

PROPERTY/DEPRECIATION – PARISH OR SCHOOL

All parishes or schools must maintain the following information in order to safeguard parish or school property from theft and to provide for insurance recovery in the event of fire or other destruction or disappearance.

- List of furniture, furnishings and equipment owned by the parish or school -- indicate dates acquired, cost (or value if donated) and location. Property controlled by various parish or school organizations should be included. If the parish or school has no list, an inventory should be taken and acquisition dates and costs should be estimated.
- List of items owned by the pastor, pastoral administrator, and/or associate pastor
- Copies of paid invoices for major purchases should be kept in a permanent file that is carried forward from year to year.
- Valuables, such as paintings and sculpture in the church, should be photographed (or videoed) and appraised periodically.
- List of all persons who have keys or card access to the premises should be maintained.

The above information should be update each year and kept in a safe or fire resistant cabinet. Additionally, a backup copy should be stored off-site.

The parish or school finance council is responsible for ensuring that property information is up-to-date and that adequate insurance coverage is being maintained.

Facility Usage

It is strongly suggested that the parish or school establish a uniform policy to state the position of the parish or school concerning facility usage (including rentals) by outside entities. The policy should address insurance, security, building access, hours of operation, responsibility of requesting party and the parish or school responsibility. It would be in the best interest of the parish or school to have a written contract in place before allowing usage of facilities by outside entities or parish or school entities. This contract should address the length of time along with the above mentioned items, and should be renewed annually to permit addressing any additional needs or items as may arise during the course of the year. Any usage contracts for the use of parish or school facilities by third parties must name the Archdiocese of Louisville as an additional insured. See Insurance Policy for more information. Hall or facility usage contracts must be reviewed by the Chief Financial Officer and the Archdiocese Director of Facilities.

For information on leasing parish or school facilities see Real Estate Transactions – Rental/Purchase policy.

Parish or School Property

Parish or school property should be recorded on the balance sheet as follows:

- Land - Land should be recorded at cost. If the cost is not available or if the land was donated, it should be initially recorded at fair market value per the most recent insurance appraisal.
- Land Improvements - Long-term land improvements such as sidewalks, roadways or major landscaping projects should be recorded as a fixed asset. The item(s) should be added to a depreciation schedule.
- Buildings - Buildings currently owned by the parish or school should be recorded at cost. If the cost is not available, use the most recent insured value. The cost of new buildings, construction of buildings or substantial improvements to buildings should be recorded as a fixed asset. The item(s) should be added to a depreciation schedule.
- Equipment & Furniture - Equipment and furniture currently owned by the parish or school should be recorded at cost. If the cost is not available, use the insured value. The purchase of any new equipment or furniture over \$1,000 should be recorded as a fixed asset. The item(s) should be added to a depreciation schedule.

Computing and Recording Depreciation

Depreciation should be recorded for fixed assets monthly no less than annually, using the straight-line method. PDS Ledger has a fixed asset module to track and depreciate fixed assets or an excel spreadsheet can be used to track fixed assets and depreciation. The monthly depreciation entry is to debit the appropriate department/cost center depreciation expense and to credit the accumulated depreciation category on the balance sheet, i.e., Accumulated Depreciation - Furniture and Equipment.

Category useful lives to be used are:

❖ Land	No depreciation
❖ Land improvements	15 years
❖ Buildings	40 years
❖ Building Improvements	15 years
❖ Furniture, furnishings and equipment	7 years
❖ Computers, printers, servers, etc.	3 years
❖ Computer software	3 years
❖ Autos	5 years