

DIOCESE OF JOLIET FINANCIAL POLICIES

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Selecting Accounts to Use

The parish creates its own COA from the list of accounts established by the diocese. The parish should take into consideration the following items when deciding which accounts to use:

- The level of financial activity in a given area of ministry.
- The financial accountability of staff members in each area of ministry.
- The level of reporting requested by pastor, Finance Council, School Board, etc.

At a minimum, the parish should begin with the Administration Cost Center in the Church Fund and the RE Elementary Cost Center in the RE Fund. Parishes with a cemetery and/or school will also use the Cemetery Fund and/or School Fund. From there, other Cost Centers and the accounts within each Cost Center should be reviewed and added as necessary. The parish may add a Cost Center or sub-account at any time.

Organization Accounts

The parish has the ability to set up organization accounts within the software. For accounts with minimal activity and account balances, a Dedicated Account should be used. For those organizations that operate as an integral part of the parish or school and have significant reporting requirements, the Organization Cost Centers should be utilized. In order to customize the accounts within Organization Cost Centers, sub-accounts should be created that include the name of the organization in the account description. For parishes with schools, Cost Centers have been added for Athletics and the Parent Organization in the School Fund.

Creating Sub-Accounts

Diocesan established accounts use a sub-account number of "00". Parishes can create additional accounts as needed using sub-account numbers "01"- "99". Accounts should be added in the category that logically matches the account that is being added. All COA segment numbers will match an existing account with the exception of the sub-account which can be any number between 01 and 99. (Note these two exceptions: The diocese has created 3 sub-accounts under "Stole Fees Donations"(4220) in Church Administration and 2 sub-accounts under "Salaries & Wages-Paraprofessional"(6149) in School Elementary and Preschool.)

Entering an Account

Though the COA structure appears to be long, the process for entering the data is straightforward. For each type of transaction (deposits, checks, journal entries etc.) a dropdown box is available to select the appropriate account. The system will list only active accounts in the dropdown boxes, reducing the possibility of error. In addition, the user decides the order in which the account is listed in the dropdown box by: name, account number, or shortcut.

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Account Shortcuts

In addition to a name and account number, each account has a shortcut. The diocesan established shortcuts consist of the 4-digit Account number followed by the sub-account number (if necessary) and 3 to 4 letters that are an abbreviation of the Cost Center. In establishing new accounts, the parish may follow this format or use any combination of numbers and letters in lengths up to 20 characters.

Dedicated Accounts

These accounts are found in the Net Asset section of the Statement of Position and the Cost Center segment number for these accounts is "95". These accounts work like a liability account. In general, parishes will use them for the following activity:

- Organization Accounts - For those with minimal activity and reporting requirements.
- School Endowments - These accounts are permanently restricted.
- Restricted Donations - As donations are received, they are recorded in an account established for the restricted purpose. As the funds are spent, the donations are recognized as revenue. (i.e. Christmas & Easter Flower donations and Capital Campaigns)