

# 701 Recording CCF Funds

## 701 RECORDING CCF FUNDS

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### 701.1 Transfer of Parish Assets:

When a parish decides to move existing parish assets into the CCF to establish an endowment in which the parish is identified as receiving annual distributions from the fund, the asset will be treated as a “split-interest” type asset and be recorded as an asset on the books of CCF and the parish.

#### **Procedure:**

A) The following entry will be made to establish a split-interest CCF asset in which the funds originated from an existing parish asset (cash, savings, or other investment or endowment) recorded on their books:

1501 - CCF Endowment  
Existing asset.

B) The purpose of this entry is to record the asset value of the CCF investment and show a resulting decrease in the asset utilized to create the CCF asset.

### 701.2 Component Fund:

When an Archdiocesan faithful establishes a fund within the CCF and the fund is identified as “component fund” of the parish, the asset will be treated as a “split-interest” type asset and be recorded as an asset on the books of CCF and the parish.

#### **Procedure:**

A) The following entry will be made to establish a split-interest CCF asset in which an Archdiocesan faithful establishes a named fund that is considered a “component fund” of the parish:

501- CCF Endowment  
4740 or 4750 Parish or Educational Endowment Income.

B) The purpose of this entry is to record donation income related to a “split-interest” fund in which the named fund was identified as a “component fund” of the parish. Note: Accounts 4740 and 4750 are not subject to Cathedraticum tax.

### 701.3 CCF Not a Parish Asset:

If a named CCF fund is created by an individual and it is not identified as a “component

fund” of the parish, it will not be recorded on the parishes accounting records. This treatment will not change even if the parish is named as receiving annual distributions from the fund.

#### **701.4 CCF Distributions:**

Each endowment fund established in the CCF sets aside on a monthly basis an allotment of dollars to be distributed at fiscal year-end. Typically the distributions are sent to beneficiaries in September/October following the end of the fiscal year. On a quarterly basis, an estimate of likely distributions is reported to all parties with a significant interest in the fund.

##### **Procedure:**

A) Parishes that have a split-interest with a CCF fund should not report any estimated income from the fund at fiscal year-end or at any time during the year based on the quarterly report information. This is because the market value of the CCF fund will be recorded on the parish’s records. Recognizing estimated future proceeds would result in a duplicate recognition of the asset.

B) When the parish actually receives a distribution check from CCF the following entry should be made:

1110 Operating checking (or equivalent)  
4440 or 4450 Interest & Dividend Income Restricted or Operations.

C) The purpose of this entry is to record cash received from split-interest CCF investment.

#### **701.5 CCF Market Value and Asset Value:**

The value of any CCF fund in which the parish has a split-interest shall be shown on the balance sheet at its current market value.

##### **Procedure:**

A) On a quarterly basis, a CCF fund report will be sent to all parties with a significant interest in the fund. This report will indicate any changes to the asset due to additional dollars being added to the fund, interest earned, decreases from disbursements and changes due to market conditions. The parish should utilize this report to compare the asset value of the CCF fund in their accounting system (prior to making any adjustments) to value shown on the quarterly report.

B) If the asset value has increased, the parish will need to make a debit entry to account 1501 for the difference. If the asset value has decreased, the parish will need to make a credit to account 501 for difference. The opposite debit/credit will be recorded to account 4495 Gain or Loss Permanently Restricted Asset:

1501- CCF Endowment (if asset value increased)

1501 - CCF Endowment (if asset value decreased)

4495- Unrealized Gain/Loss Perm. Restricted Asset (if asset value decreased)

4495- Unrealized Gain/Loss Perm. Restricted Asset (if asset value increased).

C) The purpose of this entry is to adjust the CCF Endowment asset to match the market value. Changes in the value of the parishes CCF investment are not subject to Cathedraticum tax.