

SUB-ACCOUNT EXAMPLES

Based on our discussion at our most recent NDA meeting, I would like to address the use of sub-accounts. Sub-accounts are:

1. Optional
2. Used to further define an account number

When assigning sub-accounts a systematic approach should be adopted. The approach I mentioned at the meeting was to assign each two digit sub-account only one definition and to not use that two digit number again (i.e. 02 = Director Compensation only – Option 1 below). An additional approach is to assign each two digit sub-account only one definition for a particular account number (i.e. Sub-account 02 = Director Compensation only for account 501, however, sub-account 01 could also be used for account 540 – Option 2 below)

Example:

NOT RECOMMENDED: ←

Salary - Parish Bookkeepers	04 501 01
Salary – Director Children Religious Ed.	20 501 01
Salary – Director Adult Ed. & Formation	21 501 01
Salary – School Teacher	70 501 01
Gas	08 540 01
Electricity	08 540 02

In this example sub-account “01” stands for Bookkeeper, Director and Teacher salaries. Although each account would be reported on separately, it can be confusing for coding and data entry.

RECOMMENDED OPTION 1: ←

Salary - Parish Bookkeepers	04 501 01
Salary – <u>Director</u> Children Religious Ed.	<u>20 501 02</u>
Salary – <u>Director</u> Adult Ed. & Formation	<u>21 501 02</u>
Salary – School Teacher	70 501 30
Gas	08 540 10
Electricity	08 540 11

Each sub-account has its own distinct meaning. (i.e. 01 = Bookkeeper salary; 02 = Director salary; 30 = School Teacher salary; 11 = Electricity, etc)

RECOMMENDED OPTION 2: ←

Salary - Parish Bookkeepers	04 501 01
Salary – Director Children Religious Ed.	20 501 02
Salary – Director Adult Ed. & Formation	21 501 02
Salary – School Teacher	70 501 30
Gas	08 540 01
Electricity	08 540 02

Each sub-account has its own distinct meaning for its main account number. (i.e. 01 = Bookkeeper salary for account 501 while 01 = Gas for account 540)

As mentioned above the use of sub-accounts is optional. I do recommend that you give substantial consideration before you create them and keep them as limited and as distinct as possible.