 - Types the notes into meeting minutes to be distributed and accepted at the following meeting. Proper minutes include:
 - Date, place and time of the meeting.
 - Names of the participants and an indication of if the members participated in person, by phone or online.
 - Agenda items and topics reviewed or discussed. Agenda items always included are: opening prayer, review and additions to the agenda, review of and acceptance of minutes, committee reports and closing prayer.
 - Action items and key recommendations or decisions
 - Next meeting date and place.

Meetings

- Finance Council meetings are held on a regular basis, at least six times each year. In those cases where parishes are clustered, Councils may meet on the same evening and at the same time but must conduct separate meetings to maintain the integrity of each parish as well as conform to canon law.

- At least part of the Finance Council meetings are not open to the public of the parish. At the discretion of the pastor, part of the agenda for the meeting may be open to parishioners who are dismissed when the Council moves into the closed session.
- Special meetings may be called by the Pastor, chairperson, or a quorum of council members. A quorum consists of a majority of members.
- The agenda is developed in advance of the meeting by the Pastor and the chairperson. The agenda includes prayer, the Parish monthly financial report(s), and other financial items.
- The Council cannot hold a formal meeting if the Pastor is not present.
- Meeting can be conducted face to face (in person), online via TEAMS (collaboration software), a combination of online and face to face and members can if needed join by phone. Confidentiality is important so members joining by phone or online must ensure that no one else can listen in on the meeting.
- Meeting materials, handouts, slides, reports, minutes, agenda, etc. can be distributed in advance via email and discussed among members via email or online collaboration. However final recommendations and votes should always be made in an official Council meeting.

Resignations and Vacancies

- Any member of the Council may resign by filing a written resignation with the pastor and a copy to the chairperson.
- At any meeting of the Council, a member may be removed for cause by consensus or by a majority vote of the Council. Cause can include missing two consecutive meetings without good reason, failure to attend at least 80% of the meetings in a year, physical or mental incapacity or failure to

perform duties as a Council member. Any member whose removal has been proposed shall be given an opportunity to be heard at the meeting or the next meeting the member is available to attend.

- A vacancy among the at-large members shall be filled with a new appointee by the pastor. The new member serves the remainder of the vacated term.
- A council member may be removed without cause by the determination of the Pastor or by two-thirds vote of the council present. For example, a council member could be permanently removed for contradicting the teachings of the church.

Manner of Operation

- The Council's manner of decision-making is communal discernment, which includes prayerful reflection, gathering of information, dialogue and sharing of conclusions. The usual method of reaching conclusions is consensus during an official meeting of the Council. Some of the communal discernment and dialogue can be done online if confidentiality can be maintained, and all members are part of the discussion.

Relationship to Pastoral Council

- One of the Finance Council representatives is a member of the Pastoral Council and provides an update on activity to the Pastoral Council at its regular meetings.
- The Pastoral Council, in conjunction with its standing committees, participates in the annual parish budget process for ministries and operations but it is the finance council that makes the final budget recommendations to the Pastor.
- The Parish Finance Council collaborates with standing commissions/committees and the appointed staff members in its gathering of information and dialogue on financial matters. The Council may request a committee chairperson or a staff member to prepare a study or to attend a meeting as a resource.

Committees

- The Agenda Committee consists of the Pastor and Council chairperson. This committee establishes the meeting agenda and ensures that members are provided with meeting materials prior to the meeting.
- The Council will require specific committees to assist with their responsibilities. Committees, such as budget, personnel, buildings and grounds, and parish cemetery, should be formed from parishioners with expertise in the appropriate areas and appointed by the pastor. The Director of Operations is usually appointed *ex officio* to the committees. These committees should follow the Council statutes for membership, chairperson, and meetings, with the exception that they may meet fewer than six times per year. These committees should submit regular reports to the Council as requested.
- The Council may establish ad hoc committees as needed. The Council defines the purpose for an ad hoc committee and establishes a timeline for the completion of its task. A member of the Council serves as the chairperson and reports on the progress of the committee. The Council may invite parishioners with financial expertise to serve on these temporary committees.

Amendments

Council statutes may be amended at any regular or special meeting by consensus, or a two-thirds vote of the Council and confirmation by the Pastor.

Code of Conduct & Conflict of Interest

Roman Catholic Diocese of Lafayette-in-Indiana, Inc. Councilmember's Code of Conduct and Conflict of Interest

January 1, 2025 through December 31, 2025

During the time that I serve on the _____ Parish Finance Council of the Roman Catholic Diocese of Lafayette-in-Indiana, Inc., I realize that I will gain access to information that is considered to be confidential and/or proprietary. Such information includes

financial statements, executed transactions, proposals, criteria or decisions made with regards to the business and finances of _____ Parish.

Since confidential and proprietary information is critical to the operation of the Parish, and because the Parish in some instances has the obligation to protect such information, I agree that I will not use, publish or disclose such information during or subsequent to my participation on the _____ Parish Finance Council, and that I will preserve the restricted nature of this information except to the extent that it becomes publicly available, or is otherwise lawfully obtained outside the scope of this agreement from third parties.

Additionally, as a Councilmember, I realize that I have an obligation to disclose and eliminate (if necessary) any potential or actual duality of interest or conflict of interest.

1. List organizations you are affiliated with that have the potential of conducting transactions with _____ Parish:

2. List any other potential conflict-of-interest of which you are aware:

I certify that:

- I have read and understand this Councilmember Code of Conduct, Book V §3500 The Conflict-of-Interest Policy, and Book V §2000 The Parish Finance Council in the diocesan policy manual.
- I will notify the Council of conflicts of interest not noted above that may arise.
- I will ensure that private information that may come to my attention will be kept confidential.

Name: _____ Signature: _____

Date: _____

Note: This document is on file with _____ Parish

IRS Issues

The Diocese of Lafayette in Indiana shall ordinarily follow IRS statutes and regulations, including those on income, unrelated business income, political and electoral activity.

A. Procedures. As indicated above, the Diocese of Lafayette in Indiana ordinarily follows IRS statutes and regulations unless it specifically decides to oppose them in litigation or lobbying or in some form of protest, a decision that will ordinarily be communicated to parishes, schools and agencies in a reasonably prompt manner.

B. Gifts to Employees. Parishes, schools, and agencies should be careful to follow IRS regulations and rulings on gifts to employees, in light of IRS Letter Ruling 200437030 (2004) which advises that gifts to employees with an easily discernible amount such as in a gift card or a check will be considered as income to employees even if the amount seems relatively minor such as \$50 or \$25. Gifts like a ham, a turkey, a fruit basket, nuts or candy for a holiday in an amount of approximately \$25 does not seem to trigger a taxable event. If the amount is determined taxable to the employee, it may be treated as a bonus and incur a less beneficial tax rate. Parishes, schools or agencies that want to offer employees gifts other than those described in the sentence below should consult the letter ruling cited, seek legal advice, or both.

C. Bonuses. Parishes, schools, and agencies that wish to pay employees a bonus should seek the advice of the Diocesan Office for Finances since this is a taxable event and the tax rate applied may be one that is higher than usually applied to an employee's earnings.

D. Lobbying and Political Activity. The IRS has determined §501(c) (3) organizations are only to spend an insubstantial amount of funds on lobbying, and they may not be involved in any elections at all. Some churches claim that this is a violation of the entity's First Amendment rights, and they are litigating the matter and may be successful. It is the position of the Diocese of Lafayette in Indiana, consistent with the position of the Office of General Counsel of the U.S.C.C.B. that the IRS position should be followed. The USCCB Office of General Counsel does issue political activity guidelines periodically which are on the USCCB website under the Office of General Counsel; these guidelines are very detailed, offer many examples and should be consulted by parishes, schools, and agencies. Lobbying involves contacting, or urging the public to contact, members of a legislative body for purposes of proposing, supporting, or opposing legislation. Legislation includes any action by Congress, by a state or local legislative body, or by the public in a referendum, initiative, constitutional amendment or similar procedure. The regulation

addresses any level of government, Federal, state or local, even very local government. The IRS has never defined “insubstantial.” Although courts have suggested a 5%-15% range, the IRS appears to favor the lower end of that scale. While it behooves parishes, schools, and agencies to be careful, they must also remember that they are engaged in many other activities besides lobbying. Unlike the prohibition for lobbying, the prohibition on political or electoral activity is absolute. §501(c) (3) organizations may not participate in or intervene in (including publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. The prohibition applies to candidates for elected public office. Sometimes focusing on issues may not be protection where a candidate is a “one issue” candidate or the candidates are known for their stance on a particular issue (to say that a parish supports the candidate who favors _____ may in effect be saying the name of the candidate). There are many ways that parishes, schools or agencies may become involved: links on a parish, school or agency website could create problems, as can hall rental to a candidate (then one might be obliged to allow a candidate’s opponent to rent the hall even though the other candidate supports views that the parish does not), a parish school or agency might be tempted to put support for a parish, school or agency member or employee running for a very local office and run afoul of this regulation (a parish got in trouble for a recommendation of support for a member of a library board). This is an area in which a parish, school, or agency must be careful and seek legal advice or consult the USCCB Office of General Counsel website. The reason that parishes, schools and agencies must be careful in this area is that sanctions can be severe and may well result in the loss of the tax exempt status of that parish, school, or agency.

E. Unrelated Business Income Tax (UBIT). Organizations which are exempt from federal income tax still may be subject to tax from any unrelated trade or business in which they are regularly engaged. The trade or business must be unrelated to the organization’s exempt purposes. The fact that the exempt organization uses the income for its exempt activities does not make the trade or business “related.” There are a number of exceptions including: volunteer exception – substantially all the work in a particular activity is performed by volunteers; the IRS considers “substantially all” as 85%; this exception like raffles, bingo and other parish, school or agency fundraisers, many of which do not come under this tax because they are not regularly carried on. Donated merchandise and low cost item exception – applies to sale of items received as a donation or gift; thus, thrift stores would not fall generate UBIT. Bingo and gambling activities exception – this exception applies to events where wagers are placed, winners determined and prizes are distributed in the presence of all persons placing wagers, so scratch off bingo cards, bingo machines and other forms of “walkaway” games do not fall under this exception.

Nevertheless, the IRS has other applicable regulations on these activities such as withholding and reporting obligations. Royalties are also an exception as are rental of real property unless the parish, school or agencies provides services in connection with the rental, unless the services are customary in the rental of space, e.g., light, heat, trash collection and cleaning of common areas. The foregoing is a brief summary of complex regulations and does not include all possible regulations. Parishes, schools or agencies considering fund-raising activities should carefully investigate these matters and seek legal advice. A parish that regularly rents out its hall may want to consider whether it is running a party center. A parish that engages in sale of scrip or gift cards may want to shape its operation, so it uses volunteers. Parishes, schools and agencies should remember that their unrelated activities may be perceived as competition by businesses who may complain to the IRS.

F. The Diocese follows IRS guidelines in regards to deductions and mileage rates and guidelines.

G. Federal tax law requires not-for-profit 501(c)(3) organizations to inform donors in writing of the value of benefits received in return for contributions in excess of \$75. The law also requires donors to obtain written substantiation of all charitable contributions of \$250 or more.

RESOURCES & WEBSITES

Charity Gaming - a Parish is a qualified approved organization to conduct charity gaming activities for fundraising. A Parish must have a separate bank account for gaming activities. A parish organizing this activity must comply with Indiana Code 4-32.3 and all its provisions including application forms, annual reports, and charity gaming forms. The Gaming Commission can be contacted at IGC@IN.gov or 317-233-0046.

Withholding tax inquiries on charity gaming prizes-please contact Internal Revenue Service
1-800-829-4933 business / 1-877-829-5500
Indiana Department of Revenue Withholding Tax Division 1-317-233-4015

United States Conference of Catholic Bishops

[uscgb.org/resources/By Type/Diocesan Resources/Diocesan Financial Management: A Guide to Best Practices](http://uscgb.org/resources/By%20Type/Diocesan%20Resources/Diocesan%20Financial%20Management%20A%20Guide%20to%20Best%20Practices) or call the Foundation at 333-333-3333

Miscellaneous References

www.irs.gov Publication 1771 (Rev. 3-2016) Charitable Contributions – Substantiation and Disclosure Requirements for Tax Exempt Organizations

<https://www.aicpa.org/interestareas/notforprofit/resources/financialaccounting.html>
AICPA Not-for-Profit Financial Accounting and Reporting Resources

<https://dol-in.org/documents/2016/1/Employee%20Handbook%202016-2.pdf> Diocese of Lafayette-in-Indiana Employee Handbook