

Endowment Accounting

Below are the relevant journal entries for endowment activity:

A. Journal Entries for Endowment Activity:

1. **To record a new Endowment or later donations by the donor:**
 - Debit: Asset - Endowments (1150000) (*Subaccounts can be added upon request by Parish Administrative Services*)
 - Credit: Liability – Deferred Revenue - Endowments (1245006)
2. **To record a monthly increase in the Endowment’s value from investment activities:**
 - Debit: Asset – Endowments (1115000)
 - Credit: Liability – Deferred Revenue - Endowments (1245006)
3. **To record a monthly decrease in the Endowment’s value from investment activities:**
 - Debit: Liability – Deferred Revenue – Endowments (1245006)
 - Credit: Asset – Endowments (1115006)
4. **To record a semi-annual distribution from the Endowment:**
 - **Step 1 – Recording the receipt of cash and a reduction in the endowment balance (an asset transfer):**
 - Debit: Asset – Operating Cash (1110000)
 - Credit: Asset – Endowments (1115000)
 - **Step 2 – Recording revenue via the distribution:**
 - Debit: Liability – Deferred Revenue – Endowments (1245006)
 - Credit: Revenue – Endowment Distributions (100461000)
 - Note: a balance will carry forward in the liability account from year over year

If you have questions regarding the above guidance, please contact Will Milano at (727) 317-4575 or Diana Geritano at 727-344-1611 ext. 5466