



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

203.1.2 – Chart of Accounts – Parishes – Other Accounting Procedures

SCHOOL TUITION ACCOUNTING

School Tuition Income is to be recorded as the dollars are earned. The transactions which are defined below will recognize those amounts due the school through recording receivables, and manage accounts used for recording Income on the Statement of Activities.

Prior to July 1

If Tuition is received which applies to the following school year (i.e. prepaid tuition), the following entry is to be recorded:

DR 4XX - Cash Account (to reflect the deposit of the funds)
CR Pre-paid School Tuition (this is a liability account)

The Cash Account should be separate from the regular checking account as these funds are not to be spent until after July 1. If the funds are significant, they are to be invested in the Parish Aid Fund. This transfer to the PAF should occur no less frequently than monthly.

July 1

1. Summarize the net Tuition for all families (gross tuition less any credits). Record the following entry:

DR School Tuition Receivable
CR Deferred School Tuition (this is a liability account)

2. If you collected pre-paid Tuition in the prior year, record the following entry:

DR Pre-paid School Tuition (this is a liability account)
CR School Tuition Receivable

This should zero out the Pre-paid School Tuition account

3. Summarize the amount of Tuition Assistance and other credits provided to the families that will be reimbursed to the school. You will need to record the following entry:

DR School Tuition Assistance Receivable



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DR Other School Tuition Credits Receivable
CR Deferred School Tuition

When you receive payment for the tuition assistance or other credit, you will need to record the receipt as follows

DR 4XX - Cash Account
CR School Tuition Assistance Receivable/Other School Tuition Credits Receivable

After July 1

4. As you receive cash or checks for payment of tuition or notification from FACTS on tuition received, record the following entry:

DR 4XX – Cash Account
CR School Tuition Receivable

5. If there are discounts or credits provided to a family during the year, you will post the discount/credit as follows:

DR Deferred School Tuition
CR School Tuition Receivable

6. If a student withdraws, you need to determine whether a refund is to be granted. If so, you will record the amount of the refund as follows:

DR Deferred School Tuition
CR 4XX - Cash Account

If there is an accounts receivable balance for the family and you will not seek payment of the amount, record the following entry:

DR Deferred School Tuition
CR School Tuition Receivable

7. If you add a new student during the year, follow instructions 1 and 3 under July 1 for that student's tuition and fees.



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At month end from August to May

8. For each of the 10 months, you will record an entry to recognize tuition income. Prior to recording this entry, review the balance in the Deferred School Tuition account. Divide this by the remaining months you have to recognize tuition income over. You will then record the following entry:

DR Deferred School Tuition
CR 501 – Student Receipts

You may want to use a memorized entry but you will most likely need to adjust the dollar value of the entry each month.

At June 30

9. Print a Balance Sheet and review the balance in the Deferred School Tuition account. The balance should be zero. If it is a positive number, you will need to record the following entry:

DR Deferred School Tuition
CR 501 – Student Receipts

If it is a negative number, you will need to record the following entry:

DR 501 – Student Receipts
CR Deferred School Tuition

10. You will then need to make an evaluation of each Tuition Receivable remaining at year-end, as to whether you anticipate collecting the outstanding balance or not. For the amount you do not believe is collectable, record the following entry:

DR Bad Debt Expense - School
CR Allowance for Doubtful Accounts - School

11. Evaluate each uncollected receivable in the School Tuition Assistance Receivable and Other School Tuition Credits Receivable accounts to determine if they will be collected. If they will not, then you will need to record the following entry:

DR Bad Debt Expense – School



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CR Allowance for Doubtful Accounts – Tuition Credits

RELIGIOUS EDUCATION FEE ACCOUNTING

Religious Education fees for programs which span multiple months are to be recorded as income as the dollars are earned. The transactions which are defined below will recognize those amounts due the Parish through recording receivables, and manage accounts used for recording Income on the Statement of Activities.

Prior to July 1

If Fees are received which apply to the following school year (i.e. prepaid fees), the following entry is to be recorded:

DR 4XX - Cash Account (to reflect the deposit of the funds)
CR Pre-paid Religious Education Fees (this is a liability account)

The Cash Account should be separate from the regular checking account as care must be taken in using these funds until after July 1. If the funds are significant, they are to be invested in the Parish Aid Fund. This transfer to the PAF should occur no less frequently than monthly.

July 1

1. Summarize the net Fees for all families (gross fees less any credits). Record the following entry:

DR Religious Education Fees Receivable
CR Deferred Religious Education Fees (this is a liability account)

2. If you collected pre-paid Fees in the prior year, record the following entry:

DR Pre-paid Religious Education Fees (this is a liability account)
CR Religious Education Fees Receivable

This should zero out the Pre-paid Religious Education Fees account

After July 1

3. As you receive cash or checks for payment of fees, record the following entry:



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DR 4XX – Cash Account
CR Religious Education Fees Receivable

4. If a student withdraws, you need to determine whether a refund is to be granted. If so, you will record the amount of the refund as follows:

DR Deferred Religious Education Fees
CR 4XX - Cash Account

If there is an accounts receivable balance for the family and you will not seek payment of the amount, record the following entry:

DR Deferred Religious Education Fees
CR Religious Education Fees Receivable

5. If you add a new student during the year, follow instructions 1 under July 1 for that student's fees.

At month end from September to May or August to May

6. For each of the 9 or 10 months that your Religious Education program is operating, you will record an entry to recognize fee income. Prior to recording this entry, review the balance in the Deferred Religious Education Fee account. Divide this by the remaining months you have to recognize fee income over. You will then record the following entry:

DR Deferred Religious Education Fees
CR 75 – Fees, Other Religious Education Income

You may want to use a memorized entry but you will most likely need to adjust the dollar value of the entry each month.

At June 30

7. Print a Balance Sheet and review the balance in the Deferred Religious Education Fee account. The balance should be zero. If it is a positive number, you will need to record the following entry:

DR Deferred Religious Education Fees
CR 75 – Fees, Other Religious Education Income



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If it is a negative number, you will need to record the following entry:

DR 75 – Fees, Other Religious Education Income
CR Deferred Religious Education Fees

8. You will then need to make an evaluation of each Fee Receivable remaining at year-end, as to whether you anticipate collecting the outstanding balance or not. For the amount you do not believe is collectable, record the following entry:

DR Bad Debt Expense – Religious Education
CR Allowance for Doubtful Accounts – Religious Education Fees

INTERPAROCHIAL SCHOOL SUPPORT ACCOUNTING

Interparochial school support that you receive from other Parishes, is to be recorded in income as the dollars are earned. The transactions which are defined below will recognize amounts due the school through recording receivables, and manage accounts used for recording Income on the Statement of Activities.

July 1

1. Total the amount of subsidy owed by all parishes for the current year and record the following entry:

DR School Subsidy Receivable
CR Deferred School Subsidy

After July 1

2. As you receive payment of the subsidy, record the receipt of cash using the following entry:

DR 4XX – Checking Account
CR School Subsidy Receivable

3. If a student withdraws, you need to determine whether you will provide their parish a refund (assumes the parish has paid the subsidy for that student). If so, the amount of the refund is to be recorded as follows:



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DR Deferred School Subsidy
CR 4XX – Checking Account

If there is an accounts receivable balance from that parish and you will not seek payment of the amount, you will record the amount written off using the following entry:

DR Deferred School Subsidy
CR School Subsidy Receivable

4. If you add a new student during the year, follow instruction 1 under July 1 for the subsidy related to that student.

At month end from August to May

5. For each of the 10 months, you will record an entry to recognize school subsidy income. Prior to recording this entry, review the balance in the Deferred School Subsidy account. Divide the balance by the remaining months you have to recognize subsidy income over. Record the following entry:

DR Deferred School Subsidy
CR 563 – Interparochial School Support Received

At June 30

6. Print a Balance Sheet and review the balance in the Deferred School Subsidy account. The balance should be zero. If it is a positive number, record the following entry:

DR Deferred School Subsidy
CR 563 – Interparochial School Support Received

If it is a negative number, record the following entry:

DR 563 – Interparochial School Support Received
CR Deferred School Subsidy

7. You will then need to review any amount still owed to you for the school year just completed. If you do not believe it will be paid, then you will need to record the following entry:



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DR Bad Debt Expense – School
CR Allowance for Doubtful Accounts – School Subsidy