PARISH AND SCHOOL RESOURCE MANUAL

Finance and Technology

Catholic Pastoral Center
601 Grand Avenue
Des Moines, IA 50309
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Cash Management

Cash management is an important function for any organization. Parishes and Schools should confirm and monitor cash internal control procedures to minimize the vulnerability of parish/school funds. The Parish/School should also ensure funds are invested and managed in a responsible way, maintaining Catholic stewardship. This section contains information about bank/investment accounts, separation of duties, restricted assets, and funds held for others.

101 Bank/Investment Accounts

101.1 BANK STATEMENTS

The pastor, or his designee who has no recording duties, should receive all unopened bank statements and cancelled checks (or copies of cancelled checks). The pastor should do the following and then sign and date the statements:

1. Open all bank statements and determine if the balance appears reasonable
2. Review transactions for propriety.
3. Review to ensure payees are valid and signatures are authentic.

101.2 AUTHORIZED SIGNERS

As administrator of the parish/school and its affiliated organizations, the pastor must be included as an authorized signer on all accounts. This ensures the pastor is aware of all accounts in the name of the parish/school. It also protects the misuse of the parish’s/school’s federal employer identification number (FEIN).

Individuals with access to record entries in the accounting records or who receive and process cash receipts should not be authorized signers. The check signer should not print/write the check. This separates the duties of those with control over cash and insulates the individual from any implication or temptation of wrongdoing.

When checks are presented for signature, the supporting documentation (invoice and possibly a purchase order, receipts, etc.) should accompany the check. Blank checks should never be signed.

When there is a change in signers (e.g., if a trustee is a signer and rotates off), notify the bank as soon as possible to change the signature cards.

101.3 SIGNATURE STAMPS

A signature stamp should never be used. Existing signature stamps should be destroyed so that a live signature is required. This way, all cash outflow is properly reviewed and authorized. Should a signature stamp be used for correspondence, it should be kept locked and used only with authorization from the pastor.
101.4 DUAL SIGNATURE REQUIREMENTS

The Parish/School should establish a dual signature policy whereby checks over a certain dollar limit require a second signature. It is recommended to set this limit around $2,500 - $5,000. This should be an internal policy that is documented. The second signature provides an extra level of control over large expenditures.

101.5 BANK RECONCILIATIONS

Bank reconciliations should be performed on a timely basis, preferably within 10-14 days of receipt of the bank statement. This helps to ensure any errors can be found and corrected promptly by either the bank or the parish/school.

A best practice is to have the reconciliation done by an individual who does not sign the checks or keep the books (if possible, someone who does not process receipts either). All bank reconciliations should have a supervisory review (e.g., a member of the finance council, the pastor, or the business manager). The reviewer should sign and date the reconciliation noting his/her review. If the person doing the reconciliation does have recording duties this review is even more important.

Steps to review a Bank Reconciliation:

1. Just because a ParishSOFT Accounting reconciliation shows a $0.00 in the “Difference” box that is not proof that the reconciliation is balanced. Inappropriate journal entries or changes to the Bank Balance (“Ending Balance”) can force the Difference to be $0.00.

2. Check that the “Ending Balance,” on the ParishSOFT Accounting reconciliation, which should be the ending balance on the bank statement, matches the ending balance on the ACTUAL bank statement.

3. If the reconciliation is not generated by the ParishSOFT Accounting system, trace the “Book or System Balance” to the balance shown in ParishSOFT Accounting for that account.

4. For uncleared deposits:
   a. Deposits-in-transit should clear in a matter of days (credit card deposits could be the exception). Research any that do not.
   b. If it is a transfer between internal accounts, determine that the transaction - check removed/credited from one account and deposited/debited to the other account – shows appropriately in both accounts.

5. For uncleared journal entries:
   a. Generally there should not be any uncleared journal entries. Research the reasons for any that have not cleared.
   b. Journal entries should have appropriate documentation that justifies the entries being made and should be available to the reviewer.
6. If any check has been outstanding more than a couple of months:
   a. Do the payee and amount seem appropriate?
   b. Has the payee been contacted to see why the check has not been cashed?
   c. If the payee is a vendor that normally process payments quickly, such as a utility company, they may not have received the payment.

7. Mass collection count sheets: Ensure that all amounts recorded on the count sheets are reflected on the bank statement.

8. If a reconciliation is not generated through ParishSOFT Accounting, check the math accuracy of the reconciliation.

9. Sign and date the reconciliation indicating completion of the review.

101.6 NUMBER OF BANK ACCOUNTS

Keep the number of accounts to a minimum. This helps to streamline the accounting process by decreasing the number of accounts to reconcile and control. Rather than having a separate bank account for each restricted purpose, separate the funds using the general ledger using the primary/subsidiary bank account function within ParishSOFT Accounting. For more information about primary/subsidiary bank accounts, see page 8.

101.7 BANK ACCOUNTS IN PARISHSOFT ACCOUNTING

All checking, savings, investment, and any other accounts including auxiliary groups like Altar & Rosary, Cemetery, and Home & School etc. should be recorded on the parish/school general ledger. Any account that is set up with a financial institution utilizing the parish/school’s federal tax ID should be included. This allows the finance council and the parishioners to have a complete picture of the negotiated assets of the parish/school. The responsibility of the pastor and the Bishop to oversee the finances of the parish/school requires full disclosure of all accounts.

To Mark an Asset Account as a Bank Account in ParishSOFT Accounting:

Marking an account as a bank account in ParishSOFT Accounting allows bill/checks and deposits to be entered to an account. It also allows for bank reconciliations to be done utilizing ParishSOFT Accounting. To mark an account as a bank account in ParishSOFT Accounting:

1. Click on the Accounts icon
2. Under Quick Find on the right side of the screen, enter the account number or name (#1000 for example)
3. Click “Find Account”
4. Scroll to the bottom of the screen and make sure that the box next to “Bank Account” is checked.
5. Enter the expense account where you want any service charges to be coded to. (This function allows you to enter the service charge amount at the time of the bank reconciliation. The system will then do a journal entry for you instead of you having to enter it separately.)

6. Enter the income account where you want any interest to be recorded to. (Same as above – the system will make the journal entry for you at the time of the bank reconciliation.)

7. Leave “Check number Ceiling” blank.

8. Click Submit.

101.8 NAME ON BANK AND INVESTMENT ACCOUNTS

Priests, deacons, parish/school officers, and corporate officers may not hold assets in their own name or purchase in their own name any property that rightly belongs to the church.

101.9 INVESTMENT ACCOUNTING

Parish/Schools are to follow Generally Accepted Accounting Principles (GAAP), in the recording of gains and losses on investments. A realized gain/loss is the difference between the market value of an investment and its recorded cost on the day it was bought. An unrealized gain/loss is the difference between the market value of an investment and its recorded cost on the date it was purchased, while the asset is still owned.

Most parishes/schools receive investment statements monthly or quarterly with market values listed. When these statements are received, make an entry to record any gains or losses along with any interest or dividends earned.

Recording Investment Activity

Example:
During the month of April, St. Parish earned $1,050 in interest/dividends on their restricted investment account. They also had $4,500 in unrealized gains on the restricted investment. The investment general ledger account is #1375.

Given the example above, the journal entry that St. Parish will make is:
However, if this investment account was unrestricted, e.g., the Parish can regularly withdraw funds to help pay for operational costs, the entry would be the following:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
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<tr>
<td>1075</td>
<td>Investment Account</td>
<td>1,050.00</td>
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<td>April Interest/dividends</td>
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<tr>
<td>101-41004</td>
<td>Interest Income</td>
<td></td>
<td>1,050.00</td>
<td>April Interest/dividends</td>
</tr>
<tr>
<td>1075</td>
<td>Investment Account</td>
<td>4,500.00</td>
<td></td>
<td>April Gain</td>
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<tr>
<td>101-41004</td>
<td>Capital Gain/Loss</td>
<td></td>
<td>4,500.00</td>
<td>April Gain</td>
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The difference between the two entries is the income and asset accounts. In the top entry, the income, gain or loss is restricted and can only be used as the parish council or donor intended. Therefore it is recorded as restricted income and to a restricted asset account. In the second entry, the income, gain or loss is not restricted and can be used for operations so it is recorded as unrestricted income and to an unrestricted asset account. For ADA purposes, the second entry contains assessable income; the first entry would be exempt from ADA.

**101.10 BANK/INVESTMENT TRANSFERS – HOW TO RECORD**

There are several different ways to record a transfer of funds between two asset accounts.

**How to record if no check is written:**

If the transfer is done without having to write a check, a journal entry should be done. The account that the funds are going into should be debited, and the account that the funds are coming out of should be credited.

For example, Parish A wants to transfer $20,000 from their main checking account (#1000) to their savings account (#1050). The below journal entry will be made:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1050</td>
<td>Savings</td>
<td>$20,000</td>
<td></td>
<td>Bank Transfer</td>
</tr>
<tr>
<td>1000</td>
<td>Checking – General</td>
<td></td>
<td>$20,000</td>
<td>Bank Transfer</td>
</tr>
</tbody>
</table>

**How to record if a check is written:**

If a check needs to be written either to the bank or to the parish to transfer the funds,

1. Enter a bill utilizing the bank account you are transferring the funds from (most likely general checking - #1000 in above example) and record it to 101-700040 Other Expenses
2. Print the check
3. Enter a deposit to the account the funds are being transferred to (in the example #1050), and record it to 101-700040.

It is very important that you use the same account (101-700040, Other Expenses) and same accounting month for both the bill/check and the deposit. The bill posts the amount to Other Expenses, and then the deposit removes it, leaving a net effect of $0 on the Statement of Activities.

102 Segregation of Duties

The following four job duties should ideally be done by different individuals:

1. Access to receipts (e.g., money collection points, counting, depositing)
2. Recording of transactions (e.g., general ledger, tuition/fee receivables, tithing reports)
3. Signing checks/withdrawing funds from financial institution accounts
4. Reconciling (e.g., bank/investment accounts, tuition/fee receivables, tithing reports to general ledger income accounts)

Bank reconciliations should have both a preparer and a reviewer and these should be different people. The preparer can be the recorder of transactions, as long as the reviewer is knowledgeable about the transactions recorded. It is good for both to document their duties by signing and dating the reconciliations. Given the supervisory nature of the review, the reviewer should not be a subordinate of the preparer or a recorder of transactions for the area under review.

If it is not feasible to separate these job functions at your parish/school, please read the following section for additional help.

102.1 Achieving Segregation of Duties with Limited Personnel

When parish/school finance personnel are limited and the duties listed above are not separated, seek assistance from the Finance Council. Have one member of the Finance Council commit to the following monthly duties for a quarter, or have multiple members commit to one of the following (duties could be rotated periodically):

- Examine the Check Register for the following:
  - Review the order of check numbers. Ask to see copies of any voided checks.
  - Review payee names, amounts, and general ledger account numbers for reasonableness
  - Sign and date check register.

- Scan the detailed general ledger for reasonableness:
  - Note anything which generates a question, or appears unusual.
  - Sign and date the detailed general ledger.

- Review and recalculate bank/investment reconciliations. See page 2.

- Send annual statements. Ensure all parishioners and non-parishioners are included. Provide Finance Council member contact information on the statements for any subsequent questions or concerns that may arise.
The following was created for the Archdiocese of Miami by Verdeja & De Armas, LLP

### Two Person Office

<table>
<thead>
<tr>
<th><strong>Bookkeeper</strong></th>
<th><strong>Pastor, Finance Council, or 2nd Person</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Record Accounts Receivable entries</td>
<td>• Sign Checks</td>
</tr>
<tr>
<td>• Mail Checks</td>
<td>• Complete Deposit Slips</td>
</tr>
<tr>
<td>• Write Checks</td>
<td>• Perform interbank transfers</td>
</tr>
<tr>
<td>• Record general ledger entries</td>
<td>• Reconcile Petty cash</td>
</tr>
<tr>
<td>• Reconcile bank statements</td>
<td>• Detailed review of bank reconciliations</td>
</tr>
<tr>
<td>• Receive cash: Use a 3 part receipt form when money personally delivered. Consider the use of a locked box secured to the wall/floor where donors can drop their money to be deposited by the weekly money counters.</td>
<td>• Process Vendor Invoices (Mark: paid, date, sign/initial)</td>
</tr>
<tr>
<td>• Disburse Petty Cash</td>
<td></td>
</tr>
<tr>
<td>• Authorize check request</td>
<td></td>
</tr>
<tr>
<td>• Authorize invoices for payment</td>
<td></td>
</tr>
</tbody>
</table>

### Three Person Office

<table>
<thead>
<tr>
<th><strong>Bookkeeper</strong></th>
<th><strong>Office Manager</strong></th>
<th><strong>Pastor or Finance Council</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Record AR entries</td>
<td>• Process Vendor invoices</td>
<td>• Sign checks</td>
</tr>
<tr>
<td>• Reconcile petty cash</td>
<td>• Receive cash</td>
<td>• Complete deposit slips</td>
</tr>
<tr>
<td>• Write checks</td>
<td>• Mail checks</td>
<td>• Perform interbank transfers</td>
</tr>
<tr>
<td>• Record general ledger entries</td>
<td>• Approve invoices for payment</td>
<td>• Review bank reconciliations</td>
</tr>
<tr>
<td>• Reconcile bank accounts</td>
<td>• Disburse petty cash</td>
<td></td>
</tr>
</tbody>
</table>

### Four Person Office

<table>
<thead>
<tr>
<th><strong>Bookkeeper</strong></th>
<th><strong>Clerk</strong></th>
<th><strong>Office Manager</strong></th>
<th><strong>Pastor or Finance Council</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Record AR entries</td>
<td>• Receive cash</td>
<td>• Complete deposit slips</td>
<td>• Sign checks</td>
</tr>
<tr>
<td>• Reconcile petty cash</td>
<td>• Disburse petty cash</td>
<td>• Process vendor invoices</td>
<td>• Perform interbank transfers</td>
</tr>
<tr>
<td>• Write Checks</td>
<td>• Authorize purchase orders</td>
<td>• Approve invoices for payment</td>
<td>• Review bank reconciliations</td>
</tr>
<tr>
<td>• Record General ledger entries</td>
<td>• Authorize check requests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reconcile bank statements</td>
<td>• Mail checks</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
103 Restricted Assets

Restricted assets are assets that have been designated for a specific purpose by the donor or the Finance Council. Any economic benefit derived from these assets must be used for their intended purpose, therefore they are restricted. Donations that meet the definition of restricted should be deposited into a restricted asset account (Parish Council Restricted series: #1200, Donor Restricted series: #1300). This ensures that the funds are listed separate from operational funds and serves as notice to all that the funds are not available for operational use. See page 18 for more information on restricted donations.

103.1 PRIMARY/SUBSIDIARY BANK ACCOUNTS

ParishSOFT Accounting has a feature called Primary/Subsidiary Bank Accounts which allows for a single physical bank (or investment) account to be used, while reporting the funds separately on the Statement of Financial Position. For more information about primary/subsidiary bank accounts, watch the video at https://vimeo.com/33797204.

103.2 PARISH FINANCE COUNCIL RESTRICTED FUNDS

The parish finance council, with approval by the pastor, can choose to restrict parish operating funds for a specific purpose. The following should be determined and recorded in the finance council meeting minutes:

- the specific purpose of the monies,
- the plan for funding it (is it a transfer of unrestricted funds or will additional funds be needed)
- when the funds are expected to be used – in what year(s)
- if the funds are not anticipated to be used in the next 12 months, the finance council should consider investing them. If the monies are invested, an investment policy should be written

The additions/distributions should also be documented through a separate general ledger account or a spreadsheet.

Parish finance council restricted funds should be recorded on the Statement of Financial Position using an account number in the 1200 series and assigned an appropriate account name (scholarship fund, roof replacement fund, etc.) These funds are not to be used for operating expenses.

See page 18 for more information on restricted donations.

103.3 DONOR RESTRICTED FUNDS

Gifts received from donors for non-operational purposes should be recorded into a donor restricted account. This is typically for a building or debt reduction campaign but could include isolated gifts such as for the purchase of a statue. The below would be an example of the entry to record donor restricted funds: See page 18 for more information on restricted donations.
**104 Electronic Banking**

Electronic, online, or internet banking is when the parish’s or school’s bank account is accessed via the bank’s website. Even if the user is only viewing the bank account, the below procedures should be followed.

### 104.1 INTERNAL CONTROLS

Only staff members with check signing authority should be able to release or add funds to the parish/school bank accounts via online banking. This includes ACH deposits and withdrawals. Bank transfers between parish/school accounts can be performed by a non-signing staff member if the following controls are put in place:

- The user is set up so his/her access only allows transfers between parish/school accounts. The user should not be able to move money to an account not owned by the parish/school.

- Before a bank transfer is processed online, the staff member receives signed confirmation from 2 check signers verifying the amount to be transferred, on what date, and between which bank accounts.

It is also recommended that anytime a transaction is processed online (bank transfer, ACH withdrawal, ACH deposit etc.), an email is generated from the bank notifying someone that does not have online access. This is to ensure that no unauthorized transactions take place.

When possible, a confirmation should be printed out after the transaction has been processed.

*See page 131 for more information on electronic banking.*

### 104.2 SECURITY ISSUES

**Utilizing your Bank’s Website**

The Parish/School should establish a clear procedure for electronic banking that creates dual controls and minimizes risk from online fraud. The Parish/School should not depend solely on the bank to protect it. Staff should verify that the financial institution has ample security measures in place to protect the data and the access to your account but each parish/school must take responsibility for its own protection and security.

The following is mandatory when utilizing online banking:

- A separate standalone computer must be used whenever you are logging onto your bank’s website. This can be an older computer that has been restored to factory settings by a professional.

- No other internet browsing or email should be allowed on this computer.
• Allow no stored or saved passwords  
• Remove all unnecessary user accounts  
• Remove all non-essential programs  
• Turn off Remote Desktop and Remote Assistance  
• Do not have any overdraft protection on any bank account.

The following are strongly recommended when utilizing online banking:

• Ask your bank if they offer any additional security measures, such as Positive Pay, Iron Key, and Trusteer Rapport software. Another security measure is utilizing a fob (which would be provided by the bank) to log into the bank’s website instead of creating a password.

If you utilize ACH as a method of payment or for deposits:

• Upload or enter the ACH information to the bank’s website utilizing the stand alone computer. Do not email a file to the bank through normal email channels.
• Ask your bank to notify you and one other person by email when the transaction has been approved and processed by the bank.
• Have dual authorization for all ACH transactions processed. Two people should be involved in any ACH disbursements initiated by the parish/school. Just like when a check is prepared, someone prepares the check and a different person signs the check. One person can prepare the ACH file and another can submit it. Or if that is not possible have someone review the documentation after the file has been submitted verifying the total amount that is part of the ACH file matches the total of the invoices paid. One of these people should be a check signer.
• Print out a confirmation or write down the confirmation number illustrating the ACH’s successful upload and file this, with the journal entry/deposit recording the transaction in the general ledger.
• Ask your bank to set up templates to be used for disbursements with the receiving bank account information saved. This might be used for employees receiving expense reimbursements. With payroll, paychecks can be paid via ACH by uploading a file to your bank that is created out of the ParishSOFT Payroll module. For more information about this, please contact ParishSOFT.

105 Funds Held for Others (FHFO)

Funds Held for Others (FHFO) should be used for auxiliary organizations such as Altar and Rosary Society or a Men’s Club. Monies held in FHFO accounts represent liabilities of the parish/school.

105.1 FHFO VERSUS RESTRICTED ASSET ACCOUNTS

Monies designated by a parish/school finance council for a specific purpose, (e.g., a long-term building project, debt reduction campaign), or restricted contribution by a donor, would not be accounted for in a FHFO account, but rather in a Parish Council Restricted account (#1200 – #1285) or Donor Restricted account (#1300 - #1380). See page 8 and page 18 for more information.
105.2 AUXILIARY ORGANIZATION ACCOUNTING

There are two ways to account for financial activity of auxiliary organizations.

A FHFO account can be used or income/expense accounts can be used.

1. Accounting entries using a FHFO account:
   a. When funds are received:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>13xx</td>
<td>Auxiliary Group Bank Account</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>24xx</td>
<td>Funds Held for Others - Auxiliary</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

   b. When funds are spent:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>24xx</td>
<td>Funds Held for Others - Auxiliary</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>13xx</td>
<td>Auxiliary Group Bank Account</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

2. Tracking Income and Expenses (utilizing program 134: Auxiliary Organizations or 214 for Schools) without a FHFO Account

   a. When funds are received:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>13xx</td>
<td>Auxiliary Group Bank Account</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>134-420001</td>
<td>Auxiliary Organizations</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

   b. When funds are spent:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>134-xxxxxx</td>
<td>Expense Account</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>13xx</td>
<td>Auxiliary Group Bank Account</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Frequency of Recording:

The bank statements from these associated organizations should be sent directly to the parish. Transactions for these organizations should be recorded at least monthly. The bank account procedures utilized by the parish/school (see page 1) should be followed.

106 Guidelines for Endowment Funds

Special Funds within the Corporate Structure
The parish or the school, should establish the special fund (“Endowment Fund”) as part of the parish or school corporate financial structure through a corporate resolution adopted by the Board of Directors of the corporation, setting forth in detail the purpose of the special fund and the established procedure for the administration of the special fund, including the following:
1. State the specific purpose of the fund, such as general support of the elementary school or high school, scholarships at the elementary school or high school, funding a specific charitable or religious program of the church, etc.

2. State the plan for the solicitation of contributions to the special fund and that such solicitation shall be under the direction and control of the Board of Directors of the Corporation.

3. State whether only the income from the investment of the fund can be used (strictly an “Endowment Fund”) or whether there are special circumstances under which the principal of the fund can be used for the purpose stated; and state when distributions of income or principal, if applicable, are to be made (annually or otherwise). If applicable, the Diocese recommends withdrawing at a smaller rate in order to grow the principal value. For example, withdrawing 3.75% of the prior year value. This percentage should be stated, and it should be stated what balance this percentage should be applied to (prior year, prior 3 years averaged together, etc.)

4. State that the distribution of the principal (if applicable) and income shall be made only upon direction of the Board of Directors through the normal procedures established by the Board of Directors for the administration of parish or school funds.

5. If an advisory committee is to be used to make recommendations to the Board of Directors of the Corporation in regard to the administration of the fund, state who the members of that advisory committee are to be, how they are selected, the name of the committee and the method by which the committee will operate.

6. State that the Board of Directors shall have full authority to make any amendments to the original corporate resolution establishing the fund including the determination of when the fund is no longer needed, when the fund should be dissolved, and the use of the funds upon dissolution.

7. Establish a separate investment account for the special fund, which can be provided through the Catholic Foundation of Southwest Iowa.

8. If the special fund is for school purposes, state that contributions to the special fund cannot be made in lieu of school tuition so as to allow a deduction on an individual contributor’s tax return.

9. State that the special fund (“Endowment Fund”) shall be included in all appropriate financial statements of the corporation, whether a parish or a school, with the fund appropriately identified as a special or designated fund.

   - Donations to the special fund shall be identified on the financial statements under Foundation Income (420007) and will be non-assessable for ADA. If distributions from the...
endowment are used for the operations of the parish/school (e.g., tuition assistance); the distributions will be ADA assessable.

- Investment income and gains from the special fund that are used for operations of the parish or school shall be identified on the financial statements as Interest Income (410004) and Capital Gain/Loss (410013) and will be ADA assessable.

- Income from the special fund that is reinvested in the special fund shall be identified in the financial statements as Investment Income (420012) and Capital Gain/Loss (420013) and will be non-assessable for ADA.

- Money taken out of the special fund and used for operations shall be identified on the financial statements as Miscellaneous Income (410010) and will be assessable. Expense will also need to be recorded for the withdrawal under Other Expenses (700040).

Whenever a parish corporation or school corporation proposes to create a special fund for the purpose of collecting, investing, and distributing the income or principal for a specific designated purpose, the proposed corporate resolution creating that special fund should be drafted in accordance with the above guidelines and then forwarded to the Chancery for approval by the Bishop.

107 The Catholic Foundation of Southwest Iowa

The Catholic Foundation of Southwest Iowa (CFSWIA) advances Catholic stewardship throughout the 23 counties of Southwest Iowa by providing unique opportunities for individual giving, and unique resources for organizational financial management, all grounded in financial best practices and Catholic-values decision-making. The mission is to serve donors by providing high-impact avenues to fulfill their charitable giving goals and to serve Catholic parishes and organizations by providing strategic tools and fund management designed to achieve and deepen long-term financial security. While working collaboratively with the Diocese of Des Moines, the Foundation is an independent non-profit organization legally separate from the Diocese.

107.1 AGENCY FUNDS

Any parish, school, or any Catholic organization may enter into an agency relationship with the CFSWIA. As such, that entity, while maintaining ownership, invests their funds in the Foundation taking advantage of the pooling of assets.

Benefits of working with the Catholic Foundation of Southwest Iowa include:

- Best-practices financial management with a range of portfolio options
- Screened investment pools that promote “Catholic-values” and exclude investments in companies in conflict with church teaching
- Support for the fiduciary duties of a parish, school or institution
- Prompt, professional service free from conflict of interest
• Assistance with the development and implementation of a multi-year planned giving marketing plan
• Common Catholic values, and a shared mission to support financially the spiritual, educational and social needs of our Catholic community.

Agency Funds enable parishes, Catholic schools or organizations to capitalize on long-term investment strategies in a diversified portfolio managed by professionals. Agency funds are considered a legal and accounting asset of the establishing institution, which also maintains full discretion regarding distribution(s) from the funds.

However, Agency Funds are not “pass through” accounts or bank accounts. A long-term investment strategy is employed with Agency Funds within the Foundation. This agency relationship may be terminated by that same entity at any time.

107.2 CATHOLIC VALUES INVESTING

In 2003, the United States Conference of Catholic Bishops (USCCB) issued "Socially Responsible Investment Guidelines" for Catholic institutions and individuals. These investment guidelines were formed in concert with the 1986 pastoral letter Economic Justice for All, in which the Bishops address corporate and economic responsibility. The USCCB investment principles focus on the following areas:

• protecting human life
• promoting human dignity
• reducing arms production
• pursuing economic justice
• protecting the environment
• encouraging corporate responsibility

Consistent with the Gospel, universal church teaching, the USCCB, and guidance from our local bishop, the Catholic Foundation of Southwest Iowa offers a variety of moral and socially responsible investment options designed to meet a variety of philanthropic goals and time horizons while adhering to Catholic-values.

For more information or questions:
The Catholic Foundation of Southwest Iowa
601 Grand Avenue
Des Moines, IA 50309
515-237-5044
www.catholicfoundationswia.org
Revenues and Related Activities

Parishes depend on donations to fund their efforts to spread the Gospel. It is important that donors have confidence that their gifts are handled with care. This section contains information on mass collection counting, recording receipts, acknowledging donations, and fundraising.

201 Processing Receipts

201.1 MASS COLLECTION PROCEDURES FOR USHERS

1. Before Mass, inform the ushers of the number of collections. Assign tamper-resistant bags utilizing a bag tracking form (see page 173) for these collections beforehand, plus a spare bag in the event of a defective bag seal or an error made in closing the bag. If a bag is spoiled, retain it and submit it with the collections by noting the bag number(s) on the bag tracking form. If there is a second collection that weekend, an extra bag should be assigned for each Mass and labeled “second collection”.

2. During the offertory, the ushers move pew to pew with the basket collecting from the worshippers

3. The collection is maintained in its original form. No change is ever given from the collected funds or checks cashed from the collected funds.

4. At least two ushers consolidate the individual collection baskets into a pre-numbered, tamper-resistant bag assigned to that Mass and seal it.

5. If there is a second collection, consolidate and seal the tamper-resistant bag for the first collection before the second collection is started, then the ushers move pew to pew with the basket collecting from the worshippers for the second collection. Be sure the second collection tamper proof bag is labeled “second collection”.

6. The bag(s) for the regular collection and, if applicable, the second collection are transported to a secure area for safekeeping prior to delivery to the count team.

7. Document the procedures for the ushers to follow, especially how to properly seal the bags. Post and communicate these procedures with the ushers. Let the ushers know how much you appreciate their cooperation in successfully implementing these procedures.

201.2 CASH COUNTING PROCEDURES

The following procedures should be used for ALL cash counting, including fundraising receipts, religious education and school tuition/fee receipts.

Secure Counting Area:
The count area should be free of distractions. There should be no “through traffic” by individuals other than counters. Only the counters and any staff overseeing count should be in the room. Parish staff should not be counting the collections.

Set up the count room with the counting supplies, collection worksheets, and bank deposit tickets. Also, supply a new tamper-resistant bag to secure the funds to be deposited after the count is complete.

Cash Count:

The counting team should consist of two or more unrelated people. This team should be on a rotating basis so that the same two or more individuals are not always the counters.

Below are the steps to be followed by the two or more unrelated counters:

1. Once the counters are assembled, the pastor or his designee will deliver the tamper-resistant bags containing the Mass collections. Other sources of revenue received by mail or in person at the parish office are also delivered to the counters.

2. The counters will examine the bags to note if the condition is secure with no breaches of the seal or other irregular conditions of the bag. Record the condition of the bag and the bag number on the Bag Tracking Form. If the integrity of the bag is compromised (torn, ripped, not sealed properly), document the irregularity on the Bag Tracking Form. Notify the pastor immediately of any irregularity.

3. The counters will verify the bags delivered to them are the bags listed on the Bag Tracking Form by matching the bag number listed to the number on the bag. See page 173 for a sample bag tracking form.

4. Once the bag is opened, open the donation/tithing envelopes and verify the amount in the envelope is the amount indicated on the front of the envelope. Notate this review by check marking the amount on the envelope. As each envelope is opened, make one pile of empty envelopes and one pile of the cash/checks from the opened envelopes.

5. For checks that are received with no envelope or other backup documentation, use a separate sheet of paper to list the name on the check, dollar amount, check number and any other information given on the check. If there is loose cash/coin that does not give the donor’s name, write the total amount on the list of loose checks and note “loose cash”.

6. After all envelopes have been opened, separate the checks from the cash/coins. Group the cash/coins by denomination, count, rubber band (if cash), and note how much is contained in each group. Have two people count currency to verify.

7. Calculate a sub-total of all checks using either a computer or adding machine. Calculate a separate sub-total of all cash/coins. Attach each printed total to the checks and cash/coin. Add the two groups together to get a grand total of the deposit.
8. Add up the tithing envelopes and the list of loose checks/cash. Attach the printed total to the envelopes/list. Compare the total calculated to the grand total calculated in step 7 to verify that total cash/checks equal the envelopes/list.

9. Stamp checks for deposit only, restricting endorsement to the parish account.

10. Complete the count sheet by documenting the total currency, coin, and checks. Each counter signs or initials the collection worksheet to provide accountability for the amounts. See page 172 for a sample cash count sheet.

11. The counters will record the currency and checks on a bank deposit ticket that includes a triplicate carbon copy. Complete all information on the deposit ticket. Send the original deposit slip with one of the carbon copies, along with the adding machine tapes to the bank and retain the third carbon copy deposit ticket at the parish.

12. Place the collection in a tamper-resistant bag ready for transport, along with the deposit ticket and second copy of the adding machine tape listing check amounts. Transport the collection for deposit processing at the bank.

13. If the collection is transported to the bank via armor courier service, then the deposit ticket is placed in the bag with the collections. The bag is then sealed and placed in the safe awaiting pickup. If the collection is to be delivered to the bank by someone from the parish, then the bag is sealed and the deposit ticket is retained outside the bag and delivered to the bank.

14. Retain and bundle the count sheet, along with the one of the carbon copies of the deposit ticket, and envelopes/list. Envelopes and list of loose cash/checks will be used to enter information into donor’s record using ParishSOFT Family Suites.

15. Bank deposit receipts (this will most likely be the second carbon copy deposit slip that was sent to the bank) may arrive in the mail or be returned to the parish by the person who took the deposit to the bank. Immediately match the returned deposit receipt to the count sheet to verify and attach both. If a receipt is not received, review the bank statement or contact the bank.

Order Tamper Proof Bags from Kemco by calling (203) 762-1902, faxing (203) 762-2548, or emailing ken@securpak.com.

201.3 CASH RECEIVED DURING THE WEEK

It is a best practice to always have two individuals present when receiving payments during the week. However, using pre-numbered, three-part receipts (carbon and original) for all cash received through the parish/school office provides some additional control when two individuals are not present. Periodically, someone other than the receipt preparer should review the receipt books to ensure that all receipts have been accounted for. Mail should be opened in the presence of at least two individuals.

All monies received can be retained for the weekly cash counting process detailed above if they can be stored in a fireproof secure location. Another alternative would be to install a locked box as a secured
means of directly receiving money. Otherwise, prepare a deposit following the steps outlined in the cash count process.

201.4 RECORDING RECEIPTS

To the extent staffing levels permit, separate the duties of collecting, recording, depositing, and reconciling cash receipts among different individuals. If a parish/school does not have sufficient staff to separate responsibilities for cash handling, record keeping and reconciliation in the most desired manner, oversight by the pastor or Finance Council is necessary.

ParishSOFT Family Suites:

When a deposit is made, all donations should be entered to the donor’s record in ParishSOFT Family Suites generally within 14 days. If loose cash was part of this deposit, create a donor record in Family Suites called “Loose Cash” and record the amount to that record. After all donations have been entered into Family Suites, a report should be printed listing each donor and amount with a total deposited amount. This amount should be reconciled to the deposit ticket and count sheet. A copy of this report should be retained with the backup documentation/envelopes from the deposit. A separate copy should go to the staff member entering the deposit into ParishSOFT Accounting along with a copy of the count sheet and deposit slip(s).

Year-End Donations:

Make certain that donations are recorded in the proper year. Use the postmark date on the mailing envelope to record the date received at year-end. Record checks received in envelopes postmarked January 1st or later in the following year. Record checks received through the collection baskets on the date received as opposed to the date of the check or deposit.

General Ledger/ParishSOFT Accounting:

Before recording the deposit into ParishSOFT Accounting, compare the cash count sheet, deposit slip, and report from ParishSOFT Family Suites. Verify that what is being recorded as a deposit in ParishSOFT Accounting is what was recorded into Family Suites. Confirm that these amounts also tie to what was deposited in the bank account.

201.5 RESTRICTED DONATIONS

Gifts that are classified as restricted (ADA exempt) donations have a non-operational purpose. If a donor gives a gift to pay the heating bill, it should not be recorded to a restricted income account (designated donations, building fund income etc.) Examples of operational purposes that would not be classified as restricted would be: evangelization, faith formation, school assessments, holiday flowers, or the prior years’ ADA shortfall. Non-operational examples that would be classified as restricted would be:

1. A contribution received from a donor who has sent a letter restricting its use for the purchase of a particular statue to be placed in the Church sanctuary.
2. A gift received from a donor accompanied by a letter stipulating that the parish invest the gift amount and use only the investment income for Catholic school tuition for local underprivileged children.

Record Keeping
Careful records should be kept for restricted gifts from the time of acceptance to the time the gift has been expended. It is the duty of the parish to be able to show that the donor’s intentions were followed. Maintain documents that come with the gift that specify the designation. It is further recommended that documentation be kept detailing the additions/distributions of the funds through either a separate general ledger account, (see Primary/Subsidiary Accounts below), a project or a spreadsheet. It would be beneficial to regularly give this detail to the Finance Council so they can monitor the status of all restricted funds.

Restricted Asset Account
Gifts recorded in an ADA Exempt Income account should also be deposited as a restricted asset. The monies can be transferred to an operating account at time of disbursement. See page 8, Restricted Assets for more information.

Primary/Subsidiary Bank Accounts: ParishSOFT Accounting, has a feature called Primary/Subsidiary Bank Accounts, which allows for a single physical bank account to be used, while reporting the funds separately on the Statement of Financial Position. See page 8 for more information about Primary/Subsidiary Bank Accounts

Projects
In ParishSOFT Accounting, the use of a project can help to monitor restricted funds. Recording a project name to the restricted donation in ParishSOFT Accounting and then using them same project to record the fulfillment (expenses) of this restriction can help to track restricted cash. For more information about this please refer to the ParishSOFT Accounting Ledger and Payables user guide or contact the Diocesan Finance Department.

Funds Held for Others
Funds held for Other (FHFO) accounts should not be used to track restricted cash. FHFO accounts show as a liability to the parish on the Statement of Financial Position. It is not correct to show restricted cash as a liability.
202 Gifts to Outside Organizations

The following was sent by Bishop Pates on June 22, 2017 to all Parishes regarding Parish Collections:

Our people are surrounded by opportunities to give generously of their time, personal gifts and financial resources. Especially heart-rendering are appeals made on behalf of those in economically depressed and fragile areas of the world. While we encourage personal and community generosity, in the interest of good stewardship, accountability and transparency the Diocese of Des Moines has determined the following with regard to the collection practices of our parishes, schools and members of religious communities ministering in parishes in our diocese:

For those relationships already established (sister parishes, local charities, and other fundraising):

- Gifts should always be directed to a non-profit 501c3 organization, never to individuals. No appeal, foreign or domestic, should be deposited into a personal checking account.

- Funds should be collected and given to another church or non-profit organization, again, not to a person. A good rule is that an appeal should allow the people an opportunity to claim the gift on their income taxes – which means it must be given to a non-profit.

- Parishes and their parishioners should expect an accounting of how the funds were used. For instance, funds collected for digging wells in Africa should be shown to have accomplished their purpose and parishes should request annual financial statements of any organization from which a parish collection is conducted, which can then be shared with the people.

New Overseas Fundraising Opportunities:

- In addition to the other guidelines listed above, no new collections should be made apart from those planned through the Missionary Co-Op Plan, unless otherwise approved by Bishop Pates.

Your cooperation with the foregoing guidelines is much appreciated as well as the remarkable compassion and generosity of our people.

203 Accepting and Acknowledging Donations

203.1 CASH/CHECK DONATIONS

Parishes should record these donations in their contribution records using the date deposited and then issue annual contribution statements to all parishioners with the necessary IRS language. (See underlined section on page 23). At calendar year end, it might be necessary to date a gift in December, when it was actually deposited in January. This should only be done if the funds were received by the organization in December, or if the gift was postmarked with a December date. If an acknowledgment letter is sent at the time of the gift, make reference that the donation will be included in the year end statement. Sending an acknowledgment letter at the time of the gift is encouraged for donor relations purposes; it is always good to thank your donors.
203.2 ANNUAL DIOCESAN APPEAL (ADA) DONATIONS

If the parish deposits a check for the Annual Diocesan Appeal, and then writes a parish check to the Diocese, this donation will need to be included in the year-end contribution statement, as the parish is the receiving organization. If the parish forwards a check directly to the Diocese from a donor, do not include that gift in the parish’s contribution records or provide other acknowledgements to donors. The diocesan development office will do this.

203.3 SHARING GOD’S GIFTS (SGG) DONATIONS

If the parish deposits a check for the Sharing God’s Gifts campaign, and then writes a check to the Diocese, the parish will need to include this contribution in the year-end statements, as the parish is the receiving organization. If the parish forwards a check directly to the Diocese from a donor, do not include that gift in the parish’s contribution records or provide other acknowledgements to donors. The diocesan development office will do this.

203.4 MASS STIPENDS

There should be no ‘fee’ associated with having a Mass said. The Parish can suggest a donation amount, but a fee is not required to have the Mass said. Because of this, funds received for having Masses said should be treated as a donation to the Parish and recorded in ParishSOFT Family Suites with all other donations. These donations should be included on the donor’s year-end tax statement.

203.5 MEMORIAL GIFTS

A gift in memory of someone does not constitute goods and services, so memorial gifts should be included in a donor’s year-end contribution statement.

203.6 FUNDRAISERS

Donors who get something in return for their donation should only receive a tax contribution letter for the amount given over and above the benefit received. For example, when purchasing a ticket to a dinner, if the ticket was $80 and the dinner cost $30. The tax contribution statement would show $50. Tax deductible contributions are not allowed for cash received for merchandise, raffle tickets, the cost of bingo etc. (See page 24 for more information on gambling activities)

203.7 STOCK DONATIONS

Similar to cash gifts, the parish can provide a thank you acknowledging the stock donation. If the parish decides to create a thank you letter (acknowledgment letter) it is recommended that the parish identify the name of the stock, number of shares, date donated, high, low, and average fair market value of the stock in the letter. If an acknowledgment letter is sent, make reference that the donation will be included in the year end statement. The stock gift should also be recorded in ParishSOFT Family Suites. The value recorded should equal the number of shares multiplied by the average fair market value of the stock on the date it was received.
203.8 GRAIN DONATIONS

Provide a thank you acknowledging the receipt of any grain donations. Identify the number of bushels, the date donated, and the date your location sold the grain at the elevator. Do not include IRS language (see underlined section on page 23) because this gift is not a tax deductible contribution to the donor. Include the gift of grain in ParishSOFT Family Suites, but it should not be included on the year-end contribution statement.

203.9 IN-KIND DONATIONS

Provide a thank you noting the date of the in-kind donation and description of the item but not a value. The letter serves as an acknowledgement for tax purposes, and per the federal tax code, the donor must assign his/her own value. Do not include in-kind donations in ParishSOFT Family Suites or on year end statements.

Note that it is best the parish pay for expense directly and parishioners provide donations to cover the expense rather than to have the parishioner pay for the expense and then receive an in-kind donation.

203.10 IRA DISTRIBUTIONS

You can record IRA distributions in the donor’s record in ParishSOFT Family Suites, but the gift should not be included on the donor’s year-end contribution statement. The donor is receiving the benefit of a tax free distribution, to also provide contribution credit duplicates the benefit to the donor. It is best to acknowledge receipt of an IRA donation at the time it was received. The development office can provide you with a letter that includes appropriate language for acknowledging this type of gift.

203.11 PROPERTY DONATIONS

Provide a thank you note describing the property and date; however, do not include a value. It is the donor’s responsibility to value the property. Include the IRS language in the letter (see underlined section on page 23). The parish can record the property value in the donor’s record on ParishSOFT Family Suites, but it should not be included on year end statements.

203.12 SERVICE (TIME & TALENT) DONATIONS

Provide a thank you note. Simply thank the donor for the gift of his/her services to the parish/school/other diocesan location. The IRS does not allow tax deductions for volunteer time. Do not include the IRS language (see underlined section on page 23) or assign a value. Do not include a value in your contribution records or on year end statements.

Donors are allowed to deduct out of pocket expenses, including traveling to the site where they are volunteering, provided they are not reimbursed by the parish or school for those expenses. The IRS has an approved mileage rate for volunteers (see www.irs.gov for current rate). Donors are responsible of tracking their own expenses related to volunteering and maintaining any IRS-required documentation.

For independent contractors that wish to donate services, it’s best to pay the contractor for the service and have him/her write a check to donate the amount back to the parish.
This list is not all inclusive. Please contact Diocesan Offices with specific questions.


203.13 GIFTS THAT ARE NOT TAX DEDUCTIBLE

Donors are not allowed to receive a charitable deduction for the following:

- A contribution to a specific individual/family
- A contribution to a nonqualified organization (such as civic league, sports club, labor unions, chamber of commerce, political group or candidate.)
- The part of a contribution from which the donor receives or expects to receive a benefit
- The value of their time or services
- Personal expenses
- A qualified charitable distribution from an individual retirement arrangement (IRA)
- Appraisal fees
- Certain contributions to donor advised funds
- The cost of raffle, bingo or lottery tickets, even if you don’t win
- School tuition
- Full amount for items purchased at a fundraising auction or event
- Certain contributions of partial interests in property

Donors may refer to IRS Publication 526 or consult their tax advisor regarding deductibility.

203.14 END OF YEAR CONTRIBUTION STATEMENTS

At the end of each calendar year or at the time each gift is received, contribution statements should be prepared for all parishioners based on amounts recorded in ParishSOFT Family Suites Module.

Federal tax deductibility for any single contribution greater than or equal to $250 requires the donor to have written acknowledgment of the contribution. The written acknowledgment must include the following:

- Parish/school’s name
- Donor’s name
- Amount of cash contribution – itemize greater than or equal to $250 contributions separately; each $250 or more contribution must be listed separately on a donor’s contribution statement.
- Description (but not the value) of non-cash contribution
- Date of the contribution
- If goods or services were not provided, include the following:
  - A statement that goods or services provided by the parish/school consisted entirely of intangible religious benefits, if that was the case.
    - Example: “This acknowledgement of your contribution is provided pursuant to Section 170(f)(8) of the Internal Revenue Code and should be kept as a reference for tax purposes. (Name of Organization) did not provide you with
any goods or services in whole or in part for this contribution other than intangible religious benefits.”

- If goods or services were provided, include the following:
  - A description and good faith estimate of the value of goods or services that the parish/school provided in return for the donation.
    - Example: “Two Iowa State Cyclone basketball tickets for December 12, 20XX, valued at $300, were provided in return for a $600 donation.”

Calendar year contribution statements should be distributed by January 31st particularly for statements with individual contributions of $250 or more. Electronic statements are acceptable. Any discrepancies noted by parishioners should be investigated by someone other than the recorder of collections.

IRS Publication 1771 contains detailed information regarding the above requirements.

### 204 Fundraising Activities

#### 204.1 GAMBLING LICENSES/PERMITS

Gambling License Required

The Iowa Department of Inspections and Appeals (DIA) requires all parishes/schools that have bingo/raffles, or other gambling activities, to get a gambling license before any gambling activities begin.

Sales Tax Permit Required

Prior to applying for a gambling license, parishes and schools must have a sales tax permit or have just submitted an application for one (ticket sales for bingo and raffles are subject to sales tax). An application for a sales tax permit is made through the Department of Revenue. There is no charge to obtain a sales tax permit. See page 31 for Sales Taxes/Use Taxes information.

Different Types of Gambling Licenses

Information for the different types of gambling licenses may be found on the DIA’s “Social and Charitable Gambling” web page. Gambling license fees are based on type of gambling and term length of license – the longer the term, the higher the fee.

When submitting the licensing application, attach a copy of the IRS Determination letter which indicates that the parish/school is considered a non-profit organization and a copy of your entity’s Kenedy Directory page. A copy of this letter may be obtained through USCCB’s website (enter “tax and group ruling” in the search bar). The Diocesan Communications Office can provide a copy of the Kenedy Directory page.

Be aware that although the DIA may be able to process the license in a week, the law does allow the DIA 30 days.
Annual Gambling Report Required.

An Annual Gambling Report must be filed with the DIA in July if a gambling license was issued the previous fiscal year.

Example: If a gambling license was issued any time between July 1 and June 30 of fiscal year 2017, an Annual Gambling Report would need to be filed sometime during July 2017.

204.2 GAMBLING WITHHOLDING TAX

Raffles/Bingo:

The IRS considers raffles a form of a lottery; therefore, lottery rules apply.

*If a raffle winner wins more than $600, but less than $5,000, and at least 300 times the amount of the wager or ticket, or if a bingo winner wins at least $1200 or more, the following is necessary:*

1. Have the winner complete a W-9, Request for Taxpayer Identification Number.
2. For Bingo Only: Have the winner also provide a second form of identification which must include his or her photo.
3. Complete the federal form W-2G and present the winner with his/her copies of the form when the prize winnings are distributed. There is no federal withholding unless the winner does not supply taxpayer ID information.
   a. If the winner does not supply a Taxpayer Identification Number for the W-2G, deduct federal back-up withholding of 28% from the prize money (entered in box 4 of the W-2G) and send Form 945 at calendar year end.
   b. The State requires 5% to be withheld, even when complete taxpayer ID information is given. Out-of-state winners are included in this requirement.
   c. Send the federal copy of the W-2G along with a 1096 transmittal at calendar year end.
   d. See Report and Payment information at the bottom of this section.

*If the raffle winnings, minus the wager, are more than $5,000*

1. Complete the federal form W-2G using regular gambling withholding of 25%.
   b. Give copies of the W-2G to the winner when the prize winnings are distributed.
   c. Mail the Federal copy after January 1 of the next year (IRS is not set-up to process sooner), but no later than the last day of February for paper returns.
2. Withhold 5%, remit and report as required by the state, even for out-of-state winners.
3. Complete and send federal form 945 at calendar year end.
4. See Report and Payment information at the bottom of this section.

*If the raffle winnings are less than $600 or between $600 and $5,000 but NOT 300 times the amount of the wager, do not report or withhold for federal purposes, but do withhold, remit, and report 5% to the state on winnings greater or equal to $600. (Note: Winners are required by law to report all winnings as income on their tax returns, whether or not a W-2G is issued.)*
When the person receiving gambling winnings which are subject to reporting or withholding, isn’t the actual winner or is a member of a group sharing the winnings, or is a non-resident alien, see IRS W-2G instructions for additional requirements.

Refer to IRS Publication 3079 “Gaming Publication for Tax Exempt Organizations” and IRS Notice 1340 for more information on gambling.

**Car Raffle**

If the parish/school decides to raffle off a car, there are additional items to consider:

- Will the parish/school pay the registration fee/taxes for the winner or will the winner be expected to pay?
- What if the winner decides not to accept the car?
- Will a cash option be offered in case the winner wants cash instead of the car?

**Withholding on a car raffle:** Regular gambling withholding rules apply for car raffles, even when the prize is a noncash payment such as a car. 25% of the fair market value (FMV) of the car needs to be withheld for federal as regular gambling withholdings. 5% should be withheld for the State. Since it is not possible to withhold money on a car, either the parish/school or the winner will need to pay the withholding taxes:

- If the winner pays, the winner would pay the parish/school 25% of the car’s FMV, minus the wager.
- If the parish/school pays, then they would pay 33.33% of the car’s FMV. The percentage is higher because now the winner is actually receiving the car and the amount of the withholding tax.
- Given this method, the car’s FMV plus the amount of the withholding tax will go in box 1 and the amount of the withholding tax paid will go in box 4.

**Example:** A parishioner purchased a $1 ticket for a raffle conducted by St. Mary Parish. The parishioner won the grand prize of a car worth $10,000 (fair market value). St. Mary paid the withholding tax on the car which was $3,332.67 ($10,000 fair market value of prize minus $1 ticket cost) x 33.33%. St. Mary must report $13,333 as the gross winnings in box 1 of Form W-2G, and $3,332.67 withholding tax in box 4.

**Contests**

For contests where participants do not pay any money to play, a federal W-9 form and a 1099-MISC form must be completed for all winners (non-employees) of prizes valued at greater than or equaled to $600. If the winner does not complete a W-9, withhold 28% of the winnings, file Form 945 and withhold 5% for the state. See additional reporting and payment requirement information below.
Reporting and Paying Regular Gambling and Back-up Withholdings

**Reporting and Paying Withholding Tax to the IRS**

- Use Form 945, Annual Return of Withheld Federal Income Tax, to report non-payroll withheld amounts to the IRS. This is not the same form used to report Federal income tax and FICA withheld for employees.
- Form 945 is an annual return and is due January 31 of the year after the year in which the taxes were withheld. It should not be sent earlier than January 1.
- **Example:** For taxes withheld in calendar year 2017, the return would be due January 31, 2018.
- Review Form 945 instructions for when the tax deposits should be made – monthly or semi-weekly. Separate tax deposits are required for payroll (Form 941) and non-payroll (Form 945) withholdings.

**Reporting and Paying Withholding Tax to the State of Iowa**

- Include all gambling state withholding on the Verified Summary of Payments (VSP) report filed electronically through the Iowa Department of Revenue’s “e-file and pay” at calendar year end. Deposit these withholdings with employee withholdings during the year, as appropriate. Later in 2017, the state may require a copy of the W-2G to be filed with them as well.

204.3 EVENTS WITH ALCOHOLIC BEVERAGES

**Serving alcohol on church property (never to a minor)**

*If there is no charge for the beer/wine (no distilled spirits) there is no need for a liquor license.*

- If there is an event charge, you cannot advertise that beer/wine will be served.
- There cannot be the expectation that any payment will be needed to obtain the beer/wine.
- **No distilled spirits can be served**

*If there is a required payment, or if distilled spirits are served, a permit is needed.*

- 3 types of “on-premise” licenses are available at the Iowa Alcoholic Beverages Division.
- Annual or five day licenses are available
- Designate the area where alcohol will be consumed. It can be outside.
- The license can be transferred to another parish within the same city for a specific event; however, the license does not allow for dual locations.
- Dram insurance is required; LMC can assist in finding an insurance provider.
- Selling on Sunday requires a “Sunday sales privilege”.
- Alcohol has to be obtained through a wholesaler; retain receipts proving this.
Auctions

A Charitable Auction Permit is required if alcohol is included in an auction item or as a raffle prize

- Nonprofit organizations are allowed only two permits per year.
- Alcohol that will be auctioned off must be obtained from a State of Iowa licensed retailer. If someone is donating alcohol for the auction, the person donating must have purchased the alcohol in Iowa and give the organization the receipt (or copy of receipt) for the donated alcohol. No alcohol may be auctioned if not purchased in the State of Iowa.
- Organizations with a liquor license are not allowed to obtain an auction permit; however, another non-profit organization (such as Knights of Columbus) could obtain the permit and run the auction at the licensed premises.
- The fee for a charity beer and wine auction permit is $100

Education/Training

a. The Iowa Alcoholic Beverage Division (ABD) offers a free training program called I-PACT (www.iowaABD.com)
b. Contact Information – State Licensing Division 866-469-2223 option 1
c. CMG offers a Liquor Liability handout
Expenditures and Related Activities

In order to fulfill the obligation of being a good steward of the funds given, it is the responsibility of the parish/school to ensure that the funds paid are disbursed only for valid and approved expenses. Obligations for services or goods provided need to be fulfilled in a timely manner and the parish/school must ensure that proper controls are instituted and enforced during the disbursement process. This section contains information about internal controls over cash disbursements, sales/use tax and other governmental reporting, auxiliary organizations and capital (fixed) assets.

301 Cash Disbursements

All disbursements should be recorded in the general ledger. Checks, not cash, should be used to pay vendors, contractors and employees. A regular schedule, such as every Thursday printing checks, helps to control the work associated with paying bills and issuing checks in the business office. The Diocesan Finance Department strongly discourages the use of hand-written checks. All checks should be pre-numbered by the check vendor. When printing checks, include the vendor’s address on the check.

301.1 BLANK CHECK STOCK

Store blank check stock in a locked location, preferably in the safe or fireproof filing cabinet, and limit access to those who are authorized to prepare checks. This reduces the risk of stolen and forged checks.

301.2 SIGNING BLANK CHECKS

Never sign blank or partially blank checks. The practice of signing blank checks severely decreases the effectiveness of other cash controls established related to accuracy and propriety of transactions. Only sign checks when the payee and dollar amount are filled in and the supporting documentation (original invoice and check request) accompany the check for review by the signer. Having this information readily available makes the process more efficient if there is a question related to an expense, especially if the pastor signs checks after regular business hours. It also provides for an additional verification of the accuracy of the payment being made.

301.3 ELECTRONIC DISBURSEMENTS

The parish/school can decide to have vendors automatically debit their bank account to pay invoices. The Pastor should authorize all automatic payments before they are set up with the vendor. When the bank statement is received, a review should be done between the invoice and the amount debited on the bank statement to verify the correct amount was withdrawn.

Payments made by the parish via ACH to a vendor should be done following the Internet Banking Procedure (see page 9)
301.4 MANUAL CHECKS

Checks should not be handwritten. If this practice is unavoidable, consider the use of a credit card or ACH for such purchases; otherwise, a process should be in place to ensure that the disbursements are recorded accurately and timely in ParishSOFT Accounting. The parish/school should try not to wait until the bank statement is received to record the transaction. For example, if an authorized signer takes a check to a retail store, that individual would promptly submit the receipt to the bookkeeper so the transaction can be recorded, including payee, amount, date, and related expense account.

301.5 SETTING UP VENDORS

When setting up vendors in ParishSOFT Accounting, it is important to always enter the address and phone number for the vendor. The address will print on the check underneath the vendor name allowing the parish to follow best practices of mailing all vendor checks. It is also important to have the correct address and phone number because the vendor profiles can act as a resource when needing to contact a vendor.

301.6 APPROVING INVOICES

For larger parishes and schools, it is important that the appropriate department approves an invoice before a check is issued. For example, if the Religious Education program orders new text books, the Religious Education Director signs the invoice before the check is issued. The Director’s signature tells the check signer that the Director is aware of this invoice, the item has been received, and the Director authorizes its payment. Smaller parishes will also want to approve invoices before preparing a check. After the check has been prepared, attach the related invoice and present to the pastor, or his designee, with any remittance stub. Always have the pastor, or his designee, sign the check; never use a signature stamp. After the check signer has reviewed the documents and signed the check, the signer cancels the invoice by signing, initialing, or stamping it. This protects from fraud by ensuring no one will be able to request duplicate payment on an already paid invoice. Do not pay any bill without an invoice.

On the day the check is mailed, a best practice includes stamping the invoice using a “Paid” or “Mailed” stamp with the current date. The mailing date provides information for vendors who want to know when the check was mailed. It is also a best practice to have someone other than the check preparer mail the payment.

301.7 DEDICATED ACCOUNTS (SECOND COLLECTIONS)

For a list of the Diocesan required collections and their dates please go to: http://www.dmdiocese.org/second-collections2.cfm.

All checks/cash collected by a parish for a second collection should be deposited into the parish bank account. One check should then be written by the parish to the Diocese of Des Moines. Because the checks/cash are all deposited by the parish, the parish is responsible for acknowledging the donations and adding the gift to the donor’s giving record in the ParishSOFT Family Suites Module.
When a second collection is taken up by the parish, and the funds are deposited into the parish’s bank account, a dedicated account should be used to record the income. When the parish writes the check to forward the funds on of the second collection (most likely to the Diocese), that same dedicated account should be used. This will clear out the balance in the dedicated account. It is recommended that every month all dedicated accounts be cleared out to $0 to ensure timely transmittal of funds.

*See page 86 for an explanation of the Statement of Dedicated Accounts and see 178 for a list of the Dedicated Accounts.*

### 302 Taxes

#### 302.1 Sales Taxes/Use Taxes

**Definitions**

Sales tax is a tax assessed (certain percent) by the State on the sale of most goods and many services. The retailer has the burden to collect sales tax, but if the retailer should and does not, the consumer must remit to the State.

Use taxes are taxes imposed by the State to compensate for the sales tax revenue lost when an item is purchased outside of the state and provides equity for Iowa retailers. (Because the item is to be “used” in the State, the State charges a “Use Tax.”). Where use tax is applicable, the consumer must remit to the State.

Even though churches are non-profit entities, they are not exempt from paying sales tax. Three rules to know:

1. Sales taxes are **not** paid on services unless specifically included in the Iowa Tax Code.
2. Sales taxes are **paid** on supplies unless specifically excluded from the Iowa Tax Code.
3. All schools are generally exempt from State sales/use tax.

It is the non-profit nature of churches, and their exemption from income tax, that can cause them problems with vendors not charging sales tax. Parishes/Schools must be vigilant when reviewing invoices for payment to be certain the necessary sales tax or use tax has been applied. If an invoice is received that does not have sales tax or use tax added, but should, contact the vendor and request a new invoice with sales tax or use tax added.

If no sales/use tax is collected and should be, then the church must remit the appropriate tax amount to the State. If the use tax charged is less than Iowa sales tax, the difference between the two taxes must be remitted to the State.

**Sales Tax Filing Frequencies and Return Due Dates**

- **Annual:** Less than $120 tax per year – The return is due and payable no later than January 31 following each calendar year.
- **Quarterly:** More than $120, but less than $6,000 tax per year ($30 - $1,500 per quarter) – The return is due on or before the last day of the month following the end of the calendar quarter.
• Monthly: More than $6,000, but less than $60,000 tax per year ($500 - $5,000 per month) – The monthly deposit is due by the 20th of the month following the month in which the tax is charged and only applies to the first two months in the quarter. (Monthly filers then file the quarterly return.)

• Semimonthly: More than $60,000 tax a year (more than $5,000 per month; more than $2,500 semimonthly) – The first semimonthly deposit is for the period from the first of the month through the 15th and is due on the 25th of the month. The second semimonthly deposit is for the period from the 16th through the end of the month and is due on or before the 10th day of the month following the month of collection. However, the last semimonthly deposit of the calendar quarter is due on the last day of the month following the end of the quarter.

302.2 FORM 1099 INFORMATION RETURNS

It would be unusual for a parish/school not to have at least one 1099 to file annually with the Internal Revenue Service (IRS). A 1099 information return must be filed for service payments, which in total are greater than or equal to $600, made to a service provider or contractor during the calendar year and have not been reported on the following tax forms: W-2, W-3, 941-943, 1042 or 1120S.

Sole proprietors, partnerships and LLCs taxed as sole proprietorships or partnerships should be sent 1099-MISC if the $600 qualifying payment total is met or exceeded. If an entity does not know what type of an LLC it is, assume partnership. The process for becoming an LLC corporation is very involved; they would remember it. Generally, 1099s are not sent to business entities set-up as corporations, but all law firms should receive 1099s for services greater than or equal to $600. Have all prospective 1099 vendors complete IRS Form W-9. This form may be obtained from the IRS’ website: www.irs.gov.

Helpful Suggestions

Have vendors complete a W-9 before issuing checks to them. Be sure the form has been completely filled out, including address, the individual’s social security number or the entity’s tax identification number, type of entity (federal classification), and signed. W-9s do not get sent anywhere, but should be kept in a secured separate alphabetical file because of the taxpayer ID number. W-9s only need to be updated if the information on them changes. Consider periodically asking for updated W-9s to ensure the information is current.

There are many 1099 forms, each serving a different purpose. The 1099-MISC form is the one most parishes and schools will file. Below are some of the more frequent types of payments for which parishes and schools may need to send 1099-MISC forms.

1099-MISC (not for corporations, except where noted):

• Advertising fees: (only for a company’s creation of the advertisement)
• Car expenses, non-employee: non-accountable plans, i.e., no documentation is provided, such as receipts or mileage logs
• Healthcare corporations payments
• Prizes to non-employees: fair market value of merchandise; amounts paid not involving a wager ($5 for a raffle ticket would be an example of a wager). See page 24 for information on Gambling activities.
• Professional fees (not expenses): attorneys, even corporations; accountants; architects
• Rent payments: exclude real estate agents, needy individuals; include machine rentals
• Services rendered: include “incidental” parts and materials used in providing services
• Stipends, set payments/gift amounts for services
• Unemployment compensation
• Accrued employee benefits/compensation paid after the death of an employee: Do not report on a W-2

NOTE: Review the Vendor Audit file in ParishSOFT Accounting (Reports>>Vendors>>Vendor Audit), before finalizing 1099 returns, for vendors that were not identified earlier.

Filing 1099 Information Returns
1099 forms for recipients must be postmarked no later than January 31. If 1099s are mailed early, it may be beneficial to delay sending the IRS its copies, in case any of the recipients respond back noting errors on their forms. If an error is found, a new 1099 would be prepared, rather than an “amended” 1099. Once the IRS has its copies, any changes must be sent as amended.

If any federal income tax withholding is recorded on the 1099 forms, report it on IRS form 945 which also must be filed by January 31. Form 945 reports any federal income tax withheld from non-payroll payments. Payments of such withholding are due with regular payroll withholdings. Only one form 945 is filed for a calendar year. The form may be obtained through www.irs.gov.

Change for 2017 1099s:
When reporting payments in Box 7, the IRS 1099-MISC copy is due January 31, 2018 for both paper and electronic filing; otherwise, the IRS copy must be filed by the end of February if by paper, and the end of March if electronic.

303 Parish and School Credit/Store Cards
Disbursements should follow the cash disbursement policy which requires that a check be issued upon the receipt of an approved invoice or reimbursement request by an employee. Occasionally there will be a need by the parish/school to use a corporate credit card/store card or account to make a purchase. The following steps should be followed.

The Pastor, with the Finance Council’s help, should create a credit card policy that defines the rules surrounding the use of the credit card/store card/account. The policy should include the following:

1. Identify authorized users, limited to those who really need it for making purchases. A current log of cards should be kept listing the cards issued to the church and who has physical custody of the card(s).

2. Set appropriate credit limits on cards and do not allow cash withdrawals.
3. Establish custody and safeguarding of cards when not in use (store in the office safe) to help prevent unauthorized use.

4. Follow the same spending policies spelled out in the cash disbursement policy.
   a. No personal expenses should be charged on a parish/school card.

5. Establish credit policies
   a. Identify any non-allowable expenses, e.g., entertainment, alcohol, etc.
   b. Identify any food or travel policies.

6. The credit card/store card/account balance will be paid in full every month to avoid late charges.

7. Original receipts, noting the church/school purpose and people involved, must be submitted to the bookkeeper on a timely basis with the proper written approvals.

8. All statements should be reconciled monthly to actual receipts and reviewed for reasonableness. The reconciliation should be reviewed by the pastor/principal or their designee. No one is to review his/her own charges. The pastor/principal will want to have a member of the finance council review their charges for transparency purposes.

9. The card holder agrees to be personally responsible for the card, immediately report any errors or unauthorized use of the card, and surrender it upon termination of employment.

### 304 Auxiliary Organizations

In order for an association to be considered a fully integrated component of the parish or school, it must be recognized as such by the finance council as a matter of its written record, and it must be subject to the ultimate fiscal control of the pastor or school administrator. Examples of common auxiliary organizations would be an Altar and Rosary Society or Home and School.

For auxiliary parish/school organizations, financial activity should be recorded on the general ledger. An itemized record of receipts and expenditures should be submitted to the parish or school office monthly if the parish does not write the checks on the behalf of the auxiliary organization. This keeps the parish/school management apprised of the financial activity of the organizations. Monthly bank statements and any investment statements for auxiliary organization accounts should be sent directly to the church office for review before they are handled by the treasurer of the organization. The auxiliary organization may wish to receive their own copy of the financial institution statements.

The parish/school office should review and complete (by signing off and dating) the bank reconciliation and review the cancelled checks on a monthly basis. See page 1, Bank/Investment Accounts.

However, organizations are discouraged from having separate bank accounts. Such accounts may exist only with the approval by the pastor or school administrator.
The pastor or school administrator must be included as an authorized signer on all affiliated organizations that use the parish’s/school’s tax ID number. This ensures they are aware of all accounts in the name of the parish or school. No auxiliary accounts should be set up under a different tax ID number. Organizations like Knights of Columbus or St. Vincent de Paul would not have their assets recorded on parish’s/school’s financial statements.

For information about recording transactions for auxiliary organizations see page 10, Accounting for Auxiliary Organizations.

### 305 Property, Plant, and Equipment

#### 305.1 CAPITALIZATION & FIXED ASSETS

In addition to accounting for cash receipts and cash disbursements, a parish or school must account for purchased fixed assets. Fixed assets, sometimes referred to as long-term assets, capital assets, or property, plant, and equipment, represent assets that are generally held for several years. Examples of such assets include land, land improvements, building and related improvements, equipment, furniture, fixtures, vehicles, etc.

Proper accounting requires capitalization of items purchased that are expected to have an estimated useful life of greater than one year and have a significant value. The Finance Council should establish a dollar threshold for the capitalization of fixed assets. The amount to be capitalized should be the total cost to acquire the asset.

For example, the Diocese of Des Moines has a capitalization policy whereby any improvement or purchase, that meets the definition of a Capital Asset (see page 36 Accounting Procedures for Capital Assets) and is $2,500 or more, is capitalized.

While it may be customary to insure fixed assets at replacement value, insurance value appreciation should not be recorded for fixed assets.

**Fixed Asset Records:**

Every parish and school must maintain permanent records of all fixed assets. Each asset record should detail the following information:

- Asset description
- Serial number (if applicable)
- Purchase date
- Vendor or party purchased from
- Purchase price (cost only)
- Physical location
- Person responsible for asset
- General ledger account charges
- Disposal date (when applicable)
A fixed asset purchase requiring several disbursements to fully satisfy obligation need only be documented on one asset record. Examples of this include separate invoices for computers and software or a construction project.

### 305.2 CAPITALIZING VS. EXPENSING

It can be difficult to decide when to capitalize and when to expense the cost of improvements to an existing asset. In general, if an expenditure improves the efficiency, or materially extends the useful life of an asset, it should be capitalized.

### 305.3 NEW CONSTRUCTION

For purchases whereby the fixed asset is built, during the project’s “in-construction” phase, a new fixed asset account is set up called “Construction in Progress”. All expenditures tied to the construction of the fixed asset are recorded in the new fixed asset account “Construction in Progress”. When the construction and contract are complete, the amount recorded in “Construction in Progress” is moved to the fixed asset account for the building. At this time, the new building or improvement begins to be depreciated.

*See page 41, Example 3 in Depreciation and Fixed Assets for more information on accounting for new construction.*

Any building project costing $50,000 or greater should be reviewed by the Diocesan Building Commission. *See page 162, Diocesan Building Commission Guidelines.*

### 305.4 ACCOUNTING PROCEDURES FOR CAPITAL ASSETS

An asset is defined as a capital asset (buildings, equipment, etc.) if it meets the following criteria:

- The asset is used in the operation of the parish/school activities.
- The asset has a useful life of more than one year and provides benefit throughout that period.
- The individual asset is of significant value that is; it has a unit cost of $XXXX (dollar amount determined by the parish/school Finance Council) or more.

An asset account should be used for items that have a unit cost of less than $XXXX (dollar amount determined by the parish/school Finance Council) if:

- The item is an ancillary cost, such as freight, installation or other costs incurred to acquire a capital item and prepare it for use.
- The item will be used with and become an essential part of a group, system or configuration with a total value of $XXXX or more.

Note: This situation applies only to the initial acquisition of the system - generally all the components are purchased within the same fiscal year.
### 305.5 Determining Useful Life

The facts and circumstances of the asset's use should determine useful lives. The following useful lives of capital assets are presented as a general guide:

<table>
<thead>
<tr>
<th>Type of Capital Assets</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>not depreciated</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>10 years</td>
</tr>
<tr>
<td>Buildings</td>
<td>40 years</td>
</tr>
<tr>
<td>Fixed Equipment</td>
<td>20 years</td>
</tr>
<tr>
<td>Major Movable Equipment</td>
<td>15 years</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>IT Equipment</td>
<td>3 years</td>
</tr>
</tbody>
</table>

### 305.6 Guidelines of Capital Asset Valuation

The following guidelines are to be used to determine whether a particular valuation should be expensed or added to the capital asset records during the closeout of routine repair and maintenance accounts, special repair and maintenance projects, leasehold improvements, the purchase of land, equipment, or software.

**Land Valuations:**

The cost of land acquired should include:

- The purchase price
- Closing costs, such as title search costs, legal fees, and recording fees
- Costs incurred in getting the land in condition for its intended use, such as grading, filling, draining, clearing, and surveying
- Demolition costs
- Assumption of any liens or mortgages or encumbrances
- Judgments levied through damage suits
- Any additional land improvements that have an indefinite life.

**Land Improvements:**

The cost of land improvements should include:

- Culverts, fencing, flag poles, parking lots, roadways, sewer, water and electric lines, yard lighting, paving (roadways, walks, parking), shrubs, lawns, and trees.
- Any additional land improvements that have a finite life.

**Buildings and Infrastructure:**
The cost of buildings and infrastructure should include all expenditures related directly to their acquisition and construction. These costs include:

- Materials, labor (including design and supervision), overhead, and costs incurred during construction
- Legal and architectural fees
- Building permits
- Insurance premiums during the construction phase
- Materials and services furnished by other State Agencies
- Interest costs incurred during the construction of phase.

**Machinery and Equipment:**

This includes delivery equipment, office equipment, machinery, furniture and fixtures, and furnishings that exceed $XXXX/unit (dollar amount determined by finance council). Costs that should be capitalized include:

- Purchase price
- Freight and handling charges
- Insurance while in transit
- Assembling and installation costs

**305.7 CAPITALIZATION OF COSTS SUBSEQUENT TO ASSET ACQUISITION**

There are four categories of expenditures that may be incurred for an asset subsequent to its acquisition. These expenditures are additions, improvements and replacements, re-installations and rearrangements, and repairs.

**Additions:**

(Examples: extensions, enlargement, or expansions made to an existing asset). Additions should present no major accounting problems. By definition, any addition to a capital asset is capitalized because a new asset has been created. If the addition is an item that could stand alone, i.e., a new building wing, it is a separate asset, and a separate asset and depreciation records should be maintained.

Examples of additions are as follows (coding of these transactions should be based on the work done):

- An elevator or dumbwaiter
- Fire alarm system
- Security windows
- Surveillance equipment
- Sprinkler system, Internal
- Acoustical treatment

**Improvements and Replacements:**
The distinguishing feature between an improvement and a replacement is that an improvement is the substitution of a better asset—having superior performance capabilities (e.g., a concrete floor for a wooden floor) for the one currently used, whereas a replacement is the substitution of a similar asset (a wooden floor for a wooden floor). In both of these instances organizations should determine whether the expenditure increases the future service potential of the capital assets, or merely maintains the existing level of service. When the determination is made that the future level has been increased, the new cost is capitalized. If the cost is to be capitalized, the carrying amount of the old assets and associated accumulated depreciation, if applicable, should be removed.

Reinstallations and Rearrangements:
Defined as expenditures made to provide greater efficiency or reduce costs.

If benefits from the reinstallation or rearrangement extend into future years, the expenditure should be capitalized. If the original installation cost can be estimated, along with the accumulated depreciation to date, the cost may be handled as a replacement and the procedures above should be followed. Where the original cost is not known, the reinstallation or rearrangement cost should be capitalized. If the expenditure has no measurable future benefit, it should be treated as a current period expenditure.

Repairs:
Repairs are costs to maintain the capital asset in its original condition. There are two types of repairs: Ordinary and Major.

- **Ordinary repairs** are expenditures that keep the asset in a state of good repair. Examples of ordinary repairs are preventive maintenance, normal periodic repairs, replacement of parts, structural components, and other activities needed to maintain the asset so that it continues to provide normal service. These costs should not be capitalized but rather charged to an expense account.

- **Major repairs** are relatively large expenditures that benefit more than one accounting period (year). If a major repair, e.g., an overhaul, occurs that benefits several periods and/or extends the useful life of the asset, then the cost of the repair should be handled as an addition, improvement, or replacement and capitalized depending upon the type of repair made.

Examples of major repair activities are as follows:
- Roof and/or flashing repairs
- Window repairs and glass replacement
- Tuck-pointing
- Painting
- Masonry repairs
- Floor repairs.
305.8 SALE OF A FIXED ASSET

Any fixed asset that is sold for $25,000 or more must be approved by Bishop Pates. After an asset is sold, it should be removed from the general ledger, record a gain/loss if appropriate and Catholic Mutual Group should be contacted (if applicable).

305.9 DEPRECIATION OF FIXED ASSETS

The Diocese of Des Moines recommends that all new fixed asset purchases be depreciated.

Depreciation:

Is the process of allocating the cost of an asset to expense over a number of years. In other words, depreciation recognizes the reduction in the value of an asset due to wear, technological outdating, the passage of time etc.

Straight-Line Depreciation:

A fixed amount of depreciation is expensed each month over the estimated service life of the asset. The amount is calculated as follows:

\[
\frac{\text{Depreciation Expense per Month}}{\text{Cost}} \times \frac{1}{\text{Estimated Useful Life}} = \text{Depreciation Expense per Month}
\]

Accumulated Depreciation:

Is a contra-asset account that reduces the value of the fixed asset over time. When depreciation expense is recognized, an accumulated depreciation account is credited to reduce the total values of fixed assets. This is show that the asset is losing value.

Example 1:

St. X Parish purchases a car for $20,000 on 1/1/2013. In one year, that car is no longer has a value of $20,000. Therefore St. X Parish would show it on their Statement of Financial Position as follows on 12/31/2013:

1565 – Vehicles $20,000

1660 – Accum Depr – Vehicles ($4,000) (Depreciated equally over 5 years = depreciation of $4,000 per year)

Net value of Vehicle = $16,000

Generally Accepted Accounting Principles (GAAP) require that the amount showing in the fixed asset account remain at full cost (in the above example $20,000). So in order to show the $20,000 for the life of the car in #1565, another account needs to be used to show the reduction in value (#1660 – accumulated depreciation).

Example 2:
St. X Parish makes the following purchases during August 2013:

1. Purchased a new sound system for the Church for $10,000. It is estimated that the life of the sound system will be 5 years.

2. Purchased a new projector for the Hall for $3,289 it is estimated that the life of the projector will have a useful life of 3 years.

In August, when St. X enters the bill in ParishSOFT Accounting for these items, they will be coded to 1555.

These items will be depreciated over the useful life of the asset. Depreciation expense is calculated:

### Sound System:

\[
\text{Depreciation Expense per Month} = \frac{\$10,000}{5 \text{ Years}} \times \frac{1}{12 \text{ Months}} = \$166.67 \text{ of Depreciation Expense per Month}
\]

### Projector:

\[
\text{Depreciation Expense per Month} = \frac{\$3,289}{3 \text{ Years}} \times \frac{1}{12 \text{ Months}} = \$91.36 \text{ of Depreciation Expense per Month}
\]

Beginning in the first full month following the purchases (September 2013), St X Parish sets up the following memorized transaction to record monthly:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>101-800030</td>
<td>Depreciation – Furn &amp; Equipment</td>
<td>257.73</td>
<td></td>
<td>Monthly Deprecation</td>
</tr>
<tr>
<td>1650</td>
<td>Accum Depr – Equipment</td>
<td></td>
<td>257.73</td>
<td>Monthly Deprecation</td>
</tr>
</tbody>
</table>

Example 3
St. X Parish has renovated their parish hall. They have paid several vendors over several months. The following shows what they have paid:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000.00</td>
<td>8/21/2013</td>
</tr>
<tr>
<td>4,805.00</td>
<td>9/1/2013</td>
</tr>
<tr>
<td>505.00</td>
<td>9/2/2013</td>
</tr>
<tr>
<td>15,555.00</td>
<td>9/5/2013</td>
</tr>
<tr>
<td>45,041.00</td>
<td>9/20/2013</td>
</tr>
<tr>
<td>55.00</td>
<td>9/21/2013</td>
</tr>
<tr>
<td>487.00</td>
<td>10/1/2013</td>
</tr>
<tr>
<td>48,750.00</td>
<td>10/15/2013</td>
</tr>
<tr>
<td>1,248.00</td>
<td>10/16/2013</td>
</tr>
<tr>
<td>10,487.00</td>
<td>10/17/2013</td>
</tr>
<tr>
<td><strong>$131,933</strong></td>
<td><strong>Total Cost</strong></td>
</tr>
</tbody>
</table>

Before St. X Parish starts paying for the renovation in August, they set up a new fixed asset account and title it “Construction in Progress”. During the few months of this project, they will record all bills to this account. St. X Parish has designated #1530 as their “Construction in Progress Account”.

Even though St. X Parish has paid the final amount of $10,487 on 10/17 the construction is not complete until October 31st. When the construction is complete they make the following journal entry to move the amount recorded in #1530 - Construction in Progress, to #1515 - Buildings – Hall to show that the balance of the Parish Hall has increased.

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1515</td>
<td>Buildings - Hall</td>
<td>131,933.00</td>
<td></td>
<td>Move finished construction</td>
</tr>
<tr>
<td>1530</td>
<td>Construction in Progress</td>
<td>131,933.00</td>
<td>131,933.00</td>
<td>Move finished construction</td>
</tr>
</tbody>
</table>

Since the construction is completed October 31st, St. X Parish begins depreciating the new renovation in November 2013. They estimate the renovation will have a useful life of 20 years and calculate the monthly depreciation as follows:

\[
\text{Depreciation Expense per Month} = \frac{131,933}{20 \text{ Years}} \times \frac{1}{12 \text{ Months}} = 558.05 \text{ of Depreciation Expense per Month}
\]

Beginning November 30th, St. X Parish will record the following journal entry monthly over the 20 year life of the renovation:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>101-800010</td>
<td>Depreciation - Building</td>
<td>558.05</td>
<td></td>
<td>Hall Renovation Depr</td>
</tr>
<tr>
<td>1610</td>
<td>Accum Depr - Bldgs - Hall</td>
<td>558.05</td>
<td></td>
<td>Hall Renovation Depr</td>
</tr>
</tbody>
</table>
306 Property and Liability Insurance

The Diocese purchases comprehensive property and liability insurance through the Catholic Mutual Group for all diocesan entities. The Diocesan Finance Council has formed a risk management committee that ensures all parishes and schools have appropriate coverage for the various types of insurance risk, and coverage is reviewed annually for any necessary changes. Parishes and schools should not purchase policies on their own. The Diocesan Finance Department administers the group plan, collects the parish and school premiums, pays the bills, and provides all of the accounting services. Parish and schools are to report claims directly to Catholic Mutual.

For information about the levels of coverage for Property/Liability insurance, see page 46.

306.1 PROPERTY COVERAGE

Property is covered for direct physical loss on an all risk basis (e.g., fire, hail, wind, water etc.) The value on Catholic Mutual’s Ledger page includes the building and contents on a replacement cost basis unless otherwise specified (e.g., liability only). Newly-acquired real property and the contents of the newly-acquired real property used solely for church-related activities are covered for up to $10,000,000. Parishes and schools should notify Catholic Mutual immediately upon acquisition.

A deductible of $2,500 applies to each loss occurrence and will be incurred by the parish.

306.2 PROPERTY CLAIMS REPORTING INSTRUCTIONS

- If property damage occurs, parish and school staff should take whatever means are necessary to protect the property from further damage and take pictures of everything that has been affected.
- If contents are involved, separate the damaged articles from the undamaged.
- If buildings are open to the elements, arrange for temporary protection.
- Catholic Mutual Group will reimburse this expense with proper documentation.
- CONTACT CATHOLIC MUTUAL GROUP AS SOON AS POSSIBLE.

Catholic Mutual Group Contact:
Phone: 1-(800) 228-6108 Fax: 1-(402) 551-2943
Email: reportaclaim@catholicmutual.org

To report a claim online:
www.catholicmutual.org >> member login
Username: 0084des
Password: Service
Click on Report a claim

306.3 LIABILITY CLAIMS REPORTING INSTRUCTIONS

It is important that all persons understand the scope, intent, and limitations of liability coverage. Pastors and persons holding positions of authority should exercise caution when discussing, interpreting or assuming liability.
If someone is injured on parish/school premises:

- Show pastoral concern while obtaining the pertinent facts, names, and addresses of all witnesses.
- If the injury involves some type of equipment (e.g., ladder, chair), store it in a safe place until an adjuster can take a look.
- Tell the injured person the parish/school carries liability coverage and the incident will be referred to your carrier.
- A fair and impartial investigation will be made by an adjuster to determine the facts as to whether or not the parish is guilty of negligence.
- If possible take pictures, but caring for the injured party is more important than pictures.
- **DO NOT UNDER ANY CIRCUMSTANCES ADMIT LIABILITY** or prejudge the facts. By doing so, you could be unnecessarily exposing the parish and the Diocese to a claim or to a claim which might exceed the amount of liability coverage carried.
- **IT IS IMPORTANT THAT PARISH/SCHOOL REPRESENTATIVES DO NOT DISCLOSE TO ANYONE THE LIMITS OF LIABILITY COVERAGE THE ORGANIZATION CARRIES.**
- CONTACT CATHOLIC MUTUAL AS SOON AS POSSIBLE – contact information on previous page.

If parish/school personnel are approached by anyone other than the Catholic Mutual Group’s adjuster, do not give that person a statement or deposition; simply refer that person to Catholic Mutual Group.

If parish/school personnel are served a Summons, refer this promptly to Catholic Mutual Group’s adjuster, because each Summons contains a deadline.

### 306.4 AUTO CLAIMS

Auto insurance is purchased through a third party provider. Every year each parish/school that has an automobile should receive an insurance card in the mail. On the back of that insurance card is the phone number that should be called if an accident occurs.

The following information should be given when contacting the insurance company:

- Date, approximate time, and place accident happened
- Description of what happened
- Year, make, model, VIN #, and color of vehicles involved
- Names, addresses, phone #s of people involved, including witnesses
- Insurance companies of the vehicles involved, agents’ names and phone #s
- Police report #
- Supplemental information such as police reports and estimates may also need to be given.

### 306.5 VOLUNTEER ACCIDENT COVERAGE

Coverage is available for all volunteers should they be hurt while performing requested duties for a parish or school. The coverage provided is “excess” coverage which means the volunteers’ own
insurance would be primary and any amounts not covered by their policy would be covered up to the limits of coverage of the policy obtained through Catholic Mutual.

306.6 SPECIAL EVENTS COVERAGE

See page 156 in Diocesan-wide policies for the Special Events Coverage policy.
### 306.7 SUMMARY OF COVERAGE UNDER DIOCESE OF DES MOINES PROPERTY/LIABILITY PROGRAM

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit of Coverage/Liability</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and Personal Property</td>
<td>Please refer to ledger page</td>
<td></td>
</tr>
<tr>
<td>Earthquake Damage</td>
<td>$10 Million per location</td>
<td>$2,500 Deductible 5% “per building” deductible. Also subject to Diocesan occurrence/annual aggregate of $45 Million. Diocesan aggregate for all losses during the term. Locations in Zones A or V subj to $2.5 million occ/ann aggr</td>
</tr>
<tr>
<td>Flood Damage</td>
<td>$10 Million per occurrence/annual aggregate</td>
<td></td>
</tr>
<tr>
<td><strong>Other Property Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Additional Protection:</td>
<td>$5 Million annual aggregate</td>
<td>Diocese aggregate for all losses</td>
</tr>
<tr>
<td>Ordinance or Law</td>
<td>Included</td>
<td>Nil</td>
</tr>
<tr>
<td>Loss of Income</td>
<td>Included</td>
<td>Nil</td>
</tr>
<tr>
<td>Valuable Papers and Records</td>
<td>Included</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>Included</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Mobile Equipment</td>
<td>Included</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>Included</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Electronic Data Processing</td>
<td>Included</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liability Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodily Injury, Property Damage,</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Advertising Injury, Corporal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Legal Liability</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Medical Payments to Others</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Cemetery Errors or Omissions</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Counseling Errors or Omissions</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Sexual Misconduct Limited Coverage</td>
<td>$5 Million annual aggregate</td>
<td>Diocesan aggregate for all losses. $20,000 deductible</td>
</tr>
<tr>
<td>Employee Benefits Errors and</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Omissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Limit of Coverage/Liability</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Employment Practices Liability (EPL)</td>
<td>$2 Million annual aggregate</td>
<td>Diocesan aggregate for all losses</td>
</tr>
<tr>
<td>Incidental Medical Malpractice</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Liquor Liability</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Limited Mold Coverage</td>
<td>$250,000</td>
<td>$10,000 deductible</td>
</tr>
<tr>
<td>Unmanned Aircraft (Drone)</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td><strong>Crime Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Dishonesty (Blanket)</td>
<td>$250,000</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Theft of money and Securities</td>
<td>$125,000</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Depositors Forgery (Incl. Counterfeit money)</td>
<td>$250,000</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td>Computer fraud and Funds Transfers (Excess of Financial Fraud)</td>
<td>$250,000</td>
<td>$2,500 deductible</td>
</tr>
<tr>
<td><strong>Directors and Officers Liability</strong></td>
<td></td>
<td>Additional limits provided under excess liability</td>
</tr>
<tr>
<td>Directors and Officers</td>
<td>$500,000</td>
<td>Diocesan aggregate for all losses</td>
</tr>
<tr>
<td><strong>Priests/Religious Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Each Priest/Religious on assignment at covered locations</td>
<td>$25,000</td>
<td>$100 deductible</td>
</tr>
<tr>
<td>Personal Property Coverage</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Personal Medical Payments – per person</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Liability Coverage</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td><strong>Excess Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; Auto Liability</td>
<td>$20 Million</td>
<td>Subject to a per location annual aggregate of $40 Million</td>
</tr>
<tr>
<td>Directors and Officers</td>
<td>$5 Million</td>
<td>Subject to a per location annual aggregate of $10 Million</td>
</tr>
<tr>
<td>Description</td>
<td>Limit of Coverage/Liability</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Equipment Breakdown</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment breakdown (incl. Boiler and Machinery)</td>
<td>$100 Million per accident</td>
<td></td>
</tr>
<tr>
<td><strong>Cyber Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyber Crime: Financial Fraud</td>
<td>$1,250,000 annual aggregate</td>
<td></td>
</tr>
<tr>
<td>Cyber Crime: Telecommunications Fraud</td>
<td>$100,000 annual aggregate</td>
<td></td>
</tr>
<tr>
<td>Cyber Crime: Phishing Attack</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Automobile Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodily Injury/Property Damage</td>
<td>$500,000</td>
<td>Additional limits provided under Excess Liability</td>
</tr>
<tr>
<td>(incl. Hired/Non-owned Autos)</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Uninsured/Underinsured</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Medical Payments</td>
<td>Actual Cash Value</td>
<td></td>
</tr>
<tr>
<td>Physical Damage:</td>
<td>Actual Cash Value</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Collision</td>
<td>$250 deductible</td>
<td></td>
</tr>
<tr>
<td>Collision</td>
<td>$250 deductible</td>
<td></td>
</tr>
<tr>
<td><strong>Volunteer Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Accident Medical</td>
<td>$500,000</td>
<td>Volunteer’s coverage primary</td>
</tr>
<tr>
<td><strong>Workers Compensation Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employers Liability</td>
<td>$100,000 each accident; $500,000 Disease – policy limit</td>
<td>Additional limits provided under excess liability</td>
</tr>
</tbody>
</table>

*The information provided above is a summary of the coverage’s and limitations intended only to highlight and is not intended to detail all the provisions contained within the coverage certificate issued to the Diocese of Des Moines. Specific extensions, conditions and exclusions are listed in Certificate #8577. If there is a conflict between a statement in this Summary and the actual Certificate, the terms of the Certificate govern.*
306.8 HOW PROPERTY/LIABILITY INSURANCE PREMIUMS ARE CALCULATED

The Diocese purchases Property and Liability insurance as a group and therefore receives one invoice that includes all Diocesan entities. A formula has been created to break down that overall premium to calculate what is owed by each location.

Property Insurance

The following items are factored into the calculation to determine what premium a location will pay:

- Does the building(s) have a sprinkler
- How close is the building(s) to a fire station
- What is the construction material of the building(s)
- How many property claims have been made over the last 3 years at the location
  - The premium is not affected if the location had 1 or less claims in the past 3 years
- What dollar amount was paid out in claims over the previous 3 years at the location
  - If the location’s amount of loss on the claim is 60% or less of the average of the previous 3 year’s premiums, the location’s premium is not affected.
- The building(s) property value as determined by Catholic Mutual

Liability Insurance

The following items are used to calculate the Liability insurance premiums by location:

- The number of liability claims a location has had in the previous 3 years.
  - If the location had 1 or less claims during the previous 3 years, their premium is not affected.
- The dollar amount paid out for liability claims in the previous 3 years
  - If the location’s amount of loss on the claim is 60% or less of the average of the previous 3 year’s premiums, the location’s premium is not affected.
- Number of households at the location
  - For parishes, this number is taken out of ParishSOFT
  - For Schools, the number of students is used
Human Resources and Payroll Activities

The process of hiring and maintaining employees is an administrative function that requires significant governmental reporting and compliance. There are several state and federal laws that every parish/school is required to follow. In addition, the Diocese of Des Moines has several policies that must be complied with across all Diocesan entities. This section contains information about employee classification, priest compensation, payroll taxes, and employee benefits.

401 Employee Handbook

Each parish/school should have an employee handbook for all lay employees. This handbook at a minimum should define the following:

- Working hours
- Time Sheet policy (if any employees are paid by the hour)
- When the payday is
- What the work week is
- Benefits offered (only applicable if any employees work 20 hours or more). See page 59 for list of benefits offered to employees.
- Vacation/Sick time off (should be consistent for all employees)


402 Employee Classification

402.1 INDEPENDENT CONTRACTOR VS EMPLOYEE

Audits by the Internal Revenue Service revealed that over 90% of the time individuals who are listed by various organizations as “independent contractors” are, in fact, employees. Failure to properly classify an employee, and to deduct appropriate withholdings, can result in significant assessments for back taxes and penalties.

Below is a checklist to help determine whether a worker is an employee or independent contractor. No one factor “makes” the worker an employee or an independent contractor, and not all of the factors are of equal weight. View IRS Pub. 1779 for additional information.

Factors indicating the existence of an employment relationship:

- The parish/school has the right to require compliance with specific instructions.
- The worker’s job is an integral part of the parish's/school's business.
- The parish/school has the right to require the worker to personally render services.
- There is a continuing relationship between worker and parish/school outside the contract.
- The work is done on parish/school premises.
- The parish/school has the right to require oral or written reports by the worker.
- The worker is paid by the hour, week, or month
- Each party has the right to terminate the relationship without incurring liability.

Factors indicating the existence of an independent contract:

- The worker carries worker’s compensation insurance.
- The worker files a Schedule C or Schedule C-EZ.
- The worker pays self-employment tax and makes estimated tax payments.
- The worker is highly trained or skilled.
- The worker has the right to hire and supervise. Worker pays assistants.
- The worker has the right to establish his or her own hours of work.
- The worker is paid by the job.
- The worker furnishes his or her own tools and materials.
- The worker has made a significant investment.
- The worker can realize a profit or loss under the contract.
- The worker is employed by more than one firm at a time.
- The worker makes his/her services available to the general public.

The IRS will officially determine a worker’s status if Form SS-8 is filed.

Note: Generally workers cannot be an employee and an independent contractor. They cannot receive a W-2 and a 1099-MISC tax form.

**402.2 PARISH MUSICIAN CLASSIFICATION**

The Internal Revenue Service (IRS) issued a determination letter, (SS8 2010020002), which ruled that a musician who was paid by a church to perform at weekly services was an employee of the church and not an independent contractor. The determination letter included the following findings:

- The musician’s services were a necessary part of the church’s activities,
- The musician did not advertise his/her services or perform similar services for others,
- The musician performed his/her services under the church’s name,
- The musician had a continuous relationship with the church as opposed to a single transaction, and
- Both parties retained the right to terminate the relationship without incurring liability.

The relationship of employee and employer exists when the person for whom the services are being performed has the right to control and direct the individual who is performing the services. It is not necessary that the employer actually direct or control the individual, only that the employer has the right to do so is sufficient.
Whether an individual is an employee or an independent contractor under the common law requires the consideration of evidence of control, or lack thereof. The IRS has ruled that if the relationship of an employer and employee exists, any designation or description of an employee as an independent contractor will be disregarded.

The IRS identified the following factors that indicate control and result in an employer/employee relationship:

1. The worker is required to comply with another person’s instruction about when, where, and how he or she is to do the work. It does not matter if the instructions are oral and given only once at the beginning of the relationship, nor does it matter if some employees work without receiving instruction because they are highly proficient and very conscientious or the duties are simple or familiar to them.

2. The worker’s services are integrated into the business operations.

3. There is a continuing relationship between the worker and the person for whom the services are performed.

4. Set hours are established, or, if the nature of the work makes fixed hours impractical, workers are required to be on the job at certain times.

5. The work is performed on the premises of the person for whom services are performed (especially if the work could be done elsewhere).

6. Payment is made by the hour, week, or month, unless the method of payment is just a convenient way of paying a lump sum agreed to as the cost of a job. A guaranteed minimum salary or a drawing account also indicates control.

7. The person for whom services are performed furnishes significant tools, materials, and other equipment.

The IRS has ruled that the Church retains the right to change the musician’s methods and to direct him/her to the extent necessary to protect the church’s financial investment. The IRS further noted that the musician(s) did not invest capital or assume business risk and, therefore, did not have the opportunity to realize a profit or incur a loss as a result of the services he/she performed for the Church.

Therefore, all compensation to musicians should be considered wages and subject to employment taxes. Musicians should be classified as nonexempt employees (see page 54 for more information about nonexempt employees) and are subject to all Fair Labor Standards Act (FLSA) provisions including the payment of overtime. In NO situation should a nonexempt employee be classified as exempt to avoid minimum wage and/or overtime regulations.
Because musicians are nonexempt employees, payment of a stipend or flat fee is not permitted. All nonexempt employees are required to account for hours and fractional hours worked with a timesheet. Hours for assigned rehearsal and performance should be recorded and compensated. If a nonexempt employee is paid a salary, a timesheet should continue to be required to monitor overtime, minimum wage, and multiple wage and hour compliance reporting regulations. Timesheets should also be used to record any sick and vacation time off for all nonexempt employees.

Musicians may, at their discretion, opt to serve as volunteers and decline compensation.

Music Directors may be classified as exempt employees if they meet the supervisory duties exemption (see page 54 for more information about exempt vs. non-exempt employees).

In situations in which a parish is able to obtain substantive documentation that a musician operates a business providing music services to other parties AND provides their own equipment, such a musician may be compensated as an independent contractor. Any person using church owned equipment is considered an employee. Substantive documentation of an independent business should include printed copies of: advertisements, business card, websites, or other proof of independent business operations. As with all independent contractors, a Form W-9 is to be obtained prior to making any payments. Annual payments in excess of $600 are reported on Form 1099 in compliance with IRS regulations.

**402.3 EXEMPT VS NONEXEMPT EMPLOYEES**

Each employee must be classified as either exempt or nonexempt according to the regulations of the Fair Labor Standard Act (FLSA). Employees are classified as "exempt" or "nonexempt" based on the kind of work they do. For most employees, whether they are exempt or nonexempt depends on:

- How much they are paid,
- How they are paid, and
- What kind of work they do.

**Exempt Employees**

Most employees must meet all three of the following "tests" to be classified as exempt:

- Be paid at least $23,600 per year ($455 per week),
- Be paid on a salary basis, and
- Perform exempt job duties.

To qualify as exempt job duties, the employee must be employed with bona fide executive, administrative, professional or outside sales duties. These requirements are outlined in the FLSA Regulations (promulgated by the U.S. Department of Labor).
Executive Exemption

a. The employee’s primary duty must be managing the organization or managing a recognized department or subdivision of the organization.

b. The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent, and

c. The employee must have the authority to hire or fire other employees, or the employee’s suggestions and recommendation as to hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.

Administrative Exemption

a. The employee’s primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer’s customers, and

b. The employee’s primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Professional Exemption

a. The employee’s primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment.

b. The advanced knowledge must be in a field of science or learning, and

c. The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.

d. To qualify for the Creative Professional employee exemption, the employee’s primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognize field of artistic or creative endeavor.

Computer Employee Exemption

a. The employee must be employed as a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker in the computer field performing the duties described below.

b. The employee’s primary duty must consist of:

i. The application of systems analysis techniques, and procedures, including consulting with users, to determine hardware, software or system functional specifications;
ii. The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specification;

iii. The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

iv. A combination of the aforementioned duties; the performance of which requires the same level of skills.

**Outside Sales Exemption**

a. The employee’s primary duty must be making sales (as defined in the FLSA), or obtaining orders or contracts for services or for the use of facilities for which a consideration will be paid by the client or customer; and

b. The employee must be customarily and regularly engaged away from the employer’s place or places of business.

In general, the following diocesan positions are considered exempt:

- Business Manager
- Counselors
- Principal
- Program Director(s) or Manager(s)
- Pastors
- Teachers

Prior to classifying any other employees as exempt, the approval of the diocesan Human Resources Director is required.

Exempt employees are not entitled to overtime pay. Timesheets should be used to record sick and vacation time off for all exempt employees.

**Nonexempt Employees**

Any employee not covered by one of the exemptions listed above shall be classified as nonexempt. Nonexempt employees are employees who, because of the type of duties performed, the usual level of decision making authority, and the method of compensation, are subject to all Fair Labor Standards Act (FLSA) provisions, including the payment of overtime.

Nonexempt employees are protected by the FLSA and must be compensated for all hours worked overtime at the premium (time-and-one-half) rate of pay. Employees working more than 40 hours in any week should be compensated for overtime for that week. In **NO** situation should hours be transferred to another week to avoid overtime calculations. The use of Comp time in lieu of overtime is not allowed for any diocesan employee. (Comp time is when an employee works extra overtime hours...
in one work week and instead of being paid for those hours in that work week, takes time off the next work week without using vacation/sick/PTO hours).

In general, the following positions are considered nonexempt:

- Cafeteria workers
- Custodial or Grounds Care worker
- Daycare workers
- Musicians (see page 52 for more information about Parish Musicians)
- Secretaries
- Teaching Associates

In NO situation should a nonexempt employee be classified as exempt to avoid minimum wage and/or overtime regulations. Employees performing exempt and nonexempt duties in the same workweek are normally nonexempt in that workweek. **All employees, except those listed as exempt positions above, should be classified as nonexempt.** Questions regarding proper employee classification should be directed to the diocesan Human Resources Director.

All nonexempt employees are required to account for hours and fractional hours worked with a timesheet. If a nonexempt employee is paid a salary, a timesheet will continue to be required to monitor overtime, minimum wage, and multiple wage and hour compliance reporting regulations. Timesheets should be also used to record sick and vacation time off for all nonexempt employees.

403 Priest Compensation Explanation

**NOTE:** To see the most recent Priest Compensation letter approved by Bishop, go to [http://www.dmdiocese.org/compensation-for-priests-and-religious.cfm](http://www.dmdiocese.org/compensation-for-priests-and-religious.cfm)

403.1 PRIEST AUTO AND MILEAGE ALLOWANCE

There is no separate auto allowance (auto allowance is included in the priest’s salary), but any priest who submits excess mileage (over 400 miles in one month) will be reimbursed at the current rate allowed by the IRS (found at [www.irs.gov](http://www.irs.gov)).

Note: The priest must maintain a written log of his mileage, listing dates and business purpose.

Accounting:

Record any reimbursement for excess mileage in 101-720040, “Mileage/Travel”.

403.2 PRIEST FOOD ALLOWANCE

Similar to the auto allowance, there is no separate food allowance; it is included in the priest’s salary. It should not be separated out.
403.3 PRIEST HOUSING

The parish/school is to provide housing at no cost to the priest following the Priest Housing Policy approved in 2009 (see page 167 Priest Housing Policy). Typically this housing is owned by the parish but occasionally the priest will live elsewhere. When this is the case, he and the Finance Council arrange for rent to be paid directly by the parish or a financial reimbursement. If the priest is living in a parish owned house, a market value should be determined for renting the house to quantify the benefit he is receiving. Finance Councils must approve a housing letter on an annual basis prior to January 1st, containing the value of the housing benefit the priest is receiving. Include utilities in this value. The priest will need this letter to complete his taxes.

See page 233 for an example of a Priest Housing Letter for a Priest living in a parish owned Rectory.

403.4 PRIEST HOUSEHOLD EXPENSES

The normal household expenses that are covered include laundry needs, kitchen supplies, bathroom supplies, (this does not include personal grooming items), bedding, newspaper, everyday household items (does not include large expenditures such as furniture and appliances).

A certain amount per month ($225/month for FY2017) can be spent on communication technology which includes cell phone, high speed internet and basic cable TV, if applicable. This is not a complete list and it may vary somewhat from parish to parish. The parish can either pay these expenses directly (up to the amount determined in the letter) or can reimburse the priest if receipts and documentation are turned in. To determine the current amount allowed see the Priest Compensation letter at the link above.

Accounting:

Record all priest housing allowances and expenses in program 105.

403.5 PRIEST CONTINUING EDUCATION/RETREAT ALLOWANCE

Priests are given an allowance each year for continuing education and retreats. To find the current amount allowable please see the Priest Compensation Letter. Up to $400 of this allowance may be used for books, mileage, periodicals, or other resources. Receipts and documentation need to be turned in to receive reimbursement.

Accounting:

Record reimbursements for the Continuing Education/Retreat Allowance in the following expense accounts:

- 101-7200-20 Continuing Education Fees
- 101-7200-10 Textbooks and Resources
- 101-7200-30 Meals/Lodging
- 101-7200-40 Mileage/Travel
403.6 MASS STIPENDS

At the beginning of the fiscal year, priests have the option of retaining all Mass Stipends received or electing to take $100 per month from the parish and giving all stipends received to the parish.

Accounting:
Record Mass Stipends received in 101-420009: Mass Stipends. Whether the priest chooses to retain the actual Mass Stipends received, or take the $100 per month option, pay him through payroll and record in 101-501001: Priests’ Salaries. This money is W-2 income to the priest.

403.7 WEEKEND ASSISTANCE

Weekend assistance is reimbursed to retired priests at the rate of $90 for the first Mass and $60 for each additional Mass. Mileage is to be paid at the current IRS rate to the retired priest (found at www.irs.gov). If the coverage is provided by a religious community outside the diocese, the stipend is to be negotiated with the respective order. If the coverage is provided by an Active priest the stipend (if arranged for) should be provided to his parish/employer.

Accounting:
Record the money paid to the retired priest/order/parish in expense account 101-501003: Priests-Extra Services. If the amount paid to a retired priest is $600 or greater in a calendar year, the parish is required to provide a tax form 1099-Misc to him.

If a retired priest provides frequent weekend assistance, the parish could treat the priest as a part-time employee and treat the amounts paid as salary.

403.8 STOLE FEE

Stole fees are offerings made upon the occasion of celebrating sacraments such as weddings, funerals, and baptisms. Only retired priests and priests outside the Diocese are entitled to these fees. The parish priest is to deposit all stole fee offerings in the general fund of the parish.

403.9 PRIEST RETIREMENT

If a priest chooses to receive the parish/school retirement contribution, they must sign up for a 403b plan with Christian Brothers. No other retirement plans can receive a contribution from the parish/school. Once a priest has signed for the Christian Brothers 403b plan, they are eligible to receive up to a $125/month match (2017 value) from the Parish. For the most current match figure required by the parish/school see the Priest Compensation Letter at http://www.dmdiocease.org/compensation-for-priests-and-religious.cfm.

404 Employee Benefits

All parishes/schools in the Diocese of Des Moines benefit from participation in group benefit plans for their employees. This participation requires that all entities understand and follow the requirements of the plans. All active employees who regularly work 28 or more hours per week are eligible for the
employee insurance types explained below unless otherwise noted. LaMair-Mulock-Condon (Employer Administrative Services) is the administrator for the following insurances/plans:

- Health/Dental/Vision/Life/Disability Insurance
- Flex/Dependent Care Plans

It is the responsibility of each parish/school business manager/bookkeeper to inform all benefit eligible employees about the employee benefit programs to which they are entitled.

Below is a list of all the employee benefits available through Diocese of Des Moines.

404.1 INSURANCE BENEFITS

Medical Insurance

- Required to be offered at all locations to all eligible employees.
- Eligible employees are employees who are working 28 or more hours each week.
- The parish/school must contribute at least 70% of the lowest cost of single coverage plus 50% of the extra for dependent coverage effective June 1, 2009. If the employer wants to change the portions the employee and employer are paying, they must contact the Diocesan Human Resources Department before doing so. Changing it without first notifying the Diocese could affect our grandfather status with the Affordable Care Act.
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.
- All Priest health insurance is handled at the Diocese. No Parish/School transaction is necessary.

Dental Insurance

- Required to be offered at all locations to all eligible employees.
- Eligible employees are employees who are working 28 or more hours each week.
- The parish/school may or may not contribute toward the cost of the insurance. Each parish/school determines the employer contribution. The same contribution must be given to all eligible lay employees.
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.

Vision Insurance

- Required to be offered at all locations to all eligible employees.
- Eligible employees are employees who are working 28 or more hours each week.
- The parish/school may or may not contribute toward the cost of the insurance. Each parish/school determines the employer contribution. The same contribution must be given to all eligible lay employees.
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.

Flexible Spending Account/Dependent Care

- Required to be offered at all locations to all eligible employees.
- Eligible employees are employees who are working 28 or more hours each week.
- Flexible Spending Plans allow an employee to deduct up to $2,600 per year (2017 amount), pre-tax, for unreimbursed medical expenses and up to $5,000 (filing jointly) for dependent care expenses (2017 amount). See [www.irs.gov](http://www.irs.gov) for current maximum amounts.
- The parish/school must pay 100% of the administration fee. If an employee elects to have a debit card for their medical flex, the employee pays for the cost of the card.
- The flex provider (currently Kabel Business Services) directly debits the parish’s/school’s bank account for fees and deductions.
- Expense the Administrative Fee to account 5100-60 “Cafeteria Plan.”

**Long-Term Disability Insurance**
- Required at all locations to all eligible employees
- Eligible employees are employees who are working 28 or more hours each week
- For all eligible employees, the parish/school must pay 100% of the premium
- Expense the premium to account number 5100-25, “Disability Insurance” at the time of the monthly payment to LaMair-Mulock-Condon (Employer Administrative Services).

**Group Term Life Insurance**
- Required at all locations to all eligible employees
- Eligible employees are employees who are working 28 or more hours each week.
- For all eligible employees, the parish/school must pay 100% of the premium.
- Expense the premium to account number 5100-20 “Life Insurance” at the time of the monthly payment to LaMair-Mulock-Condon (Employer Administrative Services).

**Voluntary Group Term Life Insurance**
- Required to be offered at all locations to all eligible employees
- Eligible employees are employees who are working 28 or more hours each week.
- The employee pays 100% of the premium.
- The premium should be withheld POST tax (this is not a tax deductible employee benefit).
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.

**Critical Illness Insurance**
- Required to be offered at all locations to all eligible employees
- Eligible employees are employees who are working 28 or more hours each week
- The employee pays 100% of the premium.
- The premium should be withheld POST tax (this is not a tax deductible employee benefit).
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.

**Short-Term Disability**
- Required to be offered at all locations to all eligible employees
- Eligible employees are employees who are working 28 or more hours each week
- The employee pays 100% of the premium.
- The premium should be withheld POST tax (this is not a tax deductible employee benefit).
- The premiums are paid to LaMair-Mulock-Condon (Employer Administrative Services) monthly.
For more information about the insurance benefits offered please visit the Diocesan website: http://www.dmdiocese.org/career-benefits.cfm.

404.2 EMPLOYEE RETIREMENT (403B)

Participation in the Christian Brother’s 403(b) Plan is required to be offered to all priests and all lay employees who work 20 hours or more per week. This Christian Brother’s Plan is the only plan to be funded by employer contributions. No other company may be used.

Priests have their own matching amount as stated in the Priest Compensation letter. See page 59 Priest Retirement. The most current Priest Compensation letter can be found here: http://www.dmdiocese.org/compensation-for-priests-and-religious.cfm.

Matching Formula for lay employees:

**Effected 7/1/2017, all locations must match 50% of the employee’s contribution up to 8%. So the max benefit an employee can get is 4% if they are withholding 8% of their salary.**

*Note: Schools are given the option to phase this change in, if it will result in additional cost. Full implementation of matching 50% up to 8% must take place by July 1, 2021.*

Probation Period:

The employees are eligible for the employer match on the first anniversary of their employment. (The employer match may not be started earlier than the first anniversary).

Taxes:

The amount deducted from the employee’s pay check is considered non-taxable income for current federal and state income tax purposes. The employee pays tax on the amounts deferred when withdrawn from Christian Brothers Services.

Payment to Christian Brothers:

As mandated by the Internal Revenue Service, all 403b withholding and contribution payments must be made within 14 days of the employee’s paycheck. Payment can be made via electronic transfer to Christian Brothers or check.

Beginning July 1, 2017, all locations must submit their payment information electronically. This is the information about what is being withheld and matched for each employee. This information needs to be entered onto the Christian Brothers website every time a payment is sent. For information on how to log onto the Christian Brothers website please go to: http://www.dmdiocese.org/human-resources-for-parishes.cfm and complete the Authorization for Administrator Web Access form.
For general questions about the Retirement plan, please contact:

**Diocesan Human Resources:** 515-237-5085

LaMair-Mulock-Condon (Employer Administrative Services) Phone: (515) 237 – 0134

Christian Brothers Contact Information: Phone: 1-800-807-0100 ext. 2631 Website: www.cbservices.org.

### 405 Payroll Taxes

#### 405.1 SOCIAL SECURITY (FICA) & MEDICARE TAXES

**Social Security:** These taxes are commonly referred to as FICA (the Federal Insurance Contribution Act) and are levied on both employees and employers for the aged and disabled population. For 2017, the government requires that 6.2% of the employee’s gross wages be withheld for Social Security up to the first $127,200 (2017 figure) of total wages annually. The employer must match that amount. For the updated amounts, please go to [www.irs.gov](http://www.irs.gov).

**Medicare:** Designed to alleviate the high medical care costs incurred for citizens over the age of 65, these taxes are levied on both the employees and employers. For 2017, the rate of tax is 1.45% of the employee’s total wages. There is no wage limit on Medicare taxes. The employer must match that amount. For the updated amount, please go to [www.irs.gov](http://www.irs.gov).

Priests, Deacons, and Religious Sisters are considered by the government to be self-employed for Social Security and Medicare Tax purposes; therefore, the church should never withhold or pay taxes for Medicare and Social Security (FICA) for clergy.

#### 405.2 FEDERAL/STATE INCOME TAXES

**Lay Employees:**

The Federal government and the State of Iowa require employers to withhold from employees for federal and state income tax. The amount withheld depends on marital status, the employee’s taxable wages, and allowances the employee claims. All new employees must fill out two W-4 forms, one for the federal government and one for the state government, upon being hired to establish the amount being withheld. **Lay employees must use the tax tables** (i.e. they must specify a number of allowances). A lay employee is not allowed to designate a flat dollar amount or percent to be withheld from their paycheck. They can designate an amount above (not below) what is calculated using the tax tables.

**Clergy:**

**Priests and deacons are not required to withhold anything for federal and state income tax;** however, they may designate an amount to withhold. Unlike lay employees, priests and deacons can specify a flat dollar amount to be withheld every paycheck. The priest/deacon and his tax accountant should determine the amount to withhold. Priests and deacons are not exempt from paying quarterly estimates, if necessary, because priests are generally considered employees for income tax purposes.
405.3 IMPORTANT TAX FORMS

Form W-4 (State/Federal): Both forms (one for state and one for federal) should be filled out by new employees when they are hired. If an employee marks that they are ‘exempt’ on either the state or federal form, a new form must be filed out each calendar year. Copies of both forms should be kept in the employee’s personnel file.

Please see [http://www.irs.gov](http://www.irs.gov) to find the current W-4 for federal
Please see [http://www.iowa.gov/tax/](http://www.iowa.gov/tax/) to find the current W-4 for the state of Iowa.

Form I-9: This form should be filed out by all new employees and sent in as per the instructions on the form. Please read the instructions with the form for more information.

Note: I-9’s should be filed in a separately and not in the employee’s file.

Please see [http://www.uscis.gov/](http://www.uscis.gov/) to find the current I-9 and instructions.

Form 941: This form should be filed quarterly for all federal taxes: Social Security, Medicare, and Federal Income Tax. It is due the on the 15th of the month following the end of the quarter. This form reports the payroll taxes to the IRS that the parish/school has paid and accrued for the quarter. When filing the 941, reconcile all tax payments made during the quarter to verify the parish/school has paid everything to the IRS.


Form W-2: This form should be printed and given to each employee of the parish or school at the beginning of the calendar year (reporting on information from the previous calendar year). It shows all taxable wages paid to an employee and the taxes withheld from that employee during a calendar year. Submit a copy of each W-2 to the IRS.

Please see [http://www.irs.gov](http://www.irs.gov) to order W-2 forms and to see deadlines.

See page 65, Form W-2 Instructions for more information

Form W-3: The W-3 should be submitted to the IRS at the same time as W-2s. The W-3 lists the totals for all employees’ taxable gross wages and the taxes withheld from all employees during a calendar year. The W-3 is the sum of all W-2s. It is important to remember the four 941 quarterly forms submitted throughout the calendar year should total to this W-3 report. It is important to reconcile these totals.


See page 68, Form W-3 Instructions for more information.
**405.4 TAX PAYMENTS**

**Federal Tax Payments**

Federal taxes are paid monthly or biweekly depending on the amount of taxes. Please see IRS Publication 15, Circular E, Employer’s Tax Guide to determine when the parish/school should pay.

Federal taxes include Federal Income Tax, Social Security and Medicare. There are two ways to make Federal tax payments to the IRS:

1. Pay using a check: The payment is made by taking IRS tax form 8109 to the parish’s or school’s bank with a check made payable to the bank for the tax liability amount. The bank files the amount with the IRS. Form 8109 is not available online. To order this form, call 1-800-829-4933.

2. Pay online: Electronic Federal Tax Payment System (EFTPS) is the online payment processing website for the IRS. The IRS stresses the use of EFTPS over paying by check. To find out how to sign up for EFTPS call 1-800-829-4933 or go to [www.eftps.gov](http://www.eftps.gov).

**Iowa State Income Tax Payments**

Iowa income tax payments are made biweekly, monthly, or quarterly depending on the size of the parish/school’s state tax liability. Go to [http://www.iowa.gov/tax/educate/filestatus.html](http://www.iowa.gov/tax/educate/filestatus.html) to see how often state taxes should be remitted.

Monthly and quarterly payments are due at the end of the month following the end of the month or quarter. For example, the first quarter ends March 31st; first quarter state income taxes are due April 30th. For biweekly payments see [http://www.iowa.gov/tax/educate/filestatus.html](http://www.iowa.gov/tax/educate/filestatus.html) for due dates.

State income tax payments must be made online. Go to [www.iowa.gov/tax/](http://www.iowa.gov/tax/) to sign up for a Business e-file Number (BEN) and to pay state income taxes. You can call 1-866-503-3453 with questions about state income tax.

**405.5 FORM W-2 INSTRUCTIONS**

If your parish is utilizing the ParishSOFT Payroll module, you can print the form W-2’s on blank perforated paper that can be purchased at most office supply stores or you can submit your W-2’s electronically. For more information about submitting your W-2’s and W-3 electronically through ParishSOFT Accounting Payroll go to [vimeo.com/33744510](http://vimeo.com/33744510).

Print 6 copies of each employee’s W-2:

- Copy A is for the Social Security Administration along with the W-3
- Copy 1 is for the State of Iowa Department of Treasury
- Copies B & C go to the employee
- Copy D is retained by the employer for their records
Box 1: Wages, Tips, Other Compensation:
Box 1 reports the federally taxable income of the employee. Wages in this box include the following:

- Total wages paid to the employee during the year.
- Bonuses (including Christmas bonuses), prizes and awards paid to the employee during the year.

Box 1 excludes the following:

- Employee contributions to a 403b retirement plan
- Employee paid portions of health, dental, or vision insurance premiums
- Employee contributions to a flex plan
- Employee dependent care deductions

NOTE: Employee 403b contributions, employee portions of insurance premiums, flex contributions, and dependent care payments are not subject to federal and state income tax. 403b monies are subject to income tax only when withdrawn.

Box 2: Federal Income Tax Withheld:
Box 2 reports all Federal income tax which was withheld from the employee during the year.

Box 3: Social Security Wages:
Box 3 represents the employee’s social security taxable income. This box includes the following:

- Total wages paid to the employee during the year.
- Bonuses (including signing bonuses and Christmas bonuses), prizes and awards paid to the employee during the year.
- Employee 403b retirement plan contributions

Box 3 excludes the following:

- Employee paid portions of health, dental, or vision insurance premiums
- Employee contributions to a flex plan
- Employee payments for dependent care plan

NOTE: Priests and Deacons are not subject to Social Security tax. Leave boxes 3 – 6 blank for all Priest and Deacon W-2s.

**Box 4: Social Security Tax Withheld:**
Box 4 represents the amount withheld from the employee for Social Security taxes. Do NOT include the employer paid portion of Social Security taxes on any W-2.

**Box 5: Medicare Wages and tips:**
Box 5 represents the employee’s Medicare taxable income.

Most likely, this number will equal the amount recorded in Box 4. These two figures will differ if the employee makes more than the Social Security wage base limit ($117,000 for 2014). Individuals do not pay Social Security tax on income over the Social Security wage base limit. If the employee makes less than Social Security wage base limit in a year, Box 5 will be the same as Box 3.

See “Box 3 Social Security Wages” above for what is to be included and not included in Medicare Wages and tips.

**Box 6: Medicare Tax Withheld:**
Box 6 represents the amount withheld from the employee for Medicare taxes.

**Box 7: Social Security Tips**
**Box 8: Allocated Tips**
**Box 9: Advance EIC payment**
Leave boxes 7 – 9 blank unless needed.

**Box 10: Dependent Care Benefits:**
Box 10 represents the amount the employee has paid toward Dependent Care benefits during the year. If the employee does not participate in the Dependent Care plan, leave this box blank.

**Box 11: Nonqualified Plans:**
Leave Box 11 blank.

**Box 12a – 12d:**
Record here the amount contributed by the employee for a retirement plan. Boxes 12a – 12d require a code to be in the first part of the box followed by the amount. For 403b retirement contributions, show code E in Box 12a, followed by the amount withheld from the employee for retirement during the year. In these cases, leave boxes 12b – 12d blank. If the employee does not participate in a retirement plan through payroll deduction, leave boxes 12a – 12d blank.
Box 13: Checkboxes
If the employee has had money withheld for a 403b retirement plan during the year, check “Retirement plan” in Box 13. If the employee had nothing withheld for a 403b, do not mark anything in this box.

Box 14: Other:
Use Box 14 for optional additional employee information. Label each item. Examples include health insurance premiums deducted, or educational assistance payments.

Box 15: State:
Record “IA” in Box 15, along with the Parish’s/School’s Iowa state tax ID number.

Box 16: State Wages, tips etc.:
In Box 16 record the same amount as in Box 1. State Taxable wages are the same as federal taxable wages.

Box 17: State Income Tax:
Box 17 represents the amount withheld from the employee during the year for State Income tax.

Box 18 – 20 Local Tax:
Complete boxes 18-20, if your community is subject to any local income taxes

405.6 FORM W-3 INSTRUCTIONS

Box A: Control Number:
Leave this box blank.

Box B: Kind of Payer:
Check 941 in this box and kind of employer is 501c Non-Govt.

Box C: Total number of Forms W-2:
Record the number of employees who are receiving a W-2.

Box D: Establishment Number:
Leave blank.

Box E: Employer Identification Number:
Record the Federal Tax ID (EIN) number here.

Box F – Employer’s Name:
Enter the same name here as submitted on the most recent Form 941

Box G: Employer’s Address and ZIP code:

Box H: Other EIN used this year:
Leave blank.

Boxes 1 – 8:
Enter the figures reported in boxes 1 – 8 on all W-2 Forms.
Box 9: Leave Blank

Box 10:
Enter the figures reported in box 10 on all W-2’s.

Box 11:
Leave blank.

Box 12a:
Enter the figures reported in box 12a from all W-2’s. You do not need to record the E code here.

Box 12b, Box 13 and Box 14:
Leave blank

Box 15: State/Employer’s State Tax ID Number:
Enter “IA” and the Iowa State Tax ID Number.

Boxes 16 – 19:
Enter the total of state/local wages and income tax shown in the corresponding boxes on the W-2s included with the W-3.

Verify the amount reported in each box is an accurate total of the Forms W-2. It is very important to reconcile the amounts show in boxes 2, 3, 5, 7, and 9 for Form W-3 with the corresponding 941’s for the same year.

406 Payroll Liabilities

406.1 EXPLANATION

Payroll liability accounts are shown on the Statement of Financial Position in the liability section. They are part of the 2000 account series. These accounts show the amounts withheld from employees but not yet paid to either the government or the provider (e.g., LMC, Kabel, etc.). Depending on how payroll is coded at the parish/school, these accounts could also include the amounts that the parish/school is contributing towards an employee for FICA/Medicare taxes, insurance premiums or retirement.

406.2 RECONCILIATION

At the end of each month, the parish/school should be able to explain any balance showing in the 2000 series of accounts. It is important that these accounts are reviewed at least monthly to ensure that an employee is not having more or less withheld than they should. It is also important to review these accounts to make sure that the parish/school is regularly paying their liabilities to the appropriate organization (IRS, LMC, Christian Bros etc.). (See page 65 for information on when taxes should be paid. See page 62 for information on when retirement contributions should be paid.)

The account balance report, (reports>>accounts>>account balance) can be very helpful when reviewing these accounts to determine what is included in the balance. This report will show all of the ins and outs (credits and debits) during a specified period of time.

The payroll liability accounts are reviewed during the Parish/School Internal Review.
407 Affordable Care Act

407.1 AFFORDABLE CARE ACT: WHAT IS IT?

- Requires all individuals to have health insurance – this is called the “Individual Mandate”.
- Prohibits insurance companies from denying coverage due to “pre-existing conditions”.
- Establishes minimum standards for health insurance policies. Also referred to as “minimum essential coverage”.
- Creates health insurance exchanges for individuals without health insurance to access affordable coverage. Also referred to as “health market exchanges”.

407.2 AFFORDABLE CARE ACT: CALCULATING LARGE EMPLOYER VS. SMALL EMPLOYER STATUS

Under the employer shared responsibility provision of the Affordable Care Act (ACA), employers with 50 or more full-time equivalent (FTE) employees must file form 1094c and 1095c. Employers with less than 50 full-time equivalents must file form 1094b and 1095b.

For purposes of the ACA, a full-time employee is defined as someone who averages 30 hours or more per week, or 130 hours or more per month.

**NOTE:** The Diocesan Health Insurance plan defines a full-time employee as someone who works 28 hours or more regularly per week. The ACA definition of using the 30 hours per week should only be used for this calculation. When determining if an employee should be offered health insurance by the parish/school, the metric of 28 hours or more per week should be used.

**Full-Time Equivalents (FTE’s):**

Reflects the number of full-time employees an employer would have, based on the hours for all employees who are not full-time employees. The number of FTE’s for a calendar month is determined by totaling the hours of service (including fractional hours rounded to the nearest hundredth, but not including more than 120 hours for any one employee) for all employees who are not full-time employees for that month, and then dividing by 120.

**Example:**

In a particular month from 2016, Parish X has 25 employees who are full-time currently and regularly work 35 hours/week. Parish X also has 35 employees who work 25 hours or less. To determine how many FTE’s make up the 35 part-time employees, Parish X needs to add up all the hours that those 35 employees worked in that month. The 35 part-time employees are broken up as follows:

- 10 employees work 25 hours per week regularly or 250 hours per week.
- 5 employees work 15 hours per week regularly or 75 hours per week.
- 20 employees who work irregular hours, but normally less than 10 hours/week. During the month in question they worked a total of 700 hours.
In total, that calculates to 2,000 hours worked in this specific month by part-time employees (4 weeks in a month). The 2,000 is then divided by 120 hours to equal 16.67.

After the FTE’s have been calculated for that month, you add that number to the amount of full time employees the parish has during the month to arrive at the employer size. In the above example, Parish X would take the 25 full time employees, plus the 16.67 FTE’s to arrive at an employer size of 41.67 for this particular month.

In 2017, Parish X will do this same calculation for every month in 2016. The employer size amounts will then be averaged together to come up with an overall size for the previous calendar year. After doing this calculation for every month in the year, Parish X determines that it has under 50 FTE’s in 2016, which means that in 2017, it will file the small employer forms (1094b and 1095b).

For more information about calculating your employer size, please contact the Diocesan Finance Department or LMC.

407.3 AFFORDABLE CARE ACT: SMALL EMPLOYERS

Every parish/school that has at least one employee that is on the Diocesan Group Health Plan must complete form 1094b and 1095b. This includes Priests. Each Parish/School is responsible for reporting on their Priest even though the Diocese pays the Health insurance. If a priest serves multiple locations, the parish that pays his full salary, is responsible for completing the 1094b/1095b forms.

In early January each location that has an employee on our group health plan (including Priests) will receive a list from LMC/Wellmark. Every employee listed should receive a form 1095b. If you see a name on the list you do not recognize please contact LMC.

NOTE: If your parish has a Priest that belongs to an Order and you pay this Priest by writing a check to their order, you do not need to complete Forms 1094b and 1095b. They will not be listed on the list from LMC.

407.4 FORM 1095B


Each employee covered under the Group Health Plan will receive one of these forms.

Part I – Responsible Individual:

a. Fill in the Name, SSN, DOB, and Address for the Employee (boxes 1-7)
b. Enter “B” in box 8 for “Employer Sponsored Coverage”.

Part II Employer Sponsored Coverage:

DO NOT COMPLETE – per the IRS: “Insurance Companies entering codes A or B on line 8 will complete part II. Employers reporting self-insured group health plan coverage on Form 1095B enter code B on line 8, but not complete part II.”
Part III Issuer of Other Coverage Provider:
   a. In boxes 16-22 enter the information for the Parish/School.
   b. Box 18 – enter direct phone number an individual seeking additional information may call to
      speak to the responsible person (direct line if possible).

Part IV – Covered Individuals:
This section should include information about individuals covered under that employee, such as the
employee themselves, their spouse, and/or any dependents. Information also needs to be entered
showing which months each person was covered.

407.5 FORM 1094B


This is the transmittal form that will be sent to the government with copies of all 1095b's. Similar to the
W-3 for W-2’s submitted, Form 1094b, contains parish/school information and totals.

- Box 1-2: Fill in Parish/School name and information
- Box 3-4: put in the name and phone number of the person who should be contacted if there
  are questions.
- Box 5-8: Address information for the parish/school
- Box 9: Enter the number of 1095B’s that are being submitted
- Have the Pastor Sign and Date the form.

407.6 FILING FORM 1094B/1095B

Form 1094b and associated 1095b’s should be sent to:

   Department of the Treasury
   Internal Revenue Service Center
   Kansas City, MO 64999

The forms are due to the IRS on February 28th unless filing electronically. Then it is due on March 31st.

A copy of each 1095b form should also be sent to each employee listed at the top of the form.

407.7 AFFORDABLE CARE ACT: LARGE EMPLOYERS

The forms required for employers with 50 or more FTE’s are more detailed than the ones for smaller
employers. While small employers only need to report on those individuals who are on the plan, large
employers need to report on all employees that are eligible whether they have elected coverage or not.
There are also special codes that need to be used and an ‘employee required coverage contribution
amount’ which will be explained below.
Information from LMC/Wellmark
Like the small employers, in January each parish/school will receive a spreadsheet from LMC that is
initiated by Wellmark for the previous calendar year. This spreadsheet will list each individual who was
on the health insurance plan during the year. It will also list their birthdate and SSN. It is very important
that each location review this spreadsheet thoroughly to ensure all of your covered employees are
listed.

Priests
As with the small employers, any priest that is paid by the parish/school will be listed, even though their
health insurance is paid by the Diocese. It has been determined that priests are an employee of the
parish/school and therefore should be included on the parish/school’s form 1094c/1095c instead of
Diocese’s.

NOTE: If your parish has a Priest that belongs to an Order and you pay this Priest by writing a check to
their order you do not need to complete Forms 1094c and 1095c. They will not be listed on the list from
LMC.

407.8 FORM 1095C

Form 1095c can be found here:

Each employee that is eligible for health insurance will receive a 1095c from the parish/school. The
spreadsheet from LMC/Wellmark in January will tell the parish/school which employees elected
coverage with information about their spouses/dependents if they are on the family/spouse plan. The
Parish/School will then need to determine who has been offered coverage, but elected not to take it.

Part I – Employee: Boxes 1-13 will contain information about the employee and the employer.

Part II – Employee Offer of Coverage:
Line 14: Below are the codes that should be used in line 14. Depending on the circumstances with the
employee, at least one of these codes should be used.

<table>
<thead>
<tr>
<th>Form 1095c, Part II, Line 14: Indicator Code Series 1 for “Offer of Coverage”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A. Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).</td>
</tr>
<tr>
<td>1B. Minimum essential coverage providing minimum value offered to employee only.</td>
</tr>
<tr>
<td>1C. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).</td>
</tr>
<tr>
<td>1D. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)).</td>
</tr>
<tr>
<td>1E. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.</td>
</tr>
<tr>
<td>1F. Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.</td>
</tr>
<tr>
<td>1G. Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year.</td>
</tr>
<tr>
<td>1H. No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).</td>
</tr>
<tr>
<td>1I. Qualifying Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months</td>
</tr>
</tbody>
</table>

The common codes that will be used are 1E (Employee offered coverage) or 1H, (employee not offered coverage). 1H would be used in a case such as a new employee is hired in February, and is not eligible for insurance until March 1st. Therefore they would have 1H in January and February.

**Line 15:** Should contain the lowest cost health insurance option that is offered. This would be the single coverage under the HMO plan. This amount should be used on all forms even if the employee elected a higher costing plan, such as family or PPO. Line 15 should only be used if code 1B, 1C, 1D, or 1E is entered on line 14 either in the “All 12 Months” box or in the corresponding monthly boxes. Otherwise the amount should be $0.

**NOTE:** Remember that the health insurance premiums change July 1st. This means that most likely, the January – June amount will be different from July – December. The only time it wouldn’t be different is if there was no rate increase between fiscal years.

**Line 16:** Section 4980H Safe Harbor and Other Relief: A code should be filled in here only in the month where the employee elected coverage or was not eligible. If coverage was offered, and the employee opted out, line 16 should be left blank. For employees who took coverage the below codes should be used.

| Form 1095-C, Line 16: Indicator Code Series 2 for Applicable Section 4980H Safe Harbor Codes and Other Relief for Employers |
| 2A. Employee not employed during the month. Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the employer on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the employer. |
### 2B. Employee not a full-time employee.

Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month). Also use this code for January 2015 if the employee was offered health coverage no later than the first day of the first payroll period that begins in January 2015 and the coverage offered was affordable for purposes of the employer shared responsibility provisions under section 4980H and provided minimum value.

### 2C. Employee enrolled in coverage offered.

Enter code 2C for any month in which the employee enrolled in health coverage offered by the employer for each day of the month, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor).

### 2D. Employee in a section 4980H(b) Limited Non-Assessment Period.

Enter code 2D for any month during which an employee is in a Limited Non-Assessment Period for section 4980H(b). If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the employer is also eligible for the multiemployer interim rule relief for the month code 2E, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a Limited Non-Assessment Period).

### 2E. Multiemployer interim rule relief.

Enter code 2E for any month for which the multiemployer interim guidance applies for that employee. This relief is described under Offer of Health Coverage in the Definitions section of these instructions.

### 2F. Section 4980H affordability Form W-2 safe harbor.

Enter code 2F if the employer used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an employer uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.

### 2G. Section 4980H affordability federal poverty line safe harbor.

Enter code 2G if the employer used the section 4980H federal poverty line safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

### 2H. Section 4980H affordability rate of pay safe harbor.

Enter code 2H if the employer used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

**Note.** Codes 2F through 2H: Although employers may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer interim guidance, an employer eligible for the relief provided in the multiemployer interim guidance for a month for an employee should enter code 2E (multiemployer interim rule relief), and not a code for the section 4980H affordability safe harbors (codes 2F, 2G, or 2H).

The most commonly used codes are 2A, 2B, 2C, and 2D.
Part III – Covered Individuals
In this section, all individuals that are covered under each employee should be listed with either their SSN or their Date of Birth. The months that each individual was covered should be check marked on the form.

407.9 FORM 1094C

Form 1094c can be found here:


Like the form 1094b for small employers, the 1094c form is a transmittal form that is sent to the government with all of the 1095c forms.

Part I – Applicable Large Employer Member (ALE Member)

- The parish/school information should be filled in for lines 1-6.
- The contact information for the person the IRS should contact with questions should be filled in on line 7 and 8.
- Lines 9-16 should be left blank
- Line 17 should be left blank
- Line 18 should show the number of form 1095c's are being submitted with this 1094c.
- Line 19 should have the box checked.

Part II – ALE Member Information

- Line 20 should be left blank
- Line 21 should be marked No, which means that Part VI (page 4) does not need to be completed.
- Line 22 should have D. 98% Offer Method checked. This means that the parish/school offered the minimum essential coverage (as defined by the government) to at least 98% of those who were eligible.

Part III: ALE Member Information – Monthly

- On line 23, Column (a), Yes should be marked for “all 12 months”.
- Column (b) does not need to be completed as it does not apply to us.
- Column (c) should contain the number of total employees for the parish/school for each month listed.
- Column (d) and (e) should be left blank.

Part VI – Other ALE Members of Aggregated ALE Group

Should not be completed because in Part II line 21, no was marked.

407.10 FILING FORM 1095C/1094C

Form 1094c and associated 1095c’s should be sent to:
The forms are due to the IRS on February 28th unless filing electronically. Then it is due on March 31st.

408 Workers’ Compensation

408.1 EXPLANATION

The Diocese purchases workers’ compensation coverage through a third party for all parish and school employees. Parishes and schools pay an allocation of the premium based on total wages and job classification. The wage data is gathered from the Statement of Activities in ParishSOFT Accounting. It is very important that if a location shares an employee, such as a priest, that only the location issuing the paycheck records the expense to an employee salary/wage expense account. The other locations that are not issuing the paycheck but are reimbursing the parish for a portion of the wage, should code the expense to other parish support (101-900050). This will avoid a duplication in wages when all data is pulled together for the Diocese.

The Diocese invoices parishes and schools annually for this coverage. Remit payments directly to the Diocesan Finance Department.

408.2 AUDIT OF WORKERS COMPENSATION PREMIUMS

Workers Compensation is billed at the beginning of the fiscal year. Because of this, an estimate of wages is used to determine the overall premium and the amount due by each location. The estimate of wages used is based on 2 years prior to the year being invoiced. This is due to the timing of the billing (e.g. FY2017 premiums were calculated in June 2016, before FY2016 had been completed; therefore FY2015 data was used).

After the fiscal year is completed and all wage data gathered, a correction or audit is done comparing what was estimated at the beginning of the year for wages and what was actually incurred. The parish/school will then receive either an invoice for an additional amount owed, or a credit on their diocesan account.

408.3 INJURIES AT WORK

A “First Report of Injury” form should be completed by the employee’s supervisor or the business manager immediately following an injury at work. This form is the first step in filing the workers’ compensation claim. The form can be found here: https://www.dmdioece.org/resources/human-resources/workers-compensation along with additional instructions on reporting an injury.

LaMair-Mulock-Condon: 1 (800) 747-5652 or (515) 237-0108
Diocese of Des Moines - Human Resources: (515) 237-5085
409 Outsourcing Payroll

A parish/school can decide to outsource the payroll to a third party provider. If the parish/school decides to do this, a journal entry needs to be entered into ParishSOFT Accounting to record the expense and issued paychecks. Some third-party outsourcers such as ADP, will create a file that can be imported into ParishSOFT Accounting (usually a fee is charged by the outsourcer to create the file). For information on how to create the import file, work with your third-party outsourcer and contact ParishSOFT ParishSOFT Accounting.

The following is an example of how to record the journal entry in ParishSOFT Accounting manually instead of via import.

Payroll Example

St. Mary’s outsources their payroll.

Fr. John Doe is paid $2,390.00 per month and has $125 withheld for his 403b Retirement Plan every month.

The full time Business Manager, Jane Anderson, is paid $1841.00 per month. Jane has the following withholdings:

- $105.87 withheld every month for health insurance
- $14.21 for dental insurance
- $50.00 for her flex account
- $4.24 per month for vision insurance
- $10 for life insurance
- 8% withheld for her 403b Retirement Plan

St. Mary’s pays the following benefits:

- $450.15 every month for Jane’s health insurance
- $27.48 for her dental insurance
- $125.00 for Fr. John Doe’s 403b Retirement Plan
- $25.00 for Jane’s 403b Retirement Plan

See next page for journal entry.
Jane enters the following Journal Entry at the end of the month into ParishSOFT Accounting:

<table>
<thead>
<tr>
<th>Acct. No.</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>Checking</td>
<td>3,414.47</td>
<td>3,414.47</td>
<td>Amount actually written out in paychecks</td>
</tr>
<tr>
<td>2000</td>
<td>FICA W/H Payable</td>
<td>210.46</td>
<td>210.46</td>
<td>FICA W/H for Jane plus St. Mary's half**</td>
</tr>
<tr>
<td>2005</td>
<td>Federal W/H Payable</td>
<td>300.00</td>
<td>300.00</td>
<td>Federal W/H from employees</td>
</tr>
<tr>
<td>2010</td>
<td>State W/H Payable</td>
<td>59.00</td>
<td>59.00</td>
<td>State W/H from employees</td>
</tr>
<tr>
<td>2030</td>
<td>Retirement W/H Payable</td>
<td>350.00</td>
<td>350.00</td>
<td>Fr. John Doe's $125 withholding plus St. Mary's match, Jane's $75 withholding for retirement plus St. Mary's $25 for Jane</td>
</tr>
<tr>
<td>2015</td>
<td>Health Insurance W/H Payable</td>
<td>556.02</td>
<td>556.02</td>
<td>Jane's health insurance withholding plus St. Mary's payment portion of Jane's health insurance.</td>
</tr>
<tr>
<td>2020</td>
<td>Dental Insurance W/H Payable</td>
<td>41.69</td>
<td>41.69</td>
<td>Jane's dental insurance withholding plus St. Mary's payment portion of Jane's dental insurance</td>
</tr>
<tr>
<td>2025</td>
<td>Cafeteria W/H Payable</td>
<td>50.00</td>
<td>50.00</td>
<td>Jane's flex /withholding</td>
</tr>
<tr>
<td>2015</td>
<td>Health Insurance W/H Payable</td>
<td>4.24</td>
<td>4.24</td>
<td>Jane's vision insurance withholding</td>
</tr>
<tr>
<td>2040</td>
<td>Other Payroll W/H Payable</td>
<td>10.00</td>
<td>10.00</td>
<td>Jane's life insurance withholding</td>
</tr>
<tr>
<td>101501001</td>
<td>Priests</td>
<td>2,390.00</td>
<td>2,390.00</td>
<td>Fr. John Doe's salary expense</td>
</tr>
<tr>
<td>101502002</td>
<td>Bookkeeper/Accountant</td>
<td>1,841.00</td>
<td>1,841.00</td>
<td>Jane's salary expense</td>
</tr>
<tr>
<td>101510045</td>
<td>FICA Tax</td>
<td>105.23</td>
<td>105.23</td>
<td>St. Mary's FICA expense for Jane**</td>
</tr>
<tr>
<td>101510090</td>
<td>Priest's Retirement</td>
<td>125.00</td>
<td>125.00</td>
<td>St. Mary's expense for Fr. John Doe's retirement match</td>
</tr>
<tr>
<td>101510010</td>
<td>Health Insurance</td>
<td>450.15</td>
<td>450.15</td>
<td>St. Mary's Expense for Jane's health insurance</td>
</tr>
<tr>
<td>101510015</td>
<td>Dental Insurance</td>
<td>27.48</td>
<td>27.48</td>
<td>St. Mary's expense for Jane's dental insurance</td>
</tr>
<tr>
<td>101510030</td>
<td>Retirement Benefit</td>
<td>25.00</td>
<td>25.00</td>
<td>St. Mary's expense for Jane's retirement*</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4,963.86</td>
<td>4,963.86</td>
<td></td>
</tr>
</tbody>
</table>

**Clergy NEVER have FICA/Medicare tax withheld. This amount is incurred because of non-priest employees. The IRS requires that the parish/school match the amount that is withheld from any employee for FICA/Medicare.**

**NOTE: A memorized transaction can be set up in ParishSOFT Accounting with no amounts. Each pay period the Business Manager would only need to fill in the amounts.**
Reporting and Governance

Two of the key controls within any organization are accountability and transparency. Parishes/schools are accountable to their donors/parents and should maintain an adequate level of transparency. Accurate and complete information must be provided in a timely manner to the Pastor, Principal, Finance Council, etc. to ensure accountability and transparency. This section contains information about the major financial reports, reporting guidelines to the finance council, and reports due to the Diocese.

501 Statement of Financial Position (Balance Sheet)

Assets are listed at the top of the statement of financial position and liabilities and net assets follow below. The statement balances (hence the balance sheet title) because assets at the top equal liabilities plus net assets below.

Assets = Liabilities + Net Assets (Fund Balance)

This equation is the foundation for accounting. If this equation or balance doesn’t hold true, then an error has occurred.

- **Assets** - An asset is a resource owned by the parish/school from which future economic benefits are expected to flow to the parish/school. In short, something that adds value to your parish/school.

- **Liabilities** - A liability is a present obligation of the parish/school arising from past events. It is a claim against the parish/school. Meeting these claims will result in an outflow from the parish/school. In short, it is something that subtracts from the value of the parish/school.

- **Net Assets (fund balance)** - By manipulating the equation above, it also holds true that assets less liabilities equals net assets, as shown below. Net assets are what remain after the liabilities (claims against the parish/school by outsiders) are subtracted from assets.

Assets – Liabilities = Net Assets (fund balance)

If assets exceed liabilities, the parish/school is solvent (has sufficient assets to meet the claims against the parish/school by outsiders). If liabilities exceed assets, the parish/school is insolvent (cannot meet the financial claims by outsiders against the parish/school).

501.1 ASSETS

- **Unrestricted Assets** – These assets represent funds that are not restricted and can be used for operations of the parish/school. Unrestricted checking accounts, short-term investments (certificates of deposit), are examples
• **Restricted Assets** – Restricted assets are assets that have been designated for a specific purpose by the donor or the Finance Council. Any economic benefit derived from these assets must be used for its intended purpose, therefore it is restricted.

• **Accounts Receivable**: Accounts Receivable represent funds that are due to the parish/school by an outside source. Examples would be School Tuition, Parish Rental fees etc.

• **Fixed Assets** – A fixed asset is an asset that is not considered liquid and is usually held for several years. Buildings and land owned by the parish/school are examples of fixed assets. *For more information on Fixed Assets see page 35.*

### 501.2 LIABILITIES

• **Payroll Liabilities** – Payroll liabilities are obligations arising because of costs associated with payroll. Retirement, health insurance, and Federal Insurance Contributions Act (FICA and Medicare) are examples of payroll liabilities. Money in these accounts means that the parish/school owes the government, health care provider, etc. *See page 69 for more information on payroll liabilities.*

• **Accounts Payable** – if a parish/school is accounting on an accrual basis, they would have an accounts payable balance. This figure represents the amount a parish/school owes to outside vendors at a specific point in time.

• **Pre-Paid Tuition/(Deferred Revenue)** – this represents funds that the parish/school has collected, but not yet earned. Examples would be tuition collected in June for the next school year. This is a liability to the parish/school because it has not been earned yet.

• **Funds Held for Others** – Funds held for others are used to record the temporary safekeeping of funds raised for outside or auxiliary organizations such as Altar and Rosary. Monies held in a funds held for others account represent a liability of the parish/school. *See page 10 for more information on funds held for others.*

• **Long-Term Debt** – Long-term debt is defined as debt that will be paid off over multiple years. Examples would be bonds for schools, or a bank loan.

### 501.3 NET ASSETS/(FUND BALANCE)

When the End of Year process is run at the end of the fiscal year in ParishSOFT Accounting, an automatic entry is made to the net asset accounts. The total expense is subtracted from the total income for the fiscal year for each fund and that number is posted to a corresponding net asset account.

Note: Each fund is closed to a different net asset account.

*Please see page 90 for information about how the chart of accounts identifies net assets.*

Below is a list of the six different funds and their corresponding net asset account.

• Parish (Fund/Entity 1) Unrestricted Fund Balance (3000)
• School (Fund/Entity 2) School Fund Balance (3020)
• Catechesis (Fund/Entity 3) Catechesis Fund Balance (3025)
• Foundation – Parish (Fund/Entity 4) Parish Foundation Fund Balance (3030)
• Foundation – School (Fund/Entity 5) School Foundation Fund Balance (3035)
• Cemetery (Fund/Entity 6) Cemetery Fund Balance (3040)

During the End of Year Process in ParishSOFT Accounting, the system asks the user which net asset account each fund should be closed to.

**Example**

St. X is a brand new parish on July 1, 2008, (beginning of fiscal year 2009).

One of the first journal entries St. X Parish makes when they open is to record their fixed assets. They do this by:

- Debiting the fixed asset account
- Crediting a net asset account (in this case, 3000 – Unrestricted Fund Balance).

St. X Parish has a total of $2,700,295.00 in fixed assets. After this journal entry is made, the balance in account 3000 - Unrestricted Fund Balance is $2,700,295.00 for the rest of fiscal year 2009

*See following page*
Statement of Activities - St. X Church
June 2009 – Fund 1

Income:

<table>
<thead>
<tr>
<th>Parish Administration</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>101400001 Collection - Sunday Envelope</td>
<td>63,630.01</td>
<td></td>
</tr>
<tr>
<td>101400002 Collection - Christmas</td>
<td>4,822.00</td>
<td></td>
</tr>
<tr>
<td>101400003 Collection - Easter</td>
<td>4,306.00</td>
<td></td>
</tr>
<tr>
<td>101400004 Collection - Holy Days</td>
<td>1,074.00</td>
<td></td>
</tr>
<tr>
<td>101410008 Undesignated Donations</td>
<td>1,869.00</td>
<td></td>
</tr>
<tr>
<td>101410009 Votive Stand</td>
<td>135.49</td>
<td></td>
</tr>
<tr>
<td>101420006 Designated Donations</td>
<td>111,711.43</td>
<td></td>
</tr>
<tr>
<td>101420009 Mass Stipends</td>
<td>830.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>188,377.93</strong></td>
<td></td>
</tr>
</tbody>
</table>

Expense:

<table>
<thead>
<tr>
<th>Parish Administration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>101501001 Priests</td>
<td>13,360.00</td>
</tr>
<tr>
<td>101501002 Pastoral Associate</td>
<td>0.00</td>
</tr>
<tr>
<td>101501003 Priests - Extra Services</td>
<td>300.00</td>
</tr>
<tr>
<td>101503001 Secretary</td>
<td>5,258.00</td>
</tr>
<tr>
<td>101510010 Health Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td>101510015 Dental Insurance</td>
<td>102.00</td>
</tr>
<tr>
<td>101700040 Other Expenses</td>
<td>871.02</td>
</tr>
<tr>
<td>101700050 Postage</td>
<td>42.00</td>
</tr>
<tr>
<td>101700060 Printing</td>
<td>91.20</td>
</tr>
<tr>
<td>101700065 Copier</td>
<td>40.00</td>
</tr>
<tr>
<td>101750030 Technology-Software</td>
<td>1,753.25</td>
</tr>
<tr>
<td>101750035 Technology-Services</td>
<td>769.29</td>
</tr>
<tr>
<td>101900030 Bank Charges</td>
<td>48.38</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>22,635.14</strong></td>
</tr>
</tbody>
</table>

After fiscal year 2009 is complete, St. X Parish shows $165,742.79 as the **excess income over expense** (net income). When the bookkeeper at St. X parish goes through the end of the year process in ParishSOFT Accounting at the end of fiscal year, this amount will be automatically added to the Net Asset account 3000 (Unrestricted Fund Balance).

In the next fiscal year (fiscal year 2010), St. X parish has ($120,548.12) excess expense over income (a net loss). The ($120,548.12) will be automatically subtracted from the Net Asset account 3000 (Unrestricted Fund Balance). When St. X Parish starts fiscal year 2011, the balance in the net asset account 3000 (Unrestricted Fund Balance) will be:
Net Asset accounts are essentially the carryover from year to year of either the net income or net loss of the parish/school for previous fiscal years.

**Current Period Changes**
Since the journal entry to move the net income (income – expense) to fund balance is only done annually, “Current Period Changes” shows the total net income/loss year to date.

**Dedicated Accounts**
The Statement of Dedicated accounts lists all second collections and special parish collections. Because the money collected in these accounts does not belong to parish (it is owed to someone else), it is listed on the Statement of Financial Position as a Net Asset labeled “Dedicated Accounts”, under “With Donor Restrictions”.

**Continued Example:**
In October 2009 St. X Parish shows a year-to-date net income (Income – Expense) of $21,450.00 per the Statement of Activities. This means that from July – October St. X parish has a net income of $21,450.00. St. X Parish also has a total of $1,336.58 in dedicated accounts that have not been remitted.
# St. X Parish

## Statement of Financial Position

### October 2009 - All Funds

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Investment - Unrestricted</strong></td>
<td></td>
</tr>
<tr>
<td>1000 Checking - Bankers Trust</td>
<td>35,306.91</td>
</tr>
<tr>
<td>1090 Petty Cash</td>
<td>62.48</td>
</tr>
<tr>
<td>1100 Certificate of Deposit</td>
<td>145,421.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>180,791.30</td>
</tr>
<tr>
<td><strong>Donor Restricted Cash</strong></td>
<td></td>
</tr>
<tr>
<td>1310 BTC Checking Donor Restricted</td>
<td>7,909.08</td>
</tr>
</tbody>
</table>

### Fixed Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1505 Buildings - Church</td>
<td>2,135,000.00</td>
</tr>
<tr>
<td>1515 Buildings - Hall</td>
<td>561,000.00</td>
</tr>
<tr>
<td>1555 Equipment</td>
<td>4,295.00</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>2,700,295.00</td>
</tr>
</tbody>
</table>

### Total Assets

| Balance                                           | 2,888,995.37 |

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payroll Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>2005 Federal W/H Payable</td>
<td>0.00</td>
</tr>
<tr>
<td>2010 State W/H Payable</td>
<td>171.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>171.00</td>
</tr>
</tbody>
</table>

### Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Balance</strong></td>
<td></td>
</tr>
<tr>
<td>3000 Unrestricted Fund Balance</td>
<td>2,866,037.79</td>
</tr>
<tr>
<td>3025 Catechesis Fund Balance</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,866,037.79</td>
</tr>
</tbody>
</table>

### Dedicated Accounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>0.00</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>1,336.58</td>
</tr>
<tr>
<td><strong>Dedicated Accounts Totals</strong></td>
<td>1,336.58</td>
</tr>
</tbody>
</table>

### Current Period Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as of 10/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Period Changes</strong></td>
<td>21,450.00</td>
</tr>
</tbody>
</table>

### Total Net Assets

| Balance                                           | 2,888,824.37 |

### Total Liabilities and Net Assets

| Balance                                           | 2,888,995.37 |

---

During the year-end process on June 30, 2009, $165,742.79 was added to Unrestricted Fund Balance (3000). Because St. X Parish opened in fiscal year 2009, this account previously had a balance of $2,700,295.00 which is the total of St. X Parish’s fixed assets. The ending balance is now $2,700,295.00 + $165,742.79 = 2,866,037.79.

$1,336.58 of funds that are currently recorded in a dedicated account have not been remitted.

$21,450.00 year-to-date net income St. X Parish has generated shows on the Statement of Financial Position as “current period changes.”
502 Statement of Activities (Income Statement)

The Statement of Activities shows revenues/expenses and the profits (losses) generated by the parish/school for a specific period. The formula for the income statement is shown below.

Revenue – Expenses = Net Income/(Net Loss)

- Net Income – Net Income is listed on the bottom line of the Statement of Activities. A positive number indicates a profit; how much more revenue is collected during the month/year after all expenses are deducted. The parish/school is collecting revenue at a faster rate than it is spending it.

- Net Loss – A negative number listed at the bottom of the Statement of Activities reflects a net loss; more expenses are paid than revenue is collected during the month/year. In other words: the parish/school is paying expenses at a faster rate than it is collecting income.

502.1 PROJECTS

Projects in ParishSOFT Accounting are an additional field that can flag and group specific transactions together. For example; a parish has an annual fundraiser picnic and would like to track the income/expenses associated with this picnic. The parish bookkeeper sets up a project called “Parish Picnic” and attaches that project to every related transaction (both deposits and bills in ParishSOFT Accounting).

![Deposit Information](image)

After all associated transactions have been entered and coded to the Parish Picnic project, the bookkeeper prints out a project report (Reports>>Transactions>>Projects). This report will show the total income and total expense related to the project, as well as calculate the net surplus/(deficit) from the picnic.

Projects can be used for fundraisers, building projects, restricted donations etc. and across multiple fiscal years. There is no limit on how many projects a parish/school can have.

503 Statement of Dedicated Accounts

Dedicated Accounts are liability accounts where funds collected for second collections (either Diocesan or Parish) are recorded. The money is not for the parish/school, but is temporarily held before...
remitting either to the Diocese (general ledger accounts in the 2200 series) or to the beneficiary of the particular parish/school collection (2300s accounts). Parish/school finance staff should remit monies in these accounts to the appropriate place within one month of collection.

Dedicated account balances are reflected in the Statement of Financial Position in the Fund Balance section and noted as “Temporarily Restricted.” The Statement of Dedicated Accounts is a statement that should be reviewed monthly by the parish/school’s Finance Council.

See page 30 for more information about Dedicated Accounts/Second Collections. See page 178 for a list of Dedicated Accounts.

### 504 How to Activate/Insert a New Account in ParishSOFT Accounting

1. Click on Accounts – from your home screen
2. Click on Chart of Accounts (Add Sub-Accounts)
3. Select the type of account you want to insert: Income, Expense, Liability, Asset, or Net Asset.

4. Select what entity (fund) the account is for (Parish, School, RE etc). For Assets and Liabilities this will be parish.

5. If the account is an expense or income account, select the program; if not leave this blank.

6. You can leave the other three blank.

7. Click Search
8. Scroll down and find the account you want to insert. Then check mark the box next to the account.

9. Scroll to the bottom of the screen and click submit. Your account is now available to use!
**505 Debit and Credit Effects**

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Example of Account</th>
<th>Typical Balance</th>
<th>DEBIT Effect</th>
<th>CREDIT Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>1000 – Checking General</td>
<td>Debit</td>
<td>+ Increase</td>
<td>- Decrease</td>
</tr>
<tr>
<td>Liability</td>
<td>2005 – Federal Withholding</td>
<td>Credit</td>
<td>- Decrease</td>
<td>+ Increase</td>
</tr>
<tr>
<td>Dedicated</td>
<td>2255 – Peter’s Pence</td>
<td>Credit</td>
<td>- Decrease</td>
<td>+ Increase</td>
</tr>
<tr>
<td>Income/Revenues</td>
<td>101-400001 – Collection Sunday Envelope</td>
<td>Credit</td>
<td>- Decrease</td>
<td>+ Increase</td>
</tr>
<tr>
<td>Expenses</td>
<td>101-501001 - Priests</td>
<td>Debit</td>
<td>+ Increase</td>
<td>- Decrease</td>
</tr>
</tbody>
</table>

**506 Standardized Chart of Accounts**

An added measure of internal control is provided to Diocesan entities through the use of a standardized Chart of Accounts. While each type of account—Assets, Liabilities, Net Assets, Income, and Expense—has a unique structure and numbering system, all parishes and schools use the same account numbers for the same type of account. These standardized accounts allow the following:

- Combination of information for the Diocese as a whole
- Analysis of changes and trends over a period of time
- Comparison of information among Diocesan entities
- Instruction on the proper use of accounts
- Collaboration among Diocesan entities on account usage
- Information regarding accounting errors

*See page 174 for full chart of accounts.*

**506.1 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) ACCOUNT EXPLANATION**

The Statement of Financial Position consists of three account types:

- Assets
- Liabilities
- Net Assets

All asset, liability and net asset accounts are 4 numbers long. The Diocesan chart of accounts distinguishes between these 3 types of accounts by number.

- All Asset accounts begin with the number “1”.
- All Liability accounts begin with the number “2”.
- All Net Asset accounts begin with the number “3”.

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*Diocese of Des Moines*  
*August 2017*
506.2 STATEMENT OF ACTIVITIES (INCOME STATEMENT) ACCOUNT EXPLANATION

Each revenue and expense account consists of nine numbers.

101-400001

The first number recognizes the Fund/Entity.

The first three numbers recognize the Program.

The last six numbers are the specific account number.

Fund/Entity: Segregates income and expenses by different areas:

- Fund/Entity 1: Parish
- Fund/Entity 2: School – this should only be used for stand-alone schools or parishes with a school.
- Fund/Entity 3: Catechesis/Religious Education
- Fund/Entity 4: Foundation – Parish
- Fund/Entity 5: Foundation – School
- Fund/Entity 6: Cemetery

Example:

Account 101-720010 would show expenses for textbooks/resources bought for the parish, while account 201-720010 would show expenses for textbooks/resources bought for the school.

Program: Allows for more segregation within a fund.

Some examples of different programs are:

- 101 – Parish Administration
- 113 – Parish Hall
- 117 – Fundraising-Bazaar/Picnic
- 126 – Rental Property

Please see page 181 for a full list of program names.

Example:

Account 101-734044 (trash removal) would show the expenses incurred for trash removal for normal operations. If the Parish had a fundraiser and needed to have an extra trash pickup because of the fundraiser, the expense could be shown in 117-734044. If all income/expenses dealing with that specific fundraiser were recorded in program 117, a Statement of Activities could be printed out just for that program.
507 Annual Operating Budget

Prior to the beginning of the fiscal year an operating budget for the upcoming fiscal year should be prepared. The finance council should participate in developing the annual budget with staff, following input from the pastoral council and pastor on the priorities for the year. The budget should be brought before the finance council for review and recommendation of approval by the pastoral council and pastor.

The budget is the plan of revenues and expenditures for the upcoming year. It is to be prepared in accordance with the chart of accounts. A line-item amount is to be budgeted for each revenue and expense account. During the fiscal year, the pastor and finance council should review actual revenues and expenses against budgeted amounts on a regular basis. Any material variance should be investigated and resolved as soon as possible; unfavorable actual-to-budget variances could be addressed by implementing offsetting measures.

507.1 ANNUAL BUDGET PREPARATION BEST PRACTICES

1. Every parish/school should create an annual operating budget.

2. Establish a timeline allowing for approval of the budget by the Finance Council and Pastor in the month of May.

3. 6 – 8 months prior to year-end (schools need more time because of contracts), have Pastor and Pastoral Council/Finance Council meet.
   a. Discuss ministry goals and objectives for the coming fiscal year. Quantify as much as possible and share with all ministries.
   b. Review long-term trends and long-term objectives

4. Parish Finance Council should be heavily involved in the Budget Process.

5. Prepare and review the Budget Worksheet report in ParishSOFT Accounting.

6. With parish ministry goals and objectives in mind, have programs prepare budgets with descriptive narratives on their own ministry goals and objectives, detailing new projects, ministries, fundraising and the rationale for the income and expense numbers used in the budgets. (Have all departments complete a standardized template for this)
   a. Review current year for variances and possible effect on upcoming year
   b. Identify new initiatives and the funding source to support it

7. Determine if there are changes in growth patterns or long-term trends that need to be considered besides an inflation factor.

8. Consider the use of a budgeted contingency (2% of total expenses) to help cover unexpected deficits.
9. Consider the use of a capital replacement fund that is funded through budgeted depreciation with cash set aside at year-end.

10. The budget should be balanced (expenses should not exceed revenue). Do not budget unattainable income in order to balance the budget.

11. After budget is balanced, the Pastor and Finance Council should review and formally approve it. This approval should be noted in the minutes.

508 Role of the Parish Trustee

Introduction
Engaged parish trustees are vital to the life of a parish. In recognition of this important role, the Diocese of Des Moines provides this resource to parishes in order to provide greater clarity and understanding throughout this local Church.

508.1 CANON LAW

http://www.vatican.va/archive/ENG1104/__P1U.HTM

Spiritual and Temporal Affairs
Can. 519 The pastor is the proper pastor of the parish entrusted to him, exercising the pastoral care of the community committed to him under the authority of the diocesan bishop in whose ministry of Christ he has been called to share, so that for that same community he carries out the functions of teaching, sanctifying, and governing, also with the cooperation of other presbyters or deacons and with the assistance of lay members of the Christian faithful, according to the norm of law.

508.2 CIVIL LAW

Nonprofit corporations, organization:
The governing statutes for religious corporations are set forth in Chapter 504 of the Iowa Code. The parish corporations in the Diocese of Des Moines constitute “religious corporations” as defined under Iowa Code § 504.141. After a parish corporation is initially formed through the filing of articles of incorporation by the bishop, the parish corporation is organized through an organizational meeting of the initial directors of the parish corporation whereby officers are appointed, bylaws adopted and any other business is conducted. Iowa Code § 504.205. The parish trustees are appointed to serve as members or directors of the parish corporation.

508.3 FIDUCIARY DUTY

“Fiduciary” is recognizable by its common meaning: “of or relating to a holding of something in trust for another.” A member, director and/or officer (trustee) of a corporation owes a fiduciary duty to that corporation to act in good faith, with honesty in fact, with loyalty, in the best interests of the corporation, and with the care of an ordinary, prudent person under similar circumstances. A fiduciary must act solely for the benefit of his or her principal.
508.4 PARISH ADMINISTRATION: APPOINTMENT OF LAY MEMBERS (TRUSTEES)

In practice, the Pastor submits the names of two lay members (sometimes referred to as ‘trustees’) belonging to the parish to the Bishop and Vicar General requesting their votes for selection. (Lay Members/Trustees may not be employees of the parish. They should be parishioners of the parish who reside within the territory of the Diocese of Des Moines. It is strongly recommended that the lay trustees be representative of parish demographics. Therefore, every effort should be made to ensure that at least one trustee be female and that minorities be represented consistent with the parish community.

Proxies

A proxy is a written document executed by the Bishop and Vicar General, as members of the corporation, to be used at a meeting which they are unable to attend, giving the authority to the Pastor, a member of the corporation, to cast their votes in favor of a specific corporate resolution stated in the proxy.

Actions requiring a proxy include:

- The sale, mortgage, encumbrance or disposal of real, personal or mixed property;
- All building projects of $50,000;
- Expenditures beyond the ordinary administration of the parish (currently at the threshold of $25,000 or greater); and
- Contracts or obligations binding or indebted to the parish.

All projects undertaken in parish churches or chapels or related to liturgical questions require the explicit permission of the bishop, regardless of cost.

508.5 CERTIFICATE OF INCORPORATION

Board of Directors

The members of said Corporation, viz: The said Bishop and the said Vicar General (or, in the event of the death or incapacity of said Bishop, the Administrator of the Diocese and the Chancellor of the Diocese), the Pastor and the two lay members selected and designated as aforesaid, and their respective successors, shall be and constitute the Board of Directors of the Corporation and said Board of Directors shall have power to transact all the business of said Corporation.

Officers

The officers of said Corporation shall be President, Vice President, Secretary, and Treasurer. The Bishop, or person appointed in his place or stead, shall be ex officio the President. The Vicar General is the Vice President. The Pastor of the parish is the Secretary and Treasurer.
508.6 BYLAWS

Lay Members, Term of Office
The term of office of the lay members above mentioned shall be for two years from the date of their election, and shall be renewable up to three (3) times. No lay members may serve more than four consecutive terms, for a total of eight years.

Lay Members, Removal
If any member of the Board of Directors, except ex officio members, becomes unfit for the duties of the office of Director, or incapable of performing such duties, the remaining Directors shall have the authority to remove the Director permanently from membership on the Board and as a member of the Corporation. Causes for which a Director may be removed from membership are: physical inability to perform the duties of the office; prolonged neglect to perform such duties, or to perform them properly; persistent refusal to observe in the transaction of the business of the Board, the statutes and rules of The Diocese of Des Moines, or the rules of the general and recognized discipline of the Roman Catholic Church; or public personal conduct at variance with the laws of said Roman Catholic Church.

508.7 EXECUTION OF DOCUMENTS

Deeds, mortgages, contracts, evidences of indebtedness, documents of whatever form affecting the property of the Corporation, or entailing upon it a monetary obligation, shall when duly authorized by the Board, be signed and executed by the President and the Secretary, and by none other or others in their stead, unless such other or others be duly empowered to that effect by the unanimous vote of all the Directors.

508.8 LIMITS OF AUTHORITY

No Director, unless authorized by the Board, shall have the power or authority to sign notes or other evidences of debt or to contract liabilities binding on the Corporation. No Director, without a special authorization from the Board, shall be presumed to have the power or permission to act as agent of the Board; and no contract made and no liability assumed by a Director in the absence of such special authorization shall be other than that Director’s own personal contract or liability, and no mere custom or practice of any member or any Director of the Board, separately or collectively, shall be construed as establishing a legal agency binding on the Board.

508.9 ROLE OF TRUSTEES IN RELATION TO PARISH FINANCE COUNCILS

Discussions about parish councils frequently generate questions regarding the role of parish trustees. The trustees are the members and officers of the civil corporation registered with the state. Their role fulfills civil statute requirements. Trustees are not required to serve on pastoral or finance councils. However, parish finance councils are obliged to provide the trustees with access to the information required to fulfill their responsibilities. This may require the parish councils to respond to questions
and provide documentation as the trustees follow their mandates to exercise independent judgment as they perform their duties.

508.10 CONSULTATION WITH PARISH COUNCIL

The Board of Directors should communicate with the Parish Council on all important matters pertaining to the pastoral care and temporalities of the parish, but the Parish Councils shall have no legal vote in the transaction of the business of the Corporation.

508.11 PARISH OBBLIGATIONS RELATED TO CHARTER FOR THE PROTECTION OF CHILDREN AND YOUNG PEOPLE


Charter for the Protection of Children and Young People
In 2002, the United States Conference of Catholic Bishops approved the Charter for the Protection of Children and Young People. The Charter contains 17 Articles aimed at healing those harmed, creating safe environments and protecting children now and in the future. The Charter was last revised in 2011.

Youth and Child Protection
The Diocese is charged with ensuring that all parishes and schools within it are in compliance with Charter requirements.

Expectations of Trustees Related to Youth and Child Protection
- Along with the pastor, responsibility to see that the necessary programs are undertaken at the parish level to ensure compliance with the Charter
- Assist the pastor and staff in providing:
  - Necessary audit reports to demonstrate Charter compliance to the Diocese
  - Effective liability risk-management related to child safety

508.12 PARISH FINANCIAL OBBLIGATIONS TO THE DIOCESE

There are three primary ways parishes are involved in a flow of funds to the Diocese: through the Annual Diocesan Appeal; through insurance and benefits payments; and through payments for other services and supplies.

The Annual Diocesan Appeal is based on a canonical authority to afford monetary support to the Bishop and his staff for essential works such as supervision of units of the local Church under his authority as well as acts of charity and good works. Common platform insurance and benefits are supervised by diocesan staff and governed by function-unique committees.
508.13 EXPECTATIONS OF TRUSTEES RELATED TO PARISH FINANCIAL OBLIGATIONS

- Trustees are expected to review the annual Parish Financial Report to the Diocese
- Trustees should request from the parish councils the necessary information to ensure that the parish is properly planning to meet its financial obligations, including its obligations to the Diocese

508.14 INFORMATION MANAGEMENT AND REPORTING

Adoption of uniform information management and reporting systems aids in achievement of ongoing evaluation, greater accountability and increased collaboration and provides clear value to pastors and other local leaders by improving efficiency and increasing accuracy of data.

Mission statement of the Diocese of Des Moines

Rooted in Jesus Christ,
With a spirit of joy and collaboration
We assist the bishop in serving the
People of God in Southwest Iowa.

www.dmdiocese.org
515-237-5001
Diocese of Des Moines
601 Grand Avenue
Des Moines, IA 5030

509 Parish Finance Council Guidelines

509.1 CANON LAW

In the administration of the temporal goods of the parish, Canon 532 defines the role of the pastor as the authoritative representative of the parish. Canon 537 introduces the element of the Parish Finance Council as a mandated body having an advisory and consultative role with the pastor.

“Each parish is to have a Finance Council which is regulated by universal law as well as by norms issued by the diocesan bishop; this Council of Christian faithful, selected according to the same norms, aide the pastor in the administration of parish goods with due regard for the prescription of can. 532.”

In keeping with the directives of the revised Code of Canon Law, the Diocese of Des Moines presents the following guidelines for the organization and operation of a parish Finance Council.

509.2 MEMBERSHIP

The Parish Finance Council is about the life of a community of faith and, as such, its members should be members of that community of faith. The Pastor shall appoint members to the Finance Council, and also
has the authority to remove members. As in other matters, the Pastor may use his discretion in the selection of qualified members from the parish community and the number of members.

1. **Representation** - Members should be drawn from the parish community and reflect its diversity. This requirement of parish membership may be waived by the pastor if special expertise is needed. Where appropriate, outside advice and counsel can be engaged when specific expertise is needed.

The Finance Council should draw upon the skills of parishioners who are knowledgeable in business, law, accounting, and communication. Persons with professional knowledge and experience in engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited when available. Members should be chosen based on demonstrable skills or expertise in business, management, home finance, planning, administration, and law. Expertise can vary widely and include a business executive, accountant, lawyer, and small business owner. The unique talents within the parish community should be sought.

2. **Number of Members** - Membership should consist of no less than five members to actively engage in review, discussion, and resolution of matters. It may be helpful to increase the membership to share the tasks, form subcommittees, and to provide the ability to hold a meeting and vote on issues in the absence of a member.

3. **Preclusion to Membership** - Any person who may have a conflict of interest in view of other services, paid or unpaid, rendered to the parish and any person related to the parish priests are ineligible to serve as a member of the Parish Finance Council.

Members of the Parish Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgment of the pastor, such dual service will not create conflict of interest situations.

No parish employee or member of the family of an employee may serve on the finance council.

4. **Role of Parish Employee** - Parish employees are not members of the Parish Finance Council; they are staff and support the Parish Finance Council. Parish employees should be available to answer questions regarding parish programs, accounting, financial reporting, and internal controls. The Finance Council should be provided relevant information including financial reports (balance sheet, income statement, detailed general ledger, budget to actual comparisons, loan balance payments and interest payments, investment of surplus funds, and status of fundraising drives) for council review.

The parish Business Manager or Bookkeeper should attend meetings in a consultative, non-voting capacity.
5. **Acknowledgement of Members**- Acknowledge members’ contributions to the Finance Council and subcommittees at meetings, in the minutes, and in the bulletin.

6. **Confidentiality**- Members should maintain confidentiality on those matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed if designated as confidential.

   The Parish Finance Council may choose to go into an executive session if conducting business deemed to be of a sensitive nature. Written minutes are not to be taken during an executive session. Otherwise the meetings should be considered open in nature.

7. **Terms**- Members of the Parish Finance Council (excluding ex-officio members) are to be appointed for 3 year staggering terms. Following these initial appointments, succeeding members would be named to 3 year terms. Members may be re-appointed to a second 3 year-term. After a member has been off of the Council for two terms they could be appointed as a new member.

8. **Officers**- By virtue of his office, the pastor presides over the Parish Finance Council. He will appoint or through some process select, on an annual basis, a chairperson and a recording secretary.

### 509.3 MEETING MINUTES AND AGENDA

In striving for openness and accountability in its practices, meeting minutes summarizing the items discussed and the decisions reached should be recorded. Prepared agendas, distributed in advance, will keep meetings focused.

The Finance Council should plan meetings in advance by developing an annual schedule of meeting dates and times. This will increase participation by members.

1. **Recording of Meeting Minutes**- Minutes should be recorded and archived as part of the parish permanent record. One member of the finance council is to act as secretary in keeping minutes of the meeting.

2. **Use of Agendas and Review Materials**- Meeting agendas should be prepared in advance of the meeting by consultation of the Pastor and Finance Council Chair. The agenda should list the major items for discussion. Supplying information in advance to members will lead to productive meetings.

3. **Schedule Meetings**- Meetings should be scheduled at least once a quarter, or more frequently if required. Some parishes use a format of the finance council meeting every other month with subcommittees meeting on the off months. Meeting times and dates should be predicable, such as a day and week of each month.
Formulate a communication method among officers to deal with Finance Council matters between meetings. The Parish Finance Council does not meet in the absence of the pastor.

4. **Record Retention** - The parish should retain meeting minutes, agendas, handouts, reports, and materials reviewed during meeting for future reference by either internal or external parties.

**509.4 CONSULTATIVE BODY TO PASTOR**

The Finance Council works closely with the Pastor, who is accountable to the Bishop for the administration and stewardship of the temporal goods of the parish. Consultation is at the heart of the decision-making process – sharing information, listening, contributing to the discussion, and promoting consensus. The Finance Council does not have any authority to act without the knowledge or agreement of the Pastor.

Although the pastor is not obliged to follow the recommendations of the Finance Council, the pastor should not act against such advice, especially when there is consensus, unless there is an overriding reason. In other words, the prudent pastor would not ignore the advice of the Finance Council unless there was a serious reason to do so. When acting contrary to its recommendations the pastor should provide an explanation.

**509.5 RESPONSIBILITIES**

After studying matters of financial concern, the Finance Council recommends policy. It is not the function of the Parish Finance Council to implement policies. The pastor and parish staff carries out implementation of policies. The Finance Council offers financial advice, planning, and direction. It helps to find and manage the resources to fund parish projects and programs under the Pastor’s leadership. The following are recommended areas for consultation.

1. Extra-ordinary acts of administration should be reviewed by the parish finance council before seeking the approval of the Bishop as required by Canon 1281. These acts are defined by the Bishop and would include the acquisition and alienation of real property, collateralization or mortgaging of real property, the sale of religious artifacts that would be considered as part of a parish’s patrimony, and a commitment of parish resources over $25,000 or 5% of the annual ordinary income, whichever is higher.

2. Provide guidance for parish accounting systems, including the diocesan required computer systems with at least one member with read only access to the accounting software.

3. Periodically review internal controls and the policies and procedures of the parish accounting and financial functions to identify correct procedures and irregularities. The areas reviewed should include the administration of bank and investment accounts, Mass collection procedures, cash receipts, cash disbursements, petty cash, and assisting in the development and maintenance of job descriptions.

4. Review financial reports at least quarterly:
b. Statement of Revenue and Expenditures - income statement comparison to budget - regularly reviewed to determine that the parish is operating within its budget. This includes the school and religious education programs if applicable.
c. Trend reports: contributions, school revenue, program results (e.g. religious education), and revenue and capital campaign results.
d. Review the payments of any loans and Diocesan assessments for propriety.

5. The Parish Finance Council shall assist in the preparation each year of an operating budget. This can be done either through a budget subcommittee of the Finance Council or through the entire Finance Council. This annual budget should be reviewed by the Pastoral Council and approved by the Finance Council with Pastor having the final approval.

6. The Parish Finance Council shall create and monitor the parish investment policy for surplus and restricted funds.

7. The Parish Finance Council shall assist in assuring that the following fiscal functions are performed:
   a. Timely payment of debt and interest payments.
   b. Timely payment of vendor invoices.
   c. Investment of surplus funds.
   d. Assure adequate revenue through various means such as tithing, parish fundraisers, and planned giving programs.
   e. Review donations received with a restriction placed on it. Establish a written policy on contributions, the Diocesan Development Office can provide assistance.
   f. Establish and promote a system of online giving.

8. The Parish Finance Council should provide assistance in the formulation of a financial report to the parish community, as required by Canon 1287.

9. Many parishes and schools have groups using the parish name and/or parish tax identification number. Examples include Altar and Rosary Society and Home and School. Review the activities of the parish auxiliary groups and verify cash balances of bank accounts. Annually meet with auxiliary groups to review the reporting of past year’s activities and a review of the budget for the coming year. Assess the accounting practices and internal control procedures in use, consolidate bank accounts as much as possible and verify there are no activities that might jeopardize the tax exempt status of the church.


11. Consult on the construction or renovation of parish facilities, the sale or purchase of parish property, and lease agreements. To ensure that the parish buildings and property are adequately maintained, the Finance Council assists the pastor in planning for repair,
replacement, or service of property and equipment. The use of a sub-committee could be very helpful.

12. Establish and maintain a safety committee to develop emergency plans, review transportation activities and general risk management programs and recommendations.

13. Oversee the use and maintenance of computer hardware and software. The use of a sub-committee could be very helpful.

14. Review fundraising activities, such as raffles, bingo, and concession sales for acquisition of required licenses, support documentation for tax filings, and actual tax filings.

15. The Finance Council shall review the long range planning objectives of the Parish as they relate to the ability of the Parish to fund those goals and maintain fiscal integrity.

16. The Finance Council should make itself aware of the policies in the Parish Employment Policy Manual to ensure the policies are being properly implemented within the parish (expected completion date Fall 2015).

509.6 SUBCOMMITTEES

It often makes sense to divide the Finance Council into subcommittees to deal with responsibilities and duties. The magnitude and complexity of the different subcommittee responsibilities depends upon the size, resources, obligations, and needs of each particular parish.

Possible subcommittees of the Parish Finance Council are:

- Budget Subcommittee
- Facilities and Maintenance Subcommittee
- Safety and Security Subcommittee
- Financial Planning and Development Subcommittee
- Technology Subcommittee

509.7 RELATIONSHIP TO PASTORAL COUNCIL

Since the Parish Finance Council relates to the administrative responsibilities of the pastor, it should not be a part of the Parish Pastoral Council structure. However an officer from the Parish Finance Council may serve as an ex-officio member of the Parish Pastoral Council. Communication between the two councils is essential to share information regarding the parish finances and to implement the pastoral plans.

The Finance Council is distinct from the Parish Pastoral Council. An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council. This should be done so as to ensure that the Parish Finance Council does not enter into areas of policy and mission, which are the prerogative of the Parish Pastoral Council. The Parish Finance Council
advises on the adequacy of resources to accomplish the mission of the parish, and on the financial policies and procedures, such as internal controls.

509.8 CHECKLIST OF MAJOR ACTIVITIES

1. Annual Budget Process: *(Expected time period: January – June)*
   - Project and plan resources for coming fiscal year.
   - Review program budgets: Church, School, Religious Ed etc.

2. Financial Review: *(at least quarterly)*
   - Review all financial reports and compare to annual budget.

3. Accounting/Internal Control Procedures: *(ongoing)*
   - Review internal control and accounting procedures to verify that best practices are being followed.

4. Auxiliary Groups *(at least quarterly)*
   - Review revenue and expenses for all auxiliary groups.

5. Compliance Oversight *(Expected time period: November – December)*
   - Confirm that the following forms are filed on time:
     i. W-2’s and 941’s for any employees
     ii. 1099’s for services provided to parish/school by *appropriate entities*
     iii. Bingo, Pull tabs, raffles and other events that may be subject to taxes.
     iv. *Annual* housing letter to priests on staff

6. Parish Annual Report to Parishioners etc. *(Expected time period: after fiscal year end)*
   - Review report before it is presented to the parish community.


Guidelines established in 2011
Guidelines updated in 2014
Guidelines updated in 2015
510 Reporting to the Finance Council

The Bookkeeper/Business Manager presents the Finance Council with the financial statements (Statement of Financial Position, Statement of Activities and Statement of Dedicated Accounts) monthly or at minimum quarterly. This keeps the Finance Council apprised of the financial position of the parish.

1. How should the financial statements be formatted?

   The Statement of Activities should at a minimum include a column for each of the following:
   - Year To Date (YTD) Actual
   - Annual Budget
   - Annual Budget vs YTD Actual
   - Last Year To Date Actual

2. The Statement of Financial Position should at minimum include the following columns:
   - Year to Date balance
   - Year Beginning Balance
   - Year to Date change

3. The Statement of Dedicated accounts should be provided to the Finance Council at every meeting.

4. Should anything else be provided to the Finance Council besides the financial statements?
   - Provide a list of designated donations the parish/school has received to the Finance Council. This will keep the council informed about what money has been collected and for what purpose. This also helps if a parish/school is conducting a special project, for example remodeling the Parish Hall, and donations are supporting the expense of this project.
   - Provide a list of past-due bills the parish/school needs to pay (if applicable).
   - For Schools, provide a Tuition Aging Report so the Finance Council can monitor tuition collections.

511 Safety Culture

511.1 SAFETY COMMITTEE

The Priest Presbyteral Council and the Diocesan Finance Council approved a proposal to initiate a safety culture throughout the Diocese of Des Moines. This involves each parish/school creating a safety committee to promote better communication between employees and management. Its primary function is to serve as a two-way channel of communication, promote safety awareness throughout the workplace and to facilitate good safety practices. Other responsibilities are listed in the Safety Manual and on the Safety Statement, which both can be found here: http://www.dmdiocese.org/safety.cfm.

The safety committee may include:
- parish priest
- a member from the church finance council
- the person responsible for building and grounds maintenance
- police officer, medic, or fire fighter
- insurance company rep
- Faith Formation staff or volunteer
- other interested volunteers

*If there is a school at the location, this committee should also include:*

- a teacher
- a parent
- representative of the cafeteria staff

The parish/school safety committees are encouraged to use the resources available through the Diocesan insurers and the Diocesan website and to share safety information with one another and the Diocesan Safety Culture subcommittee.

**511.2 SAFETY COORDINATOR**

A person on the Safety Committee should be designated as the Safety Coordinator. The Safety Culture Subcommittee of the Diocesan Risk Management Committee has various resources for safety committees at parishes and schools. In order to ensure that any safety information and training opportunities the Safety Culture Subcommittee has to share will get to the appropriate people, their name and contact information should be sent to the Diocesan finance department.
512 Reports to the Diocese

512.1 MANAGE PARISHSOFT STAFF LISTS

Periodically, the Diocesan Communications Office publishes a printed Diocesan wide directory. The directory includes all Diocesan organizations and their contact information. All parish and school contact information and certain staff positions/contacts are also published on the Diocesan website: https://www.dmdiocese.org/worship/parishes-and-mass-times

Each parish needs to continuously keep this data up to date in both their website and ParishSOFT.

The Diocesan offices continuously utilize the contact information of individuals with assignments to parishes and schools. Therefore, it is important all of the contact data for the parish organization, the school organization, and all staff and volunteers are current. This includes members of the Parish Finance Council. Identify these individuals in the ParishSOFT data through the Manage Staff List process.

512.2 SACRAMENTAL REGISTRY REPORTING

Sacramental Registry Reports are due to the Diocese Office of the Bishop each calendar year on the last day of February.

The reports are to be printed from the ParishSOFT Sacramental Registry Reporting tool. They are to include all sacraments that have taken place at your parish during that previous calendar year.

The front page of each Sacramental Registry report is to be signed and dated by the parish Pastor after he has reviewed each report. Those reports are then submitted to the Diocese for storage in the archives as required by Canon Law.

The following Sacramental Registry Reports are required to be submitted to the Diocese Office of the Bishop:

- Baptismal
- Confirmation
- Matrimony
- Funeral

512.3 KENEDY DIRECTORY REPORTS

First published in 1817 by P.J. Kenedy and Sons, The Official Catholic Directory (OCD) is the most authoritative resource available today on the Catholic Church. Each edition provides complete information on the Church’s hierarchy, its institutions, schools, special care centers, and affiliated facilities. It offers the most comprehensive and detailed profiles on each (arch) diocese in the United States and hundreds of (arch) dioceses around the world.
Each fall all parishes and schools will receive an email from Official Catholic Directory (OCD) asking them to log in and update their parish statistics. The email provided in the previous year is the address that will receive the communications.

If you do not remember your username/password please select the forgot password or create a new account.

If you have questions, please contact the Diocesan Communications Administrative Assistant at 515-237-5046.

512.4 ANNUAL FINANCIAL REPORT

Every year, all parishes/schools are required by the United States Conference of Catholic Bishops to complete and submit an Annual Financial Report (AFR) to the Bishop.

“The revised Code of Canon Law, effective November 27, 1983, addresses extensively the responsibilities of bishops as administrators of the Church’s temporal goods. Canon 1284 states that all administrators are to perform their duties with the diligence of a “good householder.” The bishop can delegate the authority but not the responsibility. He has the duty to ensure that no abuses exist in the administration of church goods within the diocese.” – USCCB Diocesan Internal Controls: A Framework.

The Diocese of Des Moines AFR is a questionnaire surveying the parishes/schools about their internal controls, financials, and other policies and procedures. This survey is sent out to all parishes and schools in the summer by the Diocesan Finance Department.

Parish/School finance staff should present fiscal year-end financial information and the Annual Financial Report to the pastor/principal, Finance Councils and submit the completed AFR to the Diocesan Finance Department by September 30th.

This information is shared with the Bishop and the Diocesan Finance Council.

513 CHECKLIST FOR CLOSING THE FISCAL YEAR IN PARISHSOFT ACCOUNTING

☐ Reconcile all Bank Accounts
☐ Reconcile all Investment Accounts, CD’s etc.
  ○ NOTE: It’s very rare to have a cash account that shows no change in balance from one year to another. Make sure that you review all cash account balances and request any needed information from your bank (i.e. CD balances etc.)
☐ Reconcile Scrip Inventory (if applicable).
☐ Review any fixed asset balances to determine if something changed during the year. (see page 37 of the Resource Manual).
☐ Record any depreciation if applicable. (See page 42 of Resource Manual)
- Review and reconcile any Funds Held for Others account balances. Any balances should be explainable. Like the cash accounts, it is rare to have a FHFO account where the balance hasn’t changed during the year. Make sure that you don’t have any old balances that are no longer accurate.

- Reconcile any Long-term debt amounts to what is showing on the Statement of Financial Position.

- Review all Dedicated Accounts and remit any balances showing. Any ending balance should be explainable.

- Review the entire Statement of Activities. Things to look for:
  - Are there any negative balances in Income/Expense? These are rare.
  - Compare your actuals to budget and review any discrepancies to ensure they aren’t caused by a recording error.
  - Compare your actuals for this year to last year’s actuals and review any large discrepancies.
  - Verify that all salary/wage expense has been coded to a wage/salary expense account and to the appropriate program.
    - NOTE: This is only for amounts that are paid through payroll. If you are a parish that has their payroll processed by another parish, you should not show any expense in a salary/wage expense account. All amounts reimbursed to the payroll processing parish should be coded to “Other Parish Support”. The parish which processes the payroll should show the expense in a payroll expense account.

- The Finance Council should approve the Financial Statements before the year is closed.

- The Annual Financial Report to Parishioners should be prepared and shared (see next section).

### 514 Annual Financial Reports to Parishioners

#### 514.1 FINANCIAL REPORT

“Administrators are to render accounts to the faithful concerning the goods they have given to the Church, in accordance with the norms to be laid down by particular law”. **Can, 1287**

Parishes and Schools are to submit an annual report on the finances to all parishioners/parents. This report should be reviewed by the Finance Council and Pastor before it is disbursed to parishioners. Below are the minimum requirements for this report:

1. A summary of the **Statement of Activities** for the parish, school, and faith formation programs must be shared. Financial information from foundations and cemeteries are also encouraged
   a. The standard reports from ParishSOFT Accounting do not have to be used but the modified report should be reconciled back to it.
b. All revenue and expenses must be included and can be summarized in various ways such as
   i. Weekend and Holy Day Collection
   ii. Capital campaign, building, and all other donations
   iii. Fund raising and Rental Income
   iv. Operational Expenses (by program or line item)
   v. Extra-ordinary Building Repairs/Improvements

c. Provide comparative data such as:
   i. Actual YTD, Budget YTD, Last Year Actual

2. The following information from the Statement of Financial Position must be included
   a. Selected assets
      i. Operating cash and investment totals
      ii. Restricted cash and investments including
         1. Foundation
         2. Endowments
         3. Building Funds
      iii. Other income-producing assets (e.g., apartments, houses, farms, etc.)
   b. Selected liabilities
      i. LT Debt, Line of Credit, Promissory Notes
      ii. Any past-due debt

3. Narratives with the financial information are highly encouraged to indicate how the parish is being a good steward and planning for the future.
   a. Whatever the parish wishes to highlight such as building plans, anticipated major expenses or income shortfall
   b. To provide clarity (e.g., explain purpose of endowments/foundations, program descriptions)
   c. To provide explanation for major variances on Statement of Activities (>10%)

Additional Considerations
1. Keep the basic statements to one page, if possible, but choose a font and font size for easy readability (Arial, 10; Calibri, 11; Times Roman, 12).
2. Consider removing account numbers to reduce clutter on statements.
3. Note the date or time period of the financial reports. Monthly, quarterly reports are fine, but a year-end report with YTD numbers is required.
4. If simply listing individual expenses, consider doing so by largest to smallest dollar amounts or alphabetically.

5. Consider the use of pie charts to pictorially show relationships among different income and expenses. Such charts would be in addition to the numbers, rather than a substitution for them.

6. Consider the use of line graphs to demonstrate trends over multiple year for significant income and expense categories such as tithes and building or program expenses.

7. Provide a list of the Finance Council members and their contact information.

8. Distribution methods
   a. Minimum: Post somewhere in church and provide copy upon member’s written or oral request
   b. In addition to the above:
      i. Electronically, or by mail for those who prefer
      ii. Attachment in the bulletin

9. Provide a copy of the annual report to the Finance Department of the Diocese of Des Moines

The next 2 pages are examples of formats that could be utilized:
## 514.2 Example A: Expenses Categorized by Line Item

**Parish A**  
**Statement of Activities**  
**June 30, 2016**

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekend and Holy Day Collection</td>
<td>766,770</td>
<td>750,000</td>
<td>16,770</td>
</tr>
<tr>
<td>Fundraisers and Other Operating Income</td>
<td>57,812</td>
<td>60,000</td>
<td>(2,188)</td>
</tr>
<tr>
<td>Religious Ed Fees/Income</td>
<td>14,215</td>
<td>12,000</td>
<td>2,215</td>
</tr>
<tr>
<td>School Tuition/Fees</td>
<td>584,982</td>
<td>600,000</td>
<td>(15,018)</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>1,423,779</td>
<td>1,422,000</td>
<td>1,779</td>
</tr>
<tr>
<td>Wages and Benefits</td>
<td>542,680</td>
<td>590,000</td>
<td>(47,320)</td>
</tr>
<tr>
<td>Ministry Program Expense</td>
<td>334,719</td>
<td>342,000</td>
<td>(7,281)</td>
</tr>
<tr>
<td>School Program Expense</td>
<td>284,982</td>
<td>250,000</td>
<td>34,982</td>
</tr>
<tr>
<td>Maintenance and Operational Expense</td>
<td>228,570</td>
<td>240,000</td>
<td>(11,430)</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>1,390,951</td>
<td>1,422,000</td>
<td>(31,049)</td>
</tr>
<tr>
<td>Operating Surplus/(Deficit)</td>
<td>32,828</td>
<td>-</td>
<td>32,828</td>
</tr>
<tr>
<td>Building Fund Income</td>
<td>83,296</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Building Repairs</td>
<td>(124,212)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations to the Foundation</td>
<td>124,520</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>116,432</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash and Investments

<table>
<thead>
<tr>
<th>Description</th>
<th>6/30/2016</th>
<th>6/30/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>131,706</td>
<td>148,211</td>
<td>(16,505)</td>
</tr>
<tr>
<td>Foundation</td>
<td>235,108</td>
<td>110,588</td>
<td>124,520</td>
</tr>
<tr>
<td>Building Fund</td>
<td>161,512</td>
<td>242,000</td>
<td>(80,488)</td>
</tr>
<tr>
<td><strong>Total Cash/Investments</strong></td>
<td>528,326</td>
<td>500,799</td>
<td>27,527</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>27,540</td>
<td>77,525</td>
<td>49,985</td>
</tr>
</tbody>
</table>
### 514.3 EXAMPLE B: EXPENSES CATEGORIZED BY PROGRAM

Parish A  
**Statement of Activities**  
**June 30, 2016**

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual</th>
<th>Budget</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekend and Holy Day Collections</td>
<td>766,770</td>
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<td>57,812</td>
<td>60,000</td>
<td>(2,188)</td>
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<td>School Tuition/Fees</td>
<td>584,982</td>
<td>600,000</td>
<td>(15,018)</td>
</tr>
<tr>
<td>Religious Ed Fees/Income</td>
<td>14,215</td>
<td>12,000</td>
<td>2,215</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>1,423,779</td>
<td>1,422,000</td>
<td>1,779</td>
</tr>
<tr>
<td>Parish Administration</td>
<td>443,400</td>
<td>440,000</td>
<td>3,400</td>
</tr>
<tr>
<td>School Expense</td>
<td>814,482</td>
<td>825,000</td>
<td>(10,518)</td>
</tr>
<tr>
<td>Religious Education Expense</td>
<td>34,512</td>
<td>32,000</td>
<td>2,512</td>
</tr>
<tr>
<td>Building/Grounds Expense</td>
<td>98,557</td>
<td>125,000</td>
<td>(26,443)</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>1,390,951</td>
<td>1,422,000</td>
<td>(31,049)</td>
</tr>
<tr>
<td>Operating Surplus/(Deficit)</td>
<td>32,828</td>
<td>-</td>
<td>32,828</td>
</tr>
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<td></td>
<td></td>
<td>116,432</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Cash and Investments</th>
<th>6/30/2016</th>
<th>6/30/2015</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
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<td>528,326</td>
<td>500,799</td>
<td>27,527</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>27,540</td>
<td>77,525</td>
<td>49,985</td>
</tr>
</tbody>
</table>
515 Calculation of Annual Diocesan Appeal Goal

The Annual Diocesan Appeal (ADA) goal formula is overseen by the Diocesan Finance Council who makes recommendations to the Bishop on its structure. Each year, usually in November/December, the finance department sends a worksheet to the priest and associated office staff, calculating the parish’s assessable income. From that assessable income the parishes ADA goal is calculated. The below steps outline what is done to derive a parishes ADA assessable income and goal.

Step 1 – Calculating the Current Year Assessable Income for Each Parish

The process of determining the Annual Diocesan Appeal goal for each parish begins with a calculation of each parish's "assessable income."

\[
100\% \text{ Primary Income} + 75\% \text{ Auxiliary Income} - 75\% \text{ Deductible Auxiliary Expenses} - 82.5\% \text{ deductible School Expenses} - 82.5\% \text{ Deductible Religious Ed Expenses} = \text{Assessable Income}
\]

- **Primary Income**: consists of all general ledger income account numbers in the 4000 series in Fund 1 (for example, Sunday Envelope 101-400001). Primary income includes:
  - The weekend collection
  - Holy day collections
  - ADA refunds from the Diocese

Primary Income is reduced by interest and debt payments on authorized building loans.

- **Auxiliary Income** consists of all general ledger income account numbers in the 41000 series in Fund 1 (for example rental income 101-410007). Auxiliary income includes:
  - Fundraising Income
  - Interest Earnings
  - Offerings
  - Donations
  - Rental Income
  - Votive Stand Income
  - Nursery Fees
  - Non-Restricted Investments Capital Gain
  - Literature Sales

- **ADA Exempt Income** is not included in the formula. This income consists of all general ledger income account numbers in the 42000 series in Fund 1 (for example, designated donations 101-420006). ADA Exempt income category includes:
  - Bequests
  - Building Fund
  - Capital Campaign
  - Designated Donations
  - Restricted Investment Gains
Mass Stipends

For more information about ADA Exempt Income, see page 18.

Auxiliary Expenses include costs related to the auxiliary income. These include:

- Direct fundraising expense up to amount of fundraising income
- Direct bulletin expense up to amount of bulletin income
- Direct votive expense up to amount of votive income

The expense that is recorded to the following programs is automatically deducted and reviewed for appropriateness: 117, 118, 119, 122, 123, 125, and 126. All other expense needs a manual adjustment (made by the Diocese) to be deducted.

- School Expense: For parishes with a school, this would be the net deficit of the school or School income (fund 2) less School expense (fund 2). For parishes that pay school assessments to another school, that expense is deducted.

- Religious Education Expense: Any income recorded in Fund 3 less direct Religious Ed expense is deductible. The following accounts are considered direct expense to the RE program:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Description</th>
<th>Acct No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5020-01</td>
<td>Administrator/Principal/DRE</td>
<td>7100-30</td>
<td>Program Services</td>
</tr>
<tr>
<td>5020-06</td>
<td>Teachers - Religious</td>
<td>7100-40</td>
<td>Program Supplies</td>
</tr>
<tr>
<td>5020-11</td>
<td>Professional Salaries -Other</td>
<td>7200-10</td>
<td>Textbooks/Resources</td>
</tr>
<tr>
<td>5030-01</td>
<td>Secretary</td>
<td>7200-20</td>
<td>Continuing Education Fees</td>
</tr>
<tr>
<td>5100-10</td>
<td>Health Insurance</td>
<td>7200-30</td>
<td>Meals/Lodging</td>
</tr>
<tr>
<td>5100-15</td>
<td>Dental Insurance</td>
<td>7200-40</td>
<td>Mileage/Travel</td>
</tr>
<tr>
<td>5100-20</td>
<td>Life Insurance</td>
<td>7500-05</td>
<td>Textbooks</td>
</tr>
<tr>
<td>5100-25</td>
<td>Disability Insurance</td>
<td>7500-10</td>
<td>Instructional Material</td>
</tr>
<tr>
<td>5100-30</td>
<td>Retirement Benefit</td>
<td>7500-15</td>
<td>Instructional Supplies</td>
</tr>
<tr>
<td>5100-45</td>
<td>FICA Tax</td>
<td>7500-20</td>
<td>Library/Media Center</td>
</tr>
<tr>
<td>7000-50</td>
<td>Postage</td>
<td>7500-25</td>
<td>Technology-Hardware</td>
</tr>
<tr>
<td>7000-60</td>
<td>Printing</td>
<td>7500-30</td>
<td>Technology-Software</td>
</tr>
<tr>
<td>7000-65</td>
<td>Copier</td>
<td>7500-35</td>
<td>Technology-Services</td>
</tr>
<tr>
<td>7000-70</td>
<td>Subscriptions/Publications</td>
<td>7500-50</td>
<td>Audio Visual</td>
</tr>
<tr>
<td>7000-80</td>
<td>Office Supplies</td>
<td>7500-60</td>
<td>Student Activities</td>
</tr>
<tr>
<td>7000-85</td>
<td>Computer Supplies</td>
<td>7500-65</td>
<td>Enrichment</td>
</tr>
<tr>
<td>7100-10</td>
<td>Financial Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7100-20</td>
<td>Food Supplies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Step 2 – Calculating the Three-Year Average Income and Diocesan Total
After the assessable income figure has been calculated for the parish, this figure is added to the assessable income amounts for the previous two years to generate a three-year average.

The average income for each parish is then added together to derive the total assessable income of the Diocesan parishes.

Step 3 – Calculating the Assessment Rate for the Year
The assessment rate for the year is calculated by dividing the Annual Diocesan Appeal Goal by the grand total of the average assessable income for all parishes.

Step 4 – Calculating the Parish Goal
An individual parish’s goal is calculated by applying the assessment rate to their three-year average income. For instance, if the overall ADA goal is $3,000,000 and the assessable income for all parishes is $12,000,000, the assessment rate is 25%. If an individual parish had a three-year average income of $120,000, their goal for the campaign is $30,000.

516 Parish/School Internal Reviews

516.1 PURPOSE
In January 2011, following the recommendation by the United State Conference of Catholic Bishops (USCCB) to institute a program of on-site internal reviews at each parish and school, a three year compliance plan was presented by the Parish Accounting Committee and approved by the Diocesan Finance Council, the Priest Presbyteral Council, and Bishop. The final phase of the plan was the development of an Internal Control Questionnaire (see page 226) and an Internal Review Program to be used as a basis for each review. The questionnaire and program were created with the following objectives:

- To review internal controls in place for all areas of financial activity
- To verify balances of all financial institution accounts
- To test selected transactions in the area of cash receipts, cash disbursements, payroll, tax reporting and other miscellaneous areas
- To review compliance with various governmental laws and regulations, as well as certain Diocesan policies.

It is anticipated that reviews will be performed at all parishes and schools over a five year period at no cost.

516.2 TIMEFRAME
Staff from the Diocesan Finance Department go out to the parish/school office to meet with the pastor, principal, bookkeeper, business manager, and other necessary staff. Depending on the size of the parish/school, this can take anywhere from less than a day to a week.

When a parish/school is scheduled to have a review, the Diocesan Director of Finance will contact the pastor/principal, bookkeeper/business manager, and finance council chair to let them know of the
upcoming review. A member of the Diocesan Finance Department will subsequently schedule a specific
date for the finance staff and perhaps a volunteer to arrive and send a list of items (including the
Internal Control Questionnaire (ICQ) on page 226) that will be needed for the review. The parish/school
will need to send some of these items to the Diocesan Finance staff prior to the review date (such as the
completed ICQ); the rest of the items will be gathered for the first day the diocesan staff is on-site.

At the end of the review, the pastor (or principal, if no parish) and finance council will be issued a report
of findings and recommendations for improvement. The diocesan finance staff member in charge of the
review along with the Director of Finance, will attend a parish/school finance council meeting to go over
the report’s conclusions and recommendations. The finance council will then be asked to send to the
Finance Department within 45 days, detailing how it will address the comments and provide a
timeframe for implementation.

This review will take quite a bit of time and may cause a change in normal schedules. There will be a
shorter follow-up visit within twelve months following the review with the purpose of seeing if the
parish/school has been able to implement the agreed upon changes. A follow-up report will be
prepared and shared with the parish/school, and perhaps the Bishop, by the Finance Department.

For information about what the review covers, see page 226 which contains the Internal Control
Questionnaire (ICQ). This document illustrates most of the areas that will be covered during the review
and what internal controls are looked at.

516.3 COMMON FINDINGS

Below are some of the common things we find that need to be corrected at parish/schools:

1. **Statement of Dedicated Accounts**: Old balances not being remitted or if being remitted,
   recorded in an expense account. All dedicated accounts should show a $0 balance at the end of
   the month. See page 30 for more information.

2. **Online Banking**: If the parish/school does any online banking (logging into the parish/school’s
   bank account via the internet) a separate dedicated computer should be used. This will help to
   protect the parish/school against cyber crime. See page 9 for more information.

3. **Segregation of Duties - Deposits**: The person who records transactions in ParishSOFT Accounting
   and ParishSOFT Family Suites, should not have access to cash. This means they should not take
   the deposit to the bank, be a counter, have access to the money etc.). See page 6 for more
   information

4. **Segregation of Duties – Checks**: The person entering the bill information into ParishSOFT
   Accounting should not be a signer of checks. We suggest involving a finance council member,
   associate pastor, trustee, etc. for times when pastor is not available to sign checks. See page 6
   for more information.

5. **Mass Collections**: See page 15 for more information.
   a. Tamper proof bags should be used for all collections and fundraisers.
b. Tamper proof bags should be preassigned and subsequently accounted for using a Bag Tracking Form. See page 173 for a sample.

c. The parish/school should have detailed written cash counting and balancing procedures.

d. Cash count teams should be rotated

6. **Bank Reconciliations:** [see page 1 for more information.]

   a. Should be done on a timely basis (within 2 weeks of end of the month)

   b. Should tie out to the bank statement

   c. Any old outstanding items (over 60 days old) should be researched and reissued/voided if necessary. This includes deposits and journal entries.

7. **Large Disbursements:** Checks over a certain dollar amount should required a second signature. It is up to the parish to determine what this dollar amount is. As an example, at the Diocese, any check written for $2,500 or more requires a second signature.

   This also applies to any large electronic withdrawals or transfers. [see page 2 for more information.]

8. **Payroll:**

   a. Pastor and/or other Priests are being paid consistent with the Priest Compensation letter. Mass stipends are either paid to Father through payroll or $100/month is added to his paycheck. [see page 57 for more information.]

   b. Bonuses/Gifts: Are paid through payroll and taxable income.

   c. Musicians: Could be employees and therefore paid through payroll. [see page 52 for more information.]

   d. Payroll liability accounts: Should clear out monthly or be reconciled monthly to verify that all benefit amounts are being paid. [see page 59 for more information about employee benefits.]

   e. Personnel Files:

      i. A W-4 for both federal and state should be on file for each employee and the information on the W-4’s should match what is currently entered into the payroll system. This includes priests. [see page 63 for more information.]

      ii. An I-9 should be in a separate file, filled out, and witnessed for each employee. This includes priests.

      iii. For eligible employees, a 403b form should be on file specifying how much the employee wants withheld from their paycheck. This should match what is
entered into the payroll system. This includes priests. See page 62 for more information.

9. **Bill Paying Process:**
   a. All invoices should be reviewed – this includes credit card statements/receipts.
   b. The check signer should not sign any check written out to themselves.
   c. Checks written for mileage reimbursement should be issued at the current IRS rate. This changes annually. The number of miles along with the date and a description of where the person was going. This includes priests.
   d. An address should be printed on each check.

10. **Funds Held for Others:** Parishes/schools should limit their use of the Funds Held for Others (FHFO) accounts (#2400 series). Small auxiliary organizations (such as Altar and Rosary, Women’s Club, etc.) are allowed to use a FHFO. It is recommend that larger auxiliary groups such as Home and School do not use a FHFO account, and instead have their financial activity recorded through the Statement of Activities in a specific program or project. Restricted funds should not be tracked through a FHFO account. See page 10 for more information.

11. **Schools – Tuition Receivables:** All schools should be moving towards or using FACTS for their tuition billing. As part of that system, a Tuition Receivables Aging Report should be viewed by the Finance Council throughout the year. At the end of the school year, if there are tuition/fee amounts still owed that the school expects to receive they should be recorded as a Receivable to the parish and income should be recorded. See page 140 for more information.

12. **Scrip:** Scrip is the same thing as cash. Therefore dual control is necessary. See page 140 for more information. Parishes/Schools selling scrip may need an agreement that is signed by the parent/guardian. This agreement would offer the option of receiving a cash for the scrip profit earned. See page 140 for more information.

13. **Safety Coordinator & Committee:** For more information see page 104.
   a. Each location should have a designated Safety Coordinator. This person will receive communications from the Diocese about safety and risk management.
   b. Each location should have a safety committee that meets at least seasonally.
   c. Minutes should be kept of each safety committee meeting.

14. **Vehicle/Driver Safety Policy:** This policy applies to all locations – a parish/school owned vehicle is not required. All employees that are expected to drive on behalf of the parish/school (e.g., could be taking deposit to the bank, purchasing supplies at local store, etc.) should fill out the Private Vehicle Use application. They should also have a Motor Vehicle Record (MVR) requested, and the complete Defensive Driving Course on the Catholic Mutual website. Volunteers who regularly drive on behalf of the parish/school (e.g., visiting the sick, taking
deposit to bank, etc.) should complete all of the employee requirements as well as completing the Volunteer Application. *For more information see page 158.*

15. **Form 1099**: Is required for all vendors that the parish/school paid for service that total $600 or more in a calendar year. It is rare for a parish/school to have no 1099’s. The Vendor Audit File report in ParishSOFT Accounting is a useful tool to find vendors needing a 1099. *Please see page 32 for more information.*

16. **Sales/Use Tax**: Most locations will need to pay use tax (sales tax on out-of-state products purchased). *See page 31 for more information*
The use of technology has brought great efficiencies to the processing of information, communication, and work in general. The Diocese of Des Moines has implemented several standardized software programs to capitalize on these efficiencies across the Diocese. However, with the introduction of technology came the introduction of new risks. This section includes information about the Diocesan standardized software and recommended hardware. Also included are guidelines for information system security.

601 Software/Hardware

601.1 STANDARDIZED SOFTWARE

The Diocese of Des Moines implemented a standard software tool to be used in all parishes and schools throughout the Diocese. The ParishSOFT software is utilized for family demographic data handling and also parish and school accounting. The list below indicates the software modules in use throughout the Diocese as well as other software and hardware requirements that are compatible with these mandated software programs.

1. ParishSOFT Family Suites
   a. Family Directory – track census and membership information
   b. Ministry Scheduler – manage ministry groups, volunteers and liturgical schedules
   c. Religious Education and Tuition – manage all details of the religious education program
   d. Offering – manage contributions, pledges and tuition
   e. Parishes Online.com – free parish website
   f. Online Giving – Web based donation process
   g. My Own Church – Web based parishioner access to their demographic and tithing information and ministry schedule

2. ParishSOFT Accounting:
   a. Ledger and Payables – fund accounting of the parish financials
   b. Payroll – payroll functions for all paid parish staff – optional module

3. Microsoft Office Professional Plus

4. Internet Connection (broadband is preferred)

5. Adobe Acrobat Reader

6. Web Browser (Internet Explorer, Edge, Google Chrome, Safari, Firefox, etc.)

7. Active Parish Email Address Required
601.2 SOFTWARE TRAINING OPPORTUNITIES

ParishSOFT offers several avenues for training. Those are referenced below.

Parishes and Schools in the Diocese also have opportunity to participate in User Group Meetings at various times and locations throughout the year. These meetings are a great source of information as well as a way to meet your coworkers from other parishes and schools in the Diocese.

3. Diocesan Technology Website:  https://www.dmdiocese.org/resources/technology

601.3 METHODS TO OBTAIN SOFTWARE/HARDWARE

1. ParishSOFT:
   825 Victors Way, Suite 200
   Ann Arbor, MI 48108-2830
   866.930.4774 (toll free)
   734.205.1000
   734.205.1011 fax
   Email support@parishsoft.com
   www.parishsoft.com

2. Diocesan Technology Department (Hardware and Software)
   601 Grand Avenue
   Des Moines, IA 50309
   515.237.5007
   Email gmiller@dmdiocese.org
   https://www.dmdiocese.org/resources/technology

3. TechSoup (discounted software for non-profit organizations)
   http://www.techsoup.org/nonprofit-software?gclid=CJ6u7omz9L0CFcdaMgodySAA1g
   Main Office
   TechSoup Global
   435 Brannan Street, Suite 100
   San Francisco, CA 94107
   (415) 633-9300
602 Information Systems Security

Information System security is not a one-time project or expense. It is an ongoing process. These guidelines are meant to assist your organization in working towards Information Systems security.

602.1 QUICK START GUIDE - MINIMUM REQUIREMENTS

1. Have a data backup program in place and current on all computers.
   • Resources:
     - Windows 10 System Image Backup: https://www.windowscentral.com/how-make-full-backup-windows-10
     - Datto Corporate: https://www.datto.com/file-backup-and-sync
     - Carbonite: https://www.carbonite.com/

2. Install & Activate a Firewall on every computer/network.
   • Resources:
     - Zone Alarm Firewall: https://www.zonealarm.com/software/firewall/
     - Privatefirewall Firewall: http://www.privacyware.com/
     - Fortinet Firewall: http://www.fortinet.com/
     - Comodo Firewall: http://personalfirewall.comodo.com/

3. Install, Activate & Maintain Updates of an Antivirus program on every computer.
   • Resources:
     - Webroot antivirus: https://www.webroot.com
     - AVG antivirus: https://www.avg.com/en-us/
     - Norton Antivirus: http://us.norton.com/
     - Kaspersky Antivirus: http://usa.kaspersky.com/
     - AVAST Antivirus: http://www.avast.com/

4. Install, Activate & Maintain Updates of an AntiSpyware/AntiMalware program on every computer.
   • Resources:
     - Spybot Search & Destroy AntiSpyware: https://www.safer-networking.org/compare-spybot-editions/
     - Spyware Doctor Antispyware: https://spyware_doctor.en.downloadastro.com/

5. Utilize a Spam Filter application to guard against unwanted, harmful emails.
   • Resources:
     - Spam Assassin Email Filter: http://spamassassin.apache.org/
   - Enforce password activated screen savers/hibernate
   - Enforce password protection (i.e. do not share passwords)
   - Enforce password strength requirements
   - Enforce password refresh timelines
     - Example: 0314gMd1oce$e

7. Follow Online Banking Security Guidelines
   - Utilize a stand-alone computer for any online banking transactions with your financial institution.
   - Institute multi-factor authentication for all users.
   - Do not access any other internet functions from this computer (including email)
   - Follow Internal Control & Separation of Duties guidelines
   - Remove overdraft protection from all accounts

Use of all products above depends on every computer running a current, fully updated operating system.

602.2 PERSONAL COMPUTER (PC)/NETWORK SECURITY

Firewall – Every computer and network must have a firewall installed and activated.
   - Firewalls assist to keep hackers from using your computer to send out your personal information without your permission. Basically, it acts as a guard watching for outside attempts to access your system and blocking communications from and to sources you don’t permit.
   - Many operating systems and hardware devices (routers) come with a built-in firewall.
   - To ensure your firewall is effective, ensure it is turned on, properly set up and updated regularly.

Antivirus – Every computer must have antivirus software installed and activated.
   - Antivirus software protects your computer from viruses that can destroy your data, slow your computer’s performance, cause a crash, or even allow spammers to send email through your account. It works by scanning your computer and your incoming email for viruses and then deleting them.
   - Antivirus software must be updated routinely.
• Most commercial anti-virus software includes a feature to automatically download updates when you are on the Internet. When deciding on a brand of software, keep in mind that good antivirus software should recognize current viruses, as well as older ones; effectively reverse the damage; and update automatically. Only one antivirus software program can be installed at one time, multiple software installations will work against each other.

**Antispyware** – Every computer must have antispyware installed and activated.

• Antispyware software helps protect your computer from malicious spyware that monitors your online activities and collects personal information while you surf the web.

• Since the sophistication of spyware programs is increasing, consider using two different antispyware programs to offer increased protection.

• The low end antivirus only solutions are no longer sufficient to protect your systems. Use an Antivirus in conjunction with antispyware and firewall applications.

**Antimalware** – Every computer must have antimalware installed and activated.

• Antimalware software protects your system against trojans, scareware, worms, adware, botnets, rootkits, keyloggers and crimeware. These are programs that can be downloaded to your computer without your knowledge.

• You can install multiple anti-malware software applications on the same computer.

**Spam Filters** – A spam filter is highly recommended.

• Spam Filter software is installed on a mail server that blocks unsolicited emails.

• Users are often able to set varying levels of filtering so wanted emails are not blocked. Some spam blockers will hold emails they detect as unsolicited in a downloadable section until they are passed through a variety of spam filters.

• Anything that has been blocked is often set aside for inspection for a certain number of days. Spam emails are no longer just annoying, they are dangerous.

**Screen Saver – Hibernate – Password Protect** – Password activated screen savers must be used to lock computers after a period of inactivity.

• Require the combination of key strokes CTRL+ALT+DEL to logon. This provides an additional security layer requiring the user to physically be at the computer to log on.

**Passwords: Strength, Length, Security, Sharing, Forced Changes** – Protect your passwords by keeping them in a secure place and out of plain view.

• Do not share your passwords.

• Strengthen your password by making it harder for hackers to figure out.
– Use passwords that have at least eight characters and include numbers and symbols.
– Never use your personal information or login name as a password.
– Change your passwords regularly (every 90 days at a minimum).
– Passwords should not be the same as any of the previous six passwords.

- Use different passwords for each online account you access.
- Use different passwords for different websites and systems.
- Keeping multiple complex passwords means that it might be necessary to consider a password management tool.

**Software Application Updates (including Microsoft Windows & Office; Adobe, etc.)** – Every organization should have a documented maintenance routine for keeping applications up to date.

- Hackers take advantage of unsecured Web browsers and operating system software. Your operating system may offer free software patches that close the holes in the system that hackers could exploit.
- Common operating systems (Windows) can be set to automatically retrieve and install patches for you.
- If not, make regular visits to your system’s manufacturer website and update your system with defenses against the latest attacks.
- Or, utilize a third party system scanner to scan and notify you of updates available. Without these updates, your system will not be well protected against new cyber threats.

**Backups** – Every organization should have a documented and tested “Disaster Recovery Plan” in place.

- No system is completely secure. It is important to copy important files onto a removable disc and store securely in a building other than where your computer is located.
- Always keep your original software start-up disks handy and accessible for use in the event of a system crash.

**User Access Rights – Local/Power User/Limited** – Only an “Administrator” login should be able to modify any system files.

- You can set the limited user access rights in the Control Panel – User Accounts – Properties of the User – Group Membership.
- Local User Access rights apply to the computer itself and everything that runs on that computer.
- Disable the local Administrator login OR lower the privileges for that login. Then create a new local account on that device and name it something other than “Administrator”. Establish a password for that new local account and use it for any administrator types of processes. This lowers the chance of someone without authority gaining access to the original System Administrator login with full access rights.

- Only log into a workstation as an “Administrator” with full access rights when necessary to download software applications.

- Other daily users of the PC should have their own login, with limited access rights.

- Some software applications require Power User level access which still limits the ability to install any type of software to the computer, including viruses.

**Application Access Rights (Such as Financial Information)** – Application Access Rights apply to the specific software program that you are using.

- Full application access should be granted only to those who need it to perform their duties.

- Be sure to assign an “Administrator” of security for financial software applications in use.

- Monitor the access that each user login has to the private financial or personal data. Do not use one generic login with a well-known password.

- Any individual who will have access to sensitive information should have a background check completed.

- Access to this information should be strictly limited to individuals who have a business reason to see it.

**Application .exe files** – Only “Administrator” login should be able to run software application .exe (executable) files.

- Attachments to emails often contain an .exe file that triggers a virus to enter your computer.

**Employee training on security (conferences, classes, webinars, internal meetings)** – Implement a Computer Usage / Security Policy.

- Employees and volunteers must be trained to ensure security, confidentiality, and integrity of sensitive information is maintained.

- Remind staff on a regular basis of policy to keep information secure and confidential.

- Impose and follow through with strict disciplinary measures for policy violations.

- Ensure your I.T. individuals are up to date on the latest technology.

**Signed Employee policy** – Enact an Email and Internet / Computer Usage Policy.
• All employees should be given a hard copy to read and required to sign and date that they have read and understand the policy.

Termed Employee Policy – Every organization should have a documented procedure in place which includes that terminated employees or volunteers should have their passwords deactivated immediately.

Destruction of electronic files & emails. Archiving policies – Ensure disposal of sensitive information is done in a secure manner.

• All paper records should be shredded in a manner that they cannot be read or reconstructed.

• Data must be erased when disposing of computers, disks, CD’s, hard drives, laptops, cell phones or any other electronic devices containing sensitive information.

• There are software applications that will certify all data has been erased. Or, you can physically destroy the hard drive, memory cards, or disks.

• Archiving policies reflecting USCCB guidelines should be in place for specific categories of data with destruction timelines and confirmation of destruction.

  – See page 169 for the Guidelines.

• Delete everything that you do not need. Email archives are sometimes targeted by data thieves.

• A data management program is key to keeping old data organized and safe.

Third-Party Contracts/Vendor: Maintain a current signed contract for all third party vendors.

• Have the contracts reviewed by legal counsel if necessary.

Hardware: Each organization should maintain a hardware replacement schedule based on general hardware depreciation rules. Older hardware is not as secure and or reliable.

602.3 EMAIL SECURITY

Phishing – “Phishers” send spam or pop-up messages claiming to be from a business or organization that you might deal with on a regular basis (i.e. your financial institution, an Internet Service Provider (ISP), a government agency).

• This is the “phishers” way of tricking you into divulging personal information so they can steal your identity.
  
  o Never open unsolicited email messages
  
  o Don’t open attachments from people you don’t know or don’t expect
Don’t reply to or click on links in email or pop-ups that ask for personal information via email.

Legitimate companies never ask for this information in this manner.

- Verify the request by calling the company directly; however, use a contact number on a recent statement instead of one given on the email.
- You can confirm a URL link in an email by hovering your mouse over the link to verify where you will be directed on the internet. Make sure the web address displayed is indeed a site you wish to be directed to.

**Attachments** – A virus sent over email cannot damage your computer without your help.

- Never open an email attachment unless it is from a known source or you know what it contains.
- When sending emails, help others trust your attachments by including a message in your text explaining what you are attaching.

**Encryption** – Any sensitive information sent over the internet via email or stored on mobile devices should be encrypted.

- You can encrypt individual email messages by setting that configuration option within your email account. By default, email messages are NOT encrypted.
- In Microsoft Outlook, that setting is located within the Tools – Options – Security – Encrypted Email window. Check the box for “Encrypt contents & attachments for outgoing messages.”
- For highly confidential, private messages, consider using an encryption service for individual email messages.

**Suspicious Emails:** When in doubt, DELETE!

**602.4 MOBILE DEVICES**

**Laptop – Hard Drive encryption/safeguarding appliance** – Encrypt the hard drives of all mobile devices.

- Anywhere from 500,000 to over 1,000,000 laptops are lost or stolen in the United States each year. In some cases, the data on the hard drive is often more valuable than the machine itself.
- To determine if disk encryption is something you should be considering, simply ask yourself if your laptop contains anything you would not want posted publically on the internet. If the answer to this is yes, then encryption is worth considering.
- There are many Open Source (free) disk and file encryption software programs available as well as licensed products. Many of those programs also encrypt data on external hard drives and USB devices.
Cell Phones/Smart Phones – Implement a mobile device use policy that includes the use of cell phones for business purposes.

- Include in the policy information about personally owned equipment versus organization owned equipment.

- Be clear on what types of organizational information can be accessed via cell phone and how that information is transmitted and/or stored.

- Safeguard personal health information, credit card numbers, bank account numbers, etc.
  - Use the keypad lock or phone lock function on your mobile device when it is not in use. These functions password protect your device so that nobody else can use it or view your information.
  - Store your device in a secure location.
  - Frequently delete text messages, especially those from your financial institution.
  - Never disclose via text message any personal information (account numbers, passwords, social security number, date of birth, etc.)
  - If you lose your mobile device or change your mobile phone number, remove the old number from your mobile banking profile at your bank.
  - Download mobile applications (apps) from reputable sources only. Download the most recent version of the app.
  - Sign off when you finish using a bank app rather than just closing it.
  - Bookmark the official mobile banking site and reference it only.
  - **Telephone or Voice Phishing:** This is known as vishing. This tactic is a phishing attempt made through a telephone call, fax or voice message.
    - If you are uncomfortable continuing a phone call that was not initiated by you, ask for a reference number and call the company using legitimate sources of contact information.
  - **Text message Phishing:** A phishing attempt sent via SMS (Short Message Service) or text message to a mobile device is referred to as smishing. The purpose of text message phishing is the same as traditional email phishing: convince recipients to share their sensitive or personal information.
    - Never disclose via text message any personal information, including account numbers, passwords, or any combination of sensitive information that could be used fraudulently.
Use caution if you receive a text message expressing an urgent need for you to update your information, activate an account, or verify your identity by calling a phone number or submitting information on a web site.

These messages may be part of a phishing scam conducted by fraudsters to capture your confidential account information and commit fraud.

iPads—iPads and other tablets or Netbooks should be referenced in your organization’s mobile device use policy.

USB’s/Flash Drives/External Hard Drives—Limit USB ports and serial ports on networked computers. These are the most common entry points for problems.

- Some organizations eliminate the access to USB ports and serial ports due to this risk.
- You can disable the use of USB Ports by changing this setting on the PC through the Control Panel options.
- You can establish a domain policy on the network to prevent all access from any USB storage device.
- In Microsoft Windows operating system, this setting is found in the Device Manager area. You can click the device and disable it.
- Any USB device that will be connected to a networked computer must first be scanned by your antivirus program for any virus or spyware, prior to every connection to the networked computer.
- To scan a USB device, you must plug the device into your computer (do NOT open any files). Then open your antivirus program and choose to scan the port where you have plugged in the USB device. Refer to the Help Menu of your antivirus software program for assistance.

602.5 ONLINE/ELECTRONIC BANKING

Utilizing your Bank’s Website—Establish a clear procedure for electronic banking that creates dual controls and minimizes risk from online fraud. Do not depend solely on the bank to protect you. Verify that your financial institution has ample security measures in place to protect your data and the access to your account but each parish/school must take responsibility for its own protection and security.

The following is mandatory when utilizing online banking:

- A separate stand-alone computer must be used whenever you are logging onto your bank’s website. This can be an older computer, that has been cleared off by a professional.
  - No other internet browsing or email should be allowed on this computer
  - Allow no stored or saved passwords
- Remove all unnecessary user accounts
- Remove all non-essential programs
- Turn off Remote Desktop and Remote Assistance

- Transfers between bank accounts should always be approved by two people. This could be the bookkeeper and the Pastor or Finance Council Member. Both people should sign a form illustrating the approval of this transaction. This authorization should occur before the online transfer is initiated. Determine if your bank can create transfer templates, whereby only specified accounts can be transferred to. This will reduce the risk of fraud and theft but also of accidentally typing in an incorrect bank account number.

- After the transfer has been processed, print out a confirmation to attach with the dual authorization form.

- Do not have any overdraft protection on any bank account.

The following are strongly recommended when utilizing online banking:

- Ask your bank if they offer any additional security measures, such as Positive Pay, Iron Key, and Trusteer Rapport software. Another security measure is utilizing a fob (which would be provided by the bank) to log into the bank’s website instead of creating a password.

- Have an employee or Finance Council Member who does not have signatory power on any bank account and view only access, sign onto the bank accounts regularly to look for suspicious activity. It is recommended that at least once a week this person view the activity.

If you utilize ACH as a method of payment or for deposits:

- Upload the ACH file to the bank’s website utilizing the stand alone computer. Do not email the file to the bank through normal email channels.

- Ask your bank to notify you either by email or phone for all electronic transactions.

- Have dual authorization for all ACH transactions processed. Similar to the process for bank transfers, two people should sign a form authorizing the ACH transaction. This could be the bookkeeper and the Pastor or Finance Council Member.

- Print out a confirmation illustrating the ACH’s successful upload and file this, along with the authorization form, with the journal entry recording the transaction in the general ledger.

- Ask your bank to set up templates to be used for disbursements with the receiving bank account information defined. This might be used for employees receiving paychecks and expense reimbursements.

See page 9 for more information on Electronic Banking.
602.6 INTERNET USAGE (INCLUDING SOCIAL NETWORKING SITES)

Computer Usage Policy (including PC, Internet, Email, Social Networking Sites, Instant Messages) – Draft and implement a Computer Usage Policy that includes internet usage.

- Provide a hard copy to all employees and have them sign that they have read and understand the policy.
- Outline the acceptable use of computer equipment.
- Include a statement that indicates that any data created on organization owned systems remains the property of the organization.
- Be sure to outline those items that are considered Unacceptable.

Web Filters – Install filters to prevent users from accessing forbidden sites.

- You can install web filters directly on a router and then apply the settings to all computers connected on a network.
- Web filters can be applied by site category, or by specific URL addresses. Many filter programs offer a setting for “known” bad sites as well. Apply those settings and monitor them.
- Check a website’s reputation before navigating to it. You can also confirm a business website by going to the Better Business Bureau website, BBB.org.

URL’s vs. Pop-ups (Alt-F4) – Pay close attention to any URL address that you travel to on the internet. Many times you can hover your mouse over a link in an email or on a website to reveal the URL where you will be taken if you click on it.

- Pop-Up Windows are small windows or ads used to obtain personal information.
  - These windows may be generated by programs hidden in free downloads such as screen savers or music-sharing software.
  - Avoid downloading programs from unknown sources on the internet.
- If you receive Pop Up messages while on the internet, you can close the window by clicking on Alt-F4 instead of clicking inside of the pop up box, which many times is a URL link.
  - You can also close down a rogue internet browser window by clicking on Ctrl-Alt-Del on your keyboard, choose Task Manager and click on the Applications tab.
  - Close the internet browser window by highlighting it and clicking on End Task.
  - As a last resort, perform a hard shut down by pressing and holding the computer power button until the machine powers off.
  - Leave the machine off for at least 30 seconds before powering back on.
• Disable the remote login option on the computer if it is not necessary for daily job performance. This setting can be found in Control Panel – System – Remote.

**Downloading (.exe files)** – Any file with an .exe extension is an executable file and will make changes to the hard drive of your computer. Only download and install legitimate software. Applications should only be installed by an “Administrator” login.

**Online Forms (online banking, enter account #, password = form)** – Do not save the information you enter into online forms for later use (i.e. bank login forms).

• Ensure the website is secure prior to completing any online forms.
  – Examples include a “lock” icon on the browser’s status bar or a website URL beginning with “https:”
  – Read and understand the website’s privacy policy to understand how the information you enter will be collected, used, and distributed.

**Always log off** from any website after making a purchase with your credit or debit card.

• If you cannot log off, shut down your browser to prevent unauthorized access to your account information.

**Close your browser** when you are not using the internet.

**Would you like to “Remember”? Don’t save information! Don’t save user names!** – This data is entered and stored in a file that could be later accessed by someone without authority.

**Delete Cookies & Temp Internet Files. Delete History** – Establish a maintenance routine that includes these actions on your PC.

• In Windows operating system, you can do this via the Control Panel – Internet Options.

• This should be part of your routine monthly maintenance on your workstation that also includes patching any application updates that may be available.

**Social Networking Sites** – Establish a clear Acceptable Use Policy for the use of Social Networking Sites that are both related to your organization, and those that are personally owned by organization staff.

• Other users may recognize staff as representing the values of the Catholic Church. Establish “Best Practices” for all kinds of Social Networking including Facebook, MySpace, Blogging, etc.

**VPN Access** – Establish a policy on organization staff working from home.

• The policy needs to address the type of work that can be done from outside of the organization’s network. It should also address the need for security.

• The home computer must pass antivirus/antispyware/antimalware standards before it can be allowed to connect to the organization network.
• The home user must monitor the VPN connected computer so that non-authorized users do not gain access to organization information.

• No banking work should be completed from outside of the secured organization network.

**Wireless Network:** Confirm you have secured your wireless network using current WPA2 (wireless encryption protocol).

• WEP is no longer an adequate security protocol.

• Utilize current router hardware. Do not allow unauthorized users onto your wireless network. Your unsecured network can be used for illegal purposes and other computers on an unsecured wireless network can be accessed.

**Turn your computer off** completely when you are finished using it – do not leave it in sleep mode.

**602.7 PCI COMPLIANCE (INCLUDING CREDIT CARDS & ACH)**

**Policy** – Adhere to the Payment Card Industry Data Security Standards released by the Security Standards Council. Any staff with access to data that should meet these standards should be familiar with the policy.

**Adherence** – Work to continuously adhere to each of the standards.

**Testing/Proving** – Work to continuously test the security of the data and document all standards and procedures that are in place to safeguard this data.

**602.8 ONLINE RESOURCES**

**Antivirus Programs:**
Kaspersky Antivirus: [http://usa.kaspersky.com/](http://usa.kaspersky.com/)

**Firewall Applications:**
Private firewall Firewall: [http://www.privacyware.com/personal_firewall.html](http://www.privacyware.com/personal_firewall.html)
Fortinet Firewall: [http://www.fortinet.com/](http://www.fortinet.com/)
Comodo Firewall: [http://personalfirewall.comodo.com/](http://personalfirewall.comodo.com/)

**AntiSpyWare Programs:**
Spybot Search & Destroy AntiSpyWare: http://spybot.searchdestroynow.com/
Spyware Doctor Antispyware: http://www.pctools.com/spyware-doctor/

**Password Management Programs:**
KeePass Password Safe management tool: http://keepass.info/
LastPass password management tool: https://lastpass.com/
1Password password management tool: https://agilebits.com/products/1password

**Common Software Updates & Security Patches:**
Adobe Product Updates Site: http://www.adobe.com/downloads/updates/
Secunia Personal Software Inspector: http://secunia.com/

**Encryption Tools and Hard Drive Erasers:**
Windows 10 Bitlocker encryption: https://support.microsoft.com/en-us/help/4028713/windows-10-turn-on-device-encryption
HardDriveEraser: http://www.harddriveeraser.org/
TrueCrypt Encryption: http://www.truecrypt.org/

**Email Spam Filtering Services:**
Spam Assassin Email Filter: http://spamassassin.apache.org/
Appriver Email Filter: http://www.appriver.com/
Email Filter: www.mailwasher.com

**Web Filtering Tools:**
Web of Trust is an add on to your internet browser that will warn you of questionable websites:
http://www.mywot.com/
Barracuda Web Filters: http://www.barracudanetworks.com/ns/?L=en
K9Web Protection Web Filters: http://www1.k9webprotection.com/
Net Nanny Web Filters: http://www.netnanny.com/
Web Filter: www.opendns.com

**Payment Card Industry (PCI) Resources:**
PCI Security Standards Council Site:
Financial Computing Article: www.komando.com

**Diocese of Des Moines Computer Usage Policy:**
https://www.dmdiocese.org/resources/technology/parishsoft
Diocese of Des Moines Social Networking Policy:

United States Conference of Catholic Bishops:
http://www.usccb.org/index.html
Schools

Contained in this section are the policies/procedures which are specific to schools. For additional information about the administration of schools such as: Board of Education Manual, and Catholic Schools Policies and Regulations go to www.dmdiocese.org/catholic-schools.cfm under About Catholic Schools.

701 Tuition and Fees

701.1 SEGREGATION OF DUTIES

The following four job duties should ideally be done by different individuals:

1. Access to receipts (e.g., money collection points, counting, depositing)
2. Recording of transactions (e.g., general ledger, tuition/fee receivables)
3. Signing checks/withdrawing funds from financial institution accounts
4. Reconciling (e.g., bank/investment accounts, tuition/fee receivable)

Reconciliations should have both a preparer and a reviewer and these should be different people. It is good for both to document their duties by signing and dating the reconciliations. Given the supervisory nature of the review, the reviewer should not be a subordinate of the preparer and also should not be a recorder of transactions for the area under review.

701.2 PRE-PAID TUITION/FEES

Tuition and Fees are often paid in advance, prior to students beginning classes. When funds are received in advance, record them in a Pre-paid Tuition or Pre-Paid Registration Fees account (similar to a deferred revenue account). These pre-paid accounts represent liabilities of the school; monies have been received, but services (classes) have not been provided. As services are provided, reverse the liability and then recognize the income.

701.3 RECEIPTS OF TUITION/FEES

Many schools have the majority of their tuition/fee receipts handled through ACH which eliminates money physically coming into the school and improves cash flow. Controls recommended for monies that are received directly by the school are similar to those recommended for parish Mass collections which include dual control over unsecured funds, the use of tamper-resistant bags, a bag tracking form, and count teams of at least two unrelated people. Please see page 15 for more information about internal controls related to cash handling.

Once the monies are counted, a triplicate deposit slip should be prepared with one copy attached to the signed count sheet, one to accompany the bank deposit, and one to remain in the deposit booklet (or filed in numerical order, if individual pre-numbered slips). The deposit sent to the bank should be in a pre-assigned tamper-resistant bag, or locking bank bag, and the bank should be made aware to expect such.
**701.4 TUITION BILLING**

All Schools are currently using or are moving towards utilizing FACTS for tuition billing. An aging report should be regularly reviewed detailing account balances as well as a total of all the receivables. Monthly aging reports should sort individual accounts into categories similar to the following:

- Current balances
- >30 days and ≤ 60 days
- >60 days and ≤ 90 days
- >90 days

The aging report should show subtotals for each of the above breakdowns so that the grand total will represent all tuition/fee receivables. This balance should be reconciled to the detailed tuition/fee receivables report (if a different report). The aging report should be reviewed with the Finance Council on a monthly basis while school is in session. Statements should be sent to account holders on the basis of their payment schedule, unless past due, in which case, statements should be sent monthly.

Receivables greater than 90 days old with no payment activity, should receive special attention, including personal follow-ups. Develop and implement an action plan for these older receivables. Inevitably, a tuition receivable may become uncollectable and at that point it should be removed. If this becomes necessary, prepare and review documentation with the Finance Council and Father for their approval before writing any amounts.

At the end of the school year, if balances are still owed that are expected to be collected, a journal entry similar to the below should be made. This will ensure that the income from the tuition owed is recorded in the correct school and fiscal year. In the below example, it is determined the $20,000 is still owed by families for tuition for which the school expects to collect.

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Acct Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1415</td>
<td>Accounts Receivable - Tuition</td>
<td>20,000</td>
<td></td>
<td>FY2017 Tuition Receivable</td>
</tr>
<tr>
<td>201-430001</td>
<td>Tuition – Regular</td>
<td></td>
<td>20,000</td>
<td>FY2017 Tuition Receivable</td>
</tr>
</tbody>
</table>

**702 Scrip**

Scrip is another name for gift cards and is a fundraising program used by schools and some parishes. The school/parish typically purchase the gift cards at a discount from a scrip clearinghouse, such as Great Lakes Scrip Center and certain local vendors and sell the cards to parents and parishioners at the regular retail price.

**702.1 SCRIP HANDLING GUIDELINES**

Given that the scrip gift cards really represent an alternative form of currency, they should be treated as cash. Accordingly, schools and parishes should follow the same procedures used in handling cash:
1. Scrip should be stored in a safe, which is locked at all times. The safe should be kept in a non-obvious, secure area on the school/parish premises. Scrip records should be kept separate from scrip. Scrip inventory should never go home with anyone.

2. Two people should always be present when scrip is not secured.

3. A large inventory of scrip should not be maintained. Scrip can be received from the National Scrip Center (or other scrip clearinghouses) in one day by airmail. Schools and parishes can keep inventory levels low by only ordering the amount of scrip which has been requested by program participants.

Inventory can be reduced dramatically by introducing online ordering through a scrip clearinghouse.

4. Adequate bookkeeping that tracks the purchase and distribution of scrip is required. Many companies, including the scrip clearinghouses, provide software for this purpose. If possible, maintain a record of scrip serial numbers for the scrip purchased and sold. In the event that scrip would be lost or stolen, the recording of the serial numbers would allow the school/parish to quickly identify which scrip was missing. Local stores could then be alerted to watch for the stolen scrip.

5. Scrip can be sent home from school with a parent’s son or daughter if the parent signs a waiver providing the school permission to do this. See page 195 for sample waiver form.

6. Scrip should be counted by two people and compared to inventory records at least weekly. Any differences found between actual counts of scrip and scrip inventory records should be communicated to the accounting staff or business manager on a timely basis and, if significant (5 or more cards missing), to the pastor, auxiliary group responsible (if applicable), principal, and finance council.

7. Scrip records should be reviewed by the school/parish finance council on a regular basis.

702.2 SCRIP AGREEMENT

A scrip agreement is a form that is signed by the scrip purchaser and the school/parish which describes how the scrip profit is to be used (profit from scrip is determined by subtracting the cost of the gift cards from the face value of the gift cards) and other parameters of the program.

If a school/parish sells scrip and automatically retains the profit and does not record any donation from the scrip purchaser, an agreement is not required. An example of this would be the St. X Home and School sells scrip after Mass, retains all of the profit, and does not record a taxable donation by the purchaser.

A scrip agreement is required if any of the following is true:

1. The scrip profit is going to be applied to an amount that is owed. In most cases a family purchases scrip to help pay their tuition/fees.
2. The scrip purchaser is getting a taxable deduction for the scrip profit amount.

3. The scrip purchaser receives the scrip profit back as a cash refund.

This agreement is required for two reasons; to avoid what the IRS might determine to be a “private benefit” to the purchaser and to allow the profit that is donated to the school/parish to be tax deductible for the purchaser. If the scrip profits are directed to a specific family by the purchaser, they are not to be considered a tax deductible donation.

*See page 196 for a sample Scrip agreement.*

### 702.3 CHARITABLE DONATIONS

A charitable deduction is not possible for the following:

- Scrip profit returned as a cash refund,
- Scrip profit used as tuition or lunch/activity credit,
- Scrip profit *required* to be donated (non-refundable) – the example above regarding St. X Home and School selling scrip is an example of this.

Scrip profit donated *voluntarily* to the school/parish, without restriction or for an established ministry, would qualify as a charitable donation for tax purposes as long as there is a scrip agreement which lists a cash refund option. *See page 20 for more information about tax deductible donations.*

A 1099-MISC does not need to be completed for the profit returned to the scrip purchasers as the IRS considers the refunds to be non-taxable rebates.

### 702.4 GENERAL LEDGER ENTRIES

Scrip cash and inventory should be recorded on the Statement of Financial Position and scrip purchases and sales should be recorded on the Statement of Activities. Once the initial accounts are set up, they should be updated at least monthly. The following entries are needed to record scrip activities on the financial statements.

*The first two entries assume that the school/parish has a scrip checking account and inventory which have not been recorded on the Statement of Financial Position:*

1. Record scrip checking account balance:

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1314</td>
<td>Scrip Checking</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>3020</td>
<td>School Fund Balance</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Pick a reconciled “as of date” and use for this entry and the next. Try to avoid having any purchases/deposits in transit. *Contact the Diocesan Finance Department to make Fund balance entries.*
2. Record scrip inventory (at cost):

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1430</td>
<td>Scrip Inventory (at cost)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>3020</td>
<td>School Fund Balance</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Scrip should be counted and balanced before this entry is made. Beware of any scrip purchase in-transit for which a check has already been issued.

3. Purchase of scrip inventory (at cost):

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1430</td>
<td>Scrip Inventory (at cost)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>214-710030</td>
<td>Program Supplies (Shipping Exp)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>1314</td>
<td>Scrip Checking</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Program 214 is to be used for a school’s scrip program. Program 120 would be used by a parish’s scrip program.

4. Sale of Scrip inventory: Recording increase in cash/income

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1314</td>
<td>Scrip Checking</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>214-420001</td>
<td>Auxiliary Income</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

5. Sale of scrip inventory: Recording inventory reduction/expense

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>214-710040</td>
<td>Program Supplies – Cost of Scrip Sold</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>1430</td>
<td>Scrip Inventory</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

6. Inventory Adjustment: Recording unexplained/missing inventory

<table>
<thead>
<tr>
<th>Acct No.</th>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>214-700040</td>
<td>Other Expenses – Lost Cards</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>1430</td>
<td>Scrip Inventory</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

702.5 UNRELATED BUSINESS INCOME (UBI) EXEMPTION

The IRS allows an exemption from the calculation of UBI tax when at least 85% of work performed for scrip comes from volunteers. If any time is provided by paid staff, e.g., preparing checks for scrip purchases, receiving scrip orders, etc. then both volunteers and paid staff need to record their time for a representative time period of 2-4 weeks spent on scrip to document that at least 85% of the time is provided by volunteers. If a school or parish has less than 85% volunteer participation, then UBI rules apply for the scrip income.

Any person involved in operating the scrip program, who is compensated for their time in any way (pay check, gift card, tuition credit, etc.), is not considered a volunteer.
Diocesan-Wide Policies

This section contains the policies approved by Bishop to be carried out across all Diocesan entities.

801 Fraud Policy

Policy Statement

The Diocese of Des Moines promotes a culture of honest and accountable stewardship of God’s gifts. There is a significant responsibility associated with being stewards of the temporal resources of the church: responsibility to safeguard the Church’s assets, to exercise prudence in financial matters, to be accountable to those who provide monetary support to the Church, and to comply with all civil regulations.

Fraud is not tolerated. The prevention of fraud is the responsibility of all clergy, religious, lay employees, trustees, finance council members and other volunteers involved in church administration by adherence to Diocese policies and procedures. The Diocese expects that any suspected case of fraud will be reported, and provides assurance against recrimination. Persons found to have participated in fraudulent acts will be subject to disciplinary action, including termination, and civil and criminal prosecution.

Actions Constituting Fraud

The Diocese of Des Moines defines fraud as the intentional misuse or misappropriation of a Diocesan entity’s resources or assets for the personal enrichment of the perpetrator or others. Fraud also includes the intentional false representation or concealment of a material fact relating to the misuse or misappropriation of a Diocesan entity’s resources or assets. Additionally, fraud also includes any intentional falsification of, or misrepresentation in, financial statements. Actions constituting fraud include, but are not limited to:

- Misappropriation of funds, securities, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Breach of fiduciary duty, including disclosing confidential information to outside parties;
- Seeking anything of value from contractors, vendors or persons providing (or seeking to provide) services/materials to a Diocesan entity for one’s or another’s personal benefit;
- Accepting anything of value from contractors, vendors or persons providing (or seeking to provide) services/materials to a Diocesan entity for one’s or another’s personal benefit, in violation of the Diocesan Conflict of Interest Policy;
- Bribery;
- Inappropriate use of computer systems or other property of the Diocesan entity;
- Unauthorized destruction or removal of records, furniture, fixtures and equipment;
- Intentional falsification of, or misrepresentation in, financial statements; and
- Any dishonest act.
Reporting Fraud to the Diocese

Suspected fraud should be reported to Diocesan personnel as designated by the Bishop, i.e., vicar general, chancellor, attorney, or chief financial officer. All suspected frauds are to be reported as soon as possible. Failure to promptly report suspected acts of fraud may jeopardize the Diocese’s ability to recover stolen funds and/or property, or to correct improperly prepared financial statements on a timely basis. Reports of suspected fraud should include all relevant information about the suspected act, including any material evidence that exists.

Investigation

The designated Diocesan personnel shall be responsible for a thorough and expeditious investigation of the suspected fraud. Unless the report was anonymous, the person submitting the initial report will receive confirmation indicating that their report was received and that the subsequent investigation is confidential. That person may or may not be contacted during the investigation.

Proposed decisions on disposition of a case will be decided by the Diocesan Bishop or his designee(s). The results of all reported fraud investigations and the final resolution of all confirmed acts of financial fraud shall be reported to the Audit Committee/Finance Council.

Records Retention

Fraud investigation files should be retained in accordance with guidelines established by the Diocesan attorney.

Confidentiality

Information about cases will be disclosed to those parties with a legitimate need to know. All parties with knowledge of such cases are to maintain confidentiality in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct, and to protect the Diocese from potential civil liability.

802 Policy to Report Wrong-doing

General

The Diocese of Des Moines Code of Conduct requires all representatives of the Church, including clergy, religious, directors, and other volunteers, and lay employees, to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. All representatives of the Church must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The objectives of the Policy to Report Wrong-doing are to establish policies and procedures for:

- The submission of concerns regarding questionable financial or legal matters, violations and suspected violations of the Code of Conduct, Code of Canon Law and other concerns by the stakeholders of the Church, on a confidential and anonymous basis;
- The receipt, retention, and treatment of complaints received by the organization;
- The protection of anyone reporting concerns from retaliatory actions.
Reporting Responsibility

Each representative of the Diocese of Des Moines has an obligation to report in accordance with this policy (a) questionable or improper accounting or auditing matters, (b) violations and suspected violations of Diocese’s Code of Conduct and (c) other financial, legal or canonical concerns (hereinafter collectively referred to as Concerns).

Reports of Concerns should be made to Diocesan personnel as designated by the Bishop, i.e., vicar general, chancellor, attorney, or chief financial officer. All Concerns are to be reported as soon as possible. Reports of Concerns should include all relevant information about the suspected act, including any material evidence that exists.

No Retaliation

This policy is intended to encourage and enable stakeholders to raise Concerns within the Organization for investigation and appropriate action. With this goal in mind, no stakeholder who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, anyone who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including dismissal from their position within the Church.

Investigation

The designated Diocesan personnel shall be responsible for a thorough and expeditious investigation of the reported Concern.

Proposed decisions on disposition of a case will be discussed with the Bishop or his designee(s). The results of all reported Concern investigations and the final resolution shall be reported to the audit committee.

Acting in Good Faith

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of the Code of Conduct or other governance policies. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from their position with the Church. Such conduct may also give rise to other actions, including civil lawsuits.

Confidentiality

Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of the violators’ position in the Church. Such conduct may also give rise to other actions, including civil lawsuits.
803 Building Contracts

803.1 POLICY ON USE OF GENERAL CONTRACTORS

PURPOSE: The purpose of this policy is to insure that all of the various entities that are part of the Diocese of Des Moines are following the same procedures when making agreements with outside contractors.

In addition, to insure that the liability under the contract is assumed by the proper party and in particular that the Diocese, and any diocesan entities, do not agree to any unnecessary hold harmless provisions.

PROCEDURES: The following procedures will be followed by all Diocesan entities:

1. All Construction Contracts greater than $50,000 must be submitted for review and approval by the Director of Property Management prior to beginning the project per the Diocesan Construction Guidelines. Contact the Director of Property Management or go to the Diocesan website.

2. All contractors and contracted service people are required to carry appropriate insurance (regardless of the size of the contract) and provide proof of their coverage. Minimum requirements are listed at the end of this policy.

3. Certificates of Insurance MUST be obtained verifying all three of the above types of insurance and naming the parish/institution and the Diocese as additional insured on the General Liability policy. (See sample Certificate of Insurance in Appendix on page 199).

4. Construction Contracts greater than $50,000 should be written using one of the AIA (American Institute of Architects) Construction Contracts. These contracts should be amended per the attached Catholic Mutual “Addendum/Changes to the AIA Contract”. (See page 200 for AIA Documents and see Addendum/Changes to the AIA contract on page 201).

5. All signed contracts must be maintained in a central file, specifically for warranty purposes and to monitor that the Certificates of Insurance certificates are up to date.

6. All Construction contracts greater than $50,000 must include a performance bond.

7. Small construction jobs (less than $50,000) including, renovations, small additions, etc. must have a signed contract prior to beginning project. See page 203 for a standard contract that can be used (before using an alternative contract provided by the contractor, have it approved by the Director of Property Management). Also see the Statement on the use of Service Contractors for insurance requirements (see page 149).

8. Professional service contracts should be used when contracting for the services of architects and engineers. These contracts should require that the parish/institution and the Diocese be named as additional insured on the Architect or engineer’s Professional Liability policy. All professional service contracts must be reviewed by the Director of Property Management.

9. A retainage amount equal to 10% of the contract should be retained by the parish until final signoff of the project.
10. Minimum Insurance Requirements

Commercial General Liability Insurance:

(a) Each Occurrence Limit: $1,000,000
(b) General Aggregate: $2,000,000
(c) Products/Completed Operations: $2,000,000
(d) Personal and Advertising Injury: $1,000,000
(e) Fire Damage Liability: $50,000
(f) Medical Expense per Person: $5,000

Commercial Automobile Liability Insurance:

(a) Combined Single Limit Bodily Injury and Property Damage: $1,000,000

Workers Compensation Insurance:

(a) Bodily Injury by Accident: $100,000 Each Accident
(b) Bodily Injury by Disease: $100,000 Each Employee

Umbrella Liability:

(a) Each Occurrence and Annual Aggregate Limit: $1,000

803.2 STATEMENT ON SERVICE CONTRACTORS

When organizations engage a service contractor, whether paid or volunteer, for a repair or remodeling project, a contract or written agreement should be signed by both parties.

In an effort to reduce your exposure to loss or damage please use the attached Service Contractor Insurance & Indemnification Agreement (see page 210) before you engage a service contractor. This agreement specifies the minimum level of insurance to be carried. This policy does NOT apply to small routine maintenance jobs.

The following represents examples of when this agreement should be used:

- Electricians and plumbers
- Welding and “hot” work
- Roofers and painters (projects over 12ft in height)
- Companies providing maintenance services for fire extinguishers, hood systems, sprinkler systems, elevators, fire alarm and security systems, heating and cooling systems
- IT consulting firms
- Any work involving hazardous materials
Pre-Approval Requirements

In addition to the contract with the contractor, parishes and schools are required to seek approval before engaging in building projects in the following cases:

All projects at the threshold of $25,000 or greater, according to the norms of the United Conference of Catholic Bishops and approved by the Holy See, require a proxy from the Bishop.

All projects of $50,000 or greater are ordinarily subject to the Building Commission requirements.

All projects undertaken in our parish churches or chapels or related to liturgical questions require the explicit permission of the Bishop regardless of cost.

Examples of claims following work by an uninsured sub-contractor

An uninsured handyman is hired to thaw some frozen pipes. He uses a propane torch and sets the church on fire. It burns to the ground and people are seriously injured. The church is liable for the injuries and any jury awards. The church’s property insurance pays for the building. The insurance company pays for the injuries, but the lawsuits drag out for five years. The church’s insurance costs are now triple what they were before the fire.

A contractor is installing a new kitchen in the rectory. Unfortunately, one of his co-workers forgets to shut off the water and floods the kitchen. The water seeps into the floors and the walls of the lower level resulting in $200,000 in damages to the church.

A roofing contractor used a blowtorch to seal roofing materials on a church. The crew completed the work and went home. Sometime later that evening, the smoldering roof burst into flames, and the church burned to the ground. The cost to rebuild was estimated to be $1.8 million. The church’s primary property/casualty insurer took responsibility and paid claims to the limits of the policy carried by the church: $1 million. The contractor was uninsured, leaving the congregation $800,000 short of the amount required to replicate the church it lost. Due to the loss, insurance costs increased significantly at the next renewal.

A school hired a contractor to paint the gym. The contractor was uninsured and fell off a ladder while painting in the school’s gym. The contractor broke both wrists and suffered a laceration over his right eye, and was never able to return to work. The contractor sued the school for hundreds of thousands of dollars to pay for his injuries and loss of income.

803.3 STATEMENT ON THE USE OF VOLUNTEERS FOR BUILDINGS AND GROUNDS

Volunteers are used and relied on at all of our parishes, schools, and other church organizations. This document seeks to provide some information to help keep those volunteers safe and to help our organizations know when it is appropriate to rely on volunteers.

Volunteers who perform services that would normally require someone to be certified, licensed, bonded and/or insured, should provide the same credentials and proof of insurance that would be required of an external vendor as noted in the Statement on the Use of Service Contractors.
Volunteers should sign the Building and Grounds Volunteer Worker Agreement (see page 219) if they are asked to perform tasks beyond simple cleaning and yard work. Please see the attached matrix for examples of work that is non-acceptable for volunteers.

For these repair and maintenance projects, the parish should appoint an individual familiar with the project’s requirements to act as “foreman” for the day. This person should arrange for the Volunteer Agreements to be signed and should hold a short meeting before beginning work to emphasize safety first and assign tasks with which volunteers are comfortable. A Job Safety Analysis (JSA) is a tool that parishes may find very helpful when organizing volunteers for these projects. Please see the attached sample.

**Catholic Mutual Assistance**

If you have a project and are not sure if it is suitable for a volunteer, please contact Melanie Tyree, Risk Control Specialist at Catholic Mutual, at MTyree@catholicmutual.org or (800) 228-6108 ext. 2381.

**Volunteer Accident Policy**

The parish/school participates in a diocesan-wide Volunteer Accident Policy. This policy provides some coverage for a volunteer’s medical bills related to any personal accidents that take place while the volunteer is performing volunteer duties for the parish/school.

The parish/school Volunteer Accident Policy is secondary to the volunteer’s personal insurance policy. This means that all accident medical claims must first be submitted to and processed by the volunteer’s own insurance carrier before submitting a claim to the parish’s/school’s Volunteer Accident Policy carrier. See next page for examples of work matrix.
<table>
<thead>
<tr>
<th>AGES</th>
<th>ACCEPTABLE WORK</th>
<th>NON-ACCEPTABLE WORK</th>
<th>ACCEPTABLE TOOLS TO USE</th>
<th>PROTECTION EQUIPMENT REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14 (with adult supervision)</td>
<td>• Simple cleaning operations such as dusting, mopping, and sweeping. &lt;br&gt;• Light yard work such as raking or picking up branches and leaves. &lt;br&gt;• Serving food at designated food distribution sites.</td>
<td>• No use of ladders or scaffolding. &lt;br&gt;• No handling of toxic materials. &lt;br&gt;• No use of power saws or other power-driven woodworking machines. &lt;br&gt;• No operation of chain saws. &lt;br&gt;• No operation of snow blowers or lawn mowers, including manual push types. &lt;br&gt;• No structural demolition. &lt;br&gt;• No excavation operations. &lt;br&gt;• No operation of motor vehicles or power-driven hoisting apparatus. &lt;br&gt;• No tree trimming. &lt;br&gt;• No roofing operations or work related to roofs.</td>
<td>• Ordinary cleaning and yard work tools such as brooms, shovels, rakes, wheelbarrows, mops, rags, and buckets.</td>
<td>• Long shirts and pants, shoes or work boots, work gloves (as appropriate to nature of work).</td>
</tr>
<tr>
<td>15-17 (with adult supervision)</td>
<td>• As above, plus simple construction jobs such as putting up drywall or laying floors, tiles, carpets.</td>
<td>• As above.</td>
<td>• As above, plus drills and simple power tools.</td>
<td>• Any Personal Protection Equipment (PPE) required per safety regulations for proper use of specific tools or materials, e.g. safety glasses, hearing protection.</td>
</tr>
<tr>
<td>18-20</td>
<td>• As above, including more advanced demolition and construction projects.</td>
<td>• No use of ladders over 12 ft. or scaffolding. &lt;br&gt;• No handling of toxic materials. &lt;br&gt;• No use of power saws or other power-driven woodworking machines unless properly trained. &lt;br&gt;• No operation of snow blowers or riding lawn mowers unless properly trained. &lt;br&gt;• No structural demolition. &lt;br&gt;• No tree climbing to trim branches. &lt;br&gt;• No roofing operations or work related to roofs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 &amp; Older (Adult)</td>
<td>• All work jobs typically expected of volunteer workers and appropriate to their skillset.</td>
<td>• No use of ladders over 12 ft. or scaffolding unless properly trained. &lt;br&gt;• No use of power saws or other power-driven woodworking machines unless properly trained. &lt;br&gt;• No operation of snow blowers or riding lawn mowers unless properly trained. &lt;br&gt;• No tree climbing to trim branches. &lt;br&gt;• No roofing operations or work related to roofs.</td>
<td>• Any tools as appropriate to the nature of the jobs.</td>
<td></td>
</tr>
</tbody>
</table>
804 Facility Rental Policy

804.1 LETTER FROM BISHOP PATES

On May 17, 2016 the following letter and policy was sent by Bishop Pates to all parishes/schools.

To: Priests, Deacons, Parish and Institutional Administrators, Diocese of Des Moines

From: Most Reverend Richard E. Pates

RE: Facility Rental Policy

Attached to this communication you will find a policy to provide instruction to those of you that allow your building facilities to be used under any circumstances for “non-parish/school” events. This policy has been carefully reviewed by the Presbyteral Council, the Diocesan Finance Counsel and representative administrators of different parishes, schools and institutions. Many of you have been choosing wisely what groups are allowed to use the facilities but it is important to have a written policy spelling out when you will reject a request so that you are not accused of discrimination. Please read the policy carefully and contact Paul Carlson if you have any questions.

The policy references the existing Third Party Special Events Coverage policy (see page 156) that deals with the liability insurance requirements. This policy also dictates that a Facilities Use Agreement be completed by the renter of your space and references a sample agreement, (see page 215) which is attached.

I believe that this sample agreement (see page 215) is ready for your use by simply adding the parish name in the appropriate places. If you have a user agreement in place at your facility please modify it appropriately to make sure it is in compliance with this policy and the Special Events policy (see page 156). Your agreement must include the following language:

• This Facility is owned and maintained by the Roman Catholic Church of this community. As such the Licensee will agree to respect our faith and policies of the Diocese, and will not knowingly or intentionally use the facility in a way that is in conflict with the teachings or policies of the Catholic Church.

• Licensee agrees to provide general liability coverage as called for under the diocesan Third Party Special Events Coverage policy (see page 156)

• Indemnification and Hold Harmless. To the fullest extent permitted by law, Licensee will indemnify Owner and save Owner, its agents and employees, and hold harmless from and against any and all claims, actions, damages, liability, and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in or upon Owner’s property, or the occupancy or use by Licensee of the property or any part thereof or the use by Licensee of any adjacent property, or occasioned wholly or in
part by any act or omission of Licensee, its agents, employees, servants, Licensees, concessionaires, guests or other attendees. In case Owner shall be made a party to any litigation commenced by or against Licensee, Licensee shall protect and hold Owner harmless and shall pay all costs, expenses and reasonable attorney’s fees incurred or paid by Owner in connection with such litigation.

Thank you for all that you do on behalf of the church and its mission.

804.2 PARISH, SCHOOL, AND INSTITUTIONAL FACILITY USE POLICY

Applicable to: All Parishes, Schools and Institutions

Adopted: May 18, 2016

Purpose:

This policy has been developed to assist in determining whether, and under what circumstances, to permit a non-parish or non-school group to use a parish, school, or institution facility.

1. Parish, school and institution facilities are the product of God’s benevolence and the sacrifice of parishioners. Parish, school, institution and Diocesan groups have priority in the use of parish and school facilities. In the spirit of community service, and in the spirit of evangelization, facilities may be used by persons and groups so long as the use is consistent with this policy and the teachings of the Roman Catholic Church.

2. Granting the use of a facility to a group or organization that does not further the mission of the Church does not necessarily constitute an endorsement by the local parish, school or institution, the Diocese of Des Moines, or the Catholic Church of the principles or philosophy of the group being granted use of the facility. Nevertheless, it is important to present a consistent message to the congregation and community. Parish, school and institution facilities of any nature must be used in a manner that is not contrary to the teaching of the Roman Catholic faith (2 Corinthians 6:14).

3. The pastor or canonical administrator of the parish, school and institution facility may establish more specific guidelines on the use of facilities consistent with this Policy.

Policy:

1. The pastor or administrator of the parish, school and institution facility will determine whether the facility to be rented will be made available for use to groups that do not further the mission of the Church. In making this determination, the pastor or administrator will take into consideration the doctrines of the Roman Catholic faith and the needs and operations of the parish or school.

2. There is a difference between buildings that are built exclusively for worship and buildings which may have multiple purposes. The primary purpose and function of the Church building is
the prayer and worship of the faithful. Any other use proposed to be made of the Church building shall not be of a nature that may contradict the Church building’s primary purpose and function, in keeping with the canonical norms regulating sacred space. Other structures and facilities, though perhaps not worship spaces for purposes of canon law, are nevertheless closely linked to the worship space that they must be used consistent with the doctrine of the Roman Catholic faith.

3. In cases where the pastor or administrator has decided to make a parish or school facility available to individuals or groups that do not further the mission of the Church, such facility may be leased to an individual or group. A written Facilities Use Agreement must be completed for any arrangement. A standard sample agreement is attached to this Policy (see page 215 for example).

4. The use of a parish, school or institutional facility shall not be granted to any individual, group or organization, whether parishioners or non-parishioners:
   a. whose purpose, tenets, acts or omissions, or objective contradict the faith and morals of the Catholic Church or the policies of the Diocese of Des Moines, as determined by the Bishop of the Diocese of Des Moines;
   b. when the activity for which the facility is to be used contradicts the faith and morals of the Catholic Church or the policies of the Diocese of Des Moines, as determined by the Bishop of the Diocese of Des Moines;
   c. when doing so would directly involve the Church in partisan politics in support of one candidate for civil office and in opposition to other candidates for the same office;
   d. when unlawful, unsafe, or hazardous activity may occur as a result; or
   e. whenever the pastor or administrator or the Diocese determines that the granting of such use will not be in the best interest of the parish, its parishioners, the faithful or the Diocese, or that the denial of such use is necessary to avoid scandal.

5. Individuals, groups or organizations desiring to use a parish, school or institutional facility shall obtain acceptable liability insurance coverage. See the policy of the Diocese of Des Moines called Third Party Special Events Coverage (page 156).

6. Recognizing the tax-exempt status of parishes and the Diocese, it is recommended that whenever a rental fee for the use of a parish, school or institution facility is charged, the amount should be reasonable and used in the maintenance of the facility. The fee should be clearly recorded in the applicable financial records.
805 Third Party Special Events Coverage

Special Events Coverage is a mechanism, which allows the diocese to extend liability coverage to an individual or organization using parish facilities for a non-parish sponsored event. Some examples of these events would be wedding receptions, family reunions, graduation parties, and fundraisers.

805.1 WHAT IS CONSIDERED A NON-PARISH SPONSORED EVENT?

Special Events Coverage can be used when a parish or other church institution is allowing an individual or organization to use its facilities for a non-parish sponsored activity. When determining whether or not an activity is parish sponsored, the following questions are helpful.

1. Does the parish have full control or final decision making authority over the function?
2. Do fees associated with the function flow through parish accounts?
3. If applicable, is the function open to all parish members?
4. Is the purpose of the function to facilitate learning, raise funds for the parish or to provide a social service on behalf of the parish?
5. Is the organizer or leader of the function a parish employee or volunteer?

Generally, if the answer to any of the above questions is “no”, the activity is not parish sponsored. See below on whether additional insurance needs to be obtained.

805.2 NON-PARISH SPONSORED EVENTS REQUIRING SPECIAL EVENTS COVERAGE

When any of the following conditions are met for a Non-Parish sponsored event:

- Alcohol is being served
- 50 or more guests are expected
- The event extends into the evening (past 6 pm)

One of the following two options must ALWAYS be followed:

1. The attached (see page 157) Facility Usage/Indemnity Agreement can be completed by the organization/individual using parish facilities. This agreement requires the organization/individual to have $1,000,000 in liability coverage, which must name your parish/school and the diocese as an additional insured.

2. Special Events coverage can be purchased which will cover the individual or organization holding the activity, the parish, and the diocese. The cost is $50 per event (instead of the previous $95), and $1,000,000 in liability coverage is extended to a non-parish sponsored facility user (lessee). To obtain this coverage the parish is to contact Catholic Mutual (1-800-228-6108 ext. 2325) preferably at least 15 days prior to the event.

805.3 FACILITY USAGE/INDEMNITY AGREEMENT EXPLANATION

The Facility Usage/Indemnity Agreement (see page 220) must be used when non-parish sponsored or affiliated groups use parish facilities on a short-term basis such as one day or a week. The following
groups are examples of non-parish sponsored or affiliated groups that should sign the Facility Usage/Indemnity Agreement:

1. Girl Scouts, Knights of Columbus, American Legion or other similar organizations that use parish facilities for meetings or fundraisers.
2. AAU sport teams or non-parish sponsored sport classes/clinics.
3. Parishioner and non-parishioner families that rent or use parish facilities for wedding receptions, family reunions, anniversary parties or other similar activities. (In lieu of signing the Facility Usage/Indemnity Agreement, a parishioner or non-parishioner family would be eligible to purchase “special” event “liability coverage through your parish via Catholic Mutual). Please note that funeral luncheons are parish sponsored events.
4. Any other organization, municipality or county organization that uses parish facilities for a meeting or function that is non-parish sponsored.

The Facility Usage/Indemnity Agreement requires the facility user to provide the parish with a certificate of insurance documenting general liability coverage in the amount of $1,000,000 per occurrence. This certificate of insurance must name your parish and the Diocese as an additional insured. It is not adequate to obtain a certificate of insurance, which names the parish as a “certificate holder.”

Copies of this completed agreement should be sent to Catholic Mutual.

806 Indoor and Outdoor Trampoline Policy

Policy
It is the policy of the Diocese of Des Moines not to allow trampolines or trampoline-like contraptions on Diocesan, parish, or school property. This policy also expressly forbids any adult, minor, employee, volunteer, or parent or guardian of any minor enrolled or involved in any Diocesan, parish, or school related ministry, field trip, or activity, from using trampolines or trampoline-like contraptions, including indoor trampoline facilities.

Procedure
This policy applies to all Diocesan, parish, or school related or sponsored events, including, but not limited to events involving a school, pre-school, or school-related program (e.g., after care), Parish-related activities such as Religious Education, Altar Server Ministry, or Youth and Young Adult Ministry, or any other program or activity associated or affiliated with a parish or ministry of the Diocese of Des Moines. This policy applies on school and church property and at any other location, business, or property that utilizes trampolines, trampoline-like contraptions, or that offers trampoline-like experiences, including indoor trampoline facilities.

This policy does not forbid the use of inflatable water slides, “bounce-houses,” or similar inflated contraptions, provided that appropriate safety steps are followed, the activity is properly supervised, and special event insurance coverage is obtained.
807 Vehicle and Driver Safety Policy

PURPOSE: The purpose of this policy is to ensure that all of the various entities that are part of the Diocese of Des Moines are following the same procedures regarding the use of vehicles on behalf of the Church. Our priority is to provide for the safety of the drivers and the passengers. It is recommended that the number of drivers be limited and that they be adequately screened. This policy applies to all employees and volunteers who are required or expected by their responsibilities to operate a vehicle.

All Church entities will implement the following policy regarding Drivers, the Use of Private Vehicles, Vehicle Maintenance, Vehicle Safety, Accident Reporting, Record Keeping, and the Use of 11-15 Passenger Vehicles

Drivers

A. All Operators
   1. Drivers must be 21 years of age or older.
   2. A driver must have a valid, non-probationary driver’s license and no physical disability that would impair his/her ability to drive the vehicle safely.
   3. Operators must possess a current valid driver’s license for the type of vehicle they will be operating.
   4. No operator will be hired or be allowed to provide volunteer transportation on behalf of any Church entity who has had any of the following citations or convictions in the past three years:
      i. Operating a vehicle during a period of license suspension, revocation or forfeiture
      ii. Driving under the influence of alcohol or drugs
      iii. Hit and run accident
      iv. Failure to report an accident
      v. Negligent homicide arising out of the use of a motor vehicle
      vi. Using a motor vehicle for the commission of a felony
      vii. Operating a motor vehicle without the owner’s authority
      viii. Permitting an unlicensed person to drive
      ix. Reckless driving
      x. A combined total of three or more accidents and/or moving violations
   5. It is the responsibility of the operator to ensure that passengers adhere to the current State of Iowa safety belt laws and regulations.
   6. All operators are expected to take the online defensive driving course Be Smart-Drive Safe. Find it at http://www.cmgsconnect.org.

B. Employee Operators
   1. Vehicles owned by the diocese cannot be used for personal use without authorization.
   2. A copy of the Motor Vehicle Record (MVR) from each state where he/she has ever had a valid driver’s license is required and will be obtained in the background check process.
C. Volunteer Operators
   1. Any volunteer who drives on a regular basis for Church business must complete the Volunteer Driver Application (see page 221) and the background check form. Please retain the Volunteer Driver Application in your office.
   2. A copy of the Motor Vehicle Record (MVR) from each state where he/she has ever had a valid driver’s license is required and will be obtained in the background check process.
   3. Potential drivers should not be utilized if they answered “YES” to any of the questions asked on the Volunteer Driver Application.

Use of Private Vehicles
   A. All privately owned vehicles used on behalf of the Church must be insured. They must have a valid and current registration, license plates and proof of insurance card.
   B. The vehicle must be in safe operating condition.
   C. The private automobile insurance company of the owner of the vehicle will be the primary insurance carrier.
   D. The minimum liability limit for privately owned vehicles is: $100,000/$300,000.
   E. A Private Vehicle Use Application (see page 222) must be completed for each vehicle.

Organization Owned Vehicle Maintenance
   A. Each institution will implement a quarterly vehicle maintenance and inspection program in addition to the manufacturers’ operation and maintenance recommendations for all vehicles that they own.
   B. All Church owned vehicles must be equipped with a road safety kit and inspected fire extinguisher
   C. Cell phones and other electronic devices are not permitted to be used while operating a motor vehicle on behalf of the Church.

Accident Reporting
   If an accident occurs:
   - Obtain medical assistance, if needed, at the scene as soon as possible.
   - Contact local police, sheriff or highway patrol authorities as required.
   - Exchange driver, vehicle and insurance information.
   - Report the accident/moving violation to the insurance agent.
   - Report the accident/moving violation to the Church/School.
   - Complete the Vehicle Accident Report

Record Keeping
   A. Records pertaining to driver selection and training should be kept on file for a period of three years following termination of their driving privileges.
B. Vehicle maintenance logs and vehicle inspections must be maintained for the duration of ownership of Church owned vehicles.

C. All organization owned vehicles must carry, at all times, a current vehicle proof of insurance identification card.

D. Retention of Forms:

Volunteer Driver Application, (see page 221) retain for a minimum of 3 years

Private Vehicle Use Application, (see page 222) retain for a minimum of 3 years

Vehicle Accident Report, (see page 223) retain for 7 years from date of accident

Use of 11-15 Passenger Vehicles The attached policy must be followed with respect to the use of vehicles that can transport 11-15 passengers.

Approved by the Presbyteral Council on February 14, 2013
Approved by the Diocesan Finance Council on February 19, 2013
Approved and implemented by Bishop Richard Pates on March 28, 2013.

807.1 11 TO 15 PASSENGER VAN, BUS AND SHUTTLE USE POLICY

CATHOLIC UMBRELLA POOL II:

Effective July 1, 2003, Catholic Umbrella Pool II adopted the following policies governing the use of 11 to 15 passenger vans (whether owned, leased, or borrowed).

1. The use of non-owned (borrowed) or short-term leased 11 to 15 passenger vans to transport children or adults is prohibited.

   11 to 15 passenger vans may be used for cargo hauling only if all but the two front seats are removed.

2. 11-15 passenger vans can be replaced with either a school bus or a Multifunction School Activity Bus (MFSAB). A MFSAB is a vehicle which complies with the Federal Motor Vehicle Safety Standards (FMVSS) applicable to school buses for crash survivability and mirrors.

3. If a MFSAB is used for the transportation of children, these vehicles must meet FMVSS 111; FMVSS 220; FMVSS 221; and FMVSS 222 (see below). If purchasing a MFSAB to transport children, it is important to confirm with the seller that the vehicle meets all four FMVSS. There are vehicles that visually appear to be conforming, but are not.

4. When acquiring a bus or shuttle to transport adults, the four FMVSS should also be followed. However, CUP II may approve adult transportation for a nonconforming bus or shuttle that meets at least two of the FMVSS’s in limited circumstances. Requests for exceptions are submitted to Catholic Mutual.
5. Although MFSAB’s are preferred, mini-vans may continue to be used to transport children or adults. A mini-van is defined as a passenger vehicle designed to transport no more than 8 total occupants.

Below are the four FMVSS referred to in the above policy. Additional information on how to determine if a bus or shuttle meets FMVSS standards can be obtained from Catholic Mutual’s Risk Management Department at (800) 228-6108.

FMVSS 111 – Fulfills the safety requirement for the rear-view and cross-view visibility.
FMVSS 220 – Establishes requirements for the school bus body structure in rollover accidents.
FMVSS 221 – Regulates the strength of body panel joints in school buses.
FMVSS 222 – Establishes occupant protection requirements for school bus passenger seating and barriers.

**Important Note:** Vans, Buses and Shuttle Buses capable of transporting 16 plus passengers must also comply with the above FMVSS. As outlined in number six of the above policy, exceptions can be made if the vehicle is used solely for the transport of adults.

### 808 Policy on Consultation with Attorneys

**Purpose:**

Provide guidance as to legal consultation for Diocesan issues.

**Policy:**

The Diocese of Des Moines does not have any attorneys on retainer. They do routinely use the Nyemaster Goode Law Firm as issues come up requiring legal advice. These attorneys are also used by parishes and schools within the diocese and by Catholic Charities.

**PROCEDURES for Requests by Diocesan staff:**

1. Staff person who has a situation that may require legal advice will complete the Legal Consultation Form (see page 224) and send it to the Director of Finance.

2. Requests will be logged in Finance and presented to Bishop for approval. If the occasion arises for quick legal advice by a diocesan director, they can call Nyemaster and inform Accounting and Bishop afterwards. (e.g. Personnel matters under Human Resources)

3. Upon approval by Bishop an email will be sent to Nyemaster and copied to requester, advising them that they will be contacted on this issue and that the cost should be added to the diocesan account.
4. On a monthly basis Nyemaster will send a detailed invoice for the work that they performed on behalf of the diocese. This will be verified against the approved log and sent to Bishop for approval to pay.

PROCEDURES for Requests outside of Diocesan Staff:

1. Parishes that seek legal consultation are advised to contact Nyemaster because they understand the legal structure of the church and have knowledge of Canon Law.

2. Parishes should contact the Director of Finance at the diocese and complete the Legal Consultation Form (see page 225). If appropriate, the diocese will forward the issue to Frank Harty at Nyemaster for an initial review at diocesan expense. If the occasion arises for quick legal advice a call can be made to Nyemaster with the diocese informed later if necessary.

3. Schools are to continue to contact the Diocesan Superintendent of Schools prior to contacting the Nyemaster Law firm. If the superintendent is unable to assist the school, the superintendent will either contact Nyemaster or advise the school to contact Nyemaster directly.

4. Results of the review will be shared with the Bishop and the parish or school that made the request. Further legal work on this issue will be billed by Nyemaster to the parish or school without specific permission from the Bishop.

5. Any work performed by Nyemaster without diocesan approval will be billed to the appropriate parish or school.

6. Legal work performed on behalf of Catholic Charities should be requested and approved by its Executive Director. This work should be recorded on an invoice addressed and mailed to Catholic Charities.

809 Diocesan Building Commission

These guidelines are intended to assist parishes in the construction and/or renovation of cost-effective facilities that support the pastoral ministry of the parish. Because the approval of the Bishop is required for any project beyond the ordinary administration of the parish, the Bishop has appointed the Diocesan Building Commission to advise him and parishes regarding new construction or renovation plans.

The Building Commission and diocesan staff strive to create a collaborative, team-oriented approach with the parish leadership and encourage the parish to do the same with its own building committee. Assembling the right team early in the project’s planning is critical. Making sound decisions early in the process will save significant time, money and effort as the project continues.
The review of a parish project by the Bishop and the Diocesan Building Commission is required to assure that it contributes to the spiritual welfare of the faithful, and that the parish has the necessary means to both construct and maintain the building.

One of the main foundations for any church construction or renovation project in the diocese will be the document from the U.S. Conference of Catholic Bishops, “Built of Living Stones: Art, Architecture and Worship.” It is recommended that this document be studied in detail by the parish committee which will provide leadership for any project related to worship space construction or renovation.

“One of the most significant and formative experiences in the life of a parish community is the process of building or renovating a church. As part of that process, parish members are called upon to study the Church’s teaching and liturgical theology and to reflect upon their personal pieties, their individual tastes, and the parish history. By bringing together these personal and ecclesial elements in faith and in charity, parishioners help to build a new structure and to renew their parish community. The decision-making process and the parish education component that are part of the building experience can assist the parish and its individual members to deepen their sense of Catholic identity. This identity is shaped by the history of the particular parish, by its relationship to other parishes in the local Church known as the diocese, and by its relationship within the communion of local Churches known as the Roman Catholic Church. …Decisions about church art and architecture should always be based upon the theology of the Eucharistic assembly and its liturgical action and the understanding of the Church as the house of God on earth.”


Project Steps

These are the general steps involved in a facilities improvement project. The Building Commission will work with the parish to provide guidance and support throughout the process.
Meeting times and locations will be planned to be mutually beneficial to all involved.

1. **Pastoral Planning:** The Pastoral Council is responsible for ongoing pastoral planning for the parish. This involves discussions regarding future needs of the parish looking forward as much as 20 years. Items to consider are future growth, age and condition of current physical plant, educational needs, new programs etc. To accomplish this, time must be regularly set aside at meetings for this purpose. As a part of the pastoral planning process, projects may be identified as necessary for the parish. These potential projects may include building renovations, new construction or updating of major equipment.

   **Any project that includes new church construction or changes to the arrangement of existing worship space must be coordinated through the Diocesan Building Commission. Any other**
2. **Approval from Bishop to study a project:** When a parish identifies the need for a potential project, the first step to be taken is by the pastor of the parish who will write the bishop and ask his permission to prepare a needs assessment relating to the project.

The bishop will respond in writing to the pastor.

3. **Needs Assessment:** If the bishop grants approval, the diocesan Director of Property Management will schedule an orientation meeting at the parish to discuss the Diocesan Building Commission process. This will include a parish needs assessment as a component of comprehensive master planning.

The parish will form a Needs Assessment Committee with qualified members who will gather pertinent information and consider various approaches to addressing identified needs. Having done so, it will then be possible to develop the rationale for one or more possibilities which might address those needs. If necessary, the parish should search outside its membership to obtain the necessary expertise to assist in this phase.

4. **First Meeting with the Diocesan Building Commission:** Representatives of the parish meet with the Building Commission to present their needs assessment and how it relates to the parish’s pastoral plan for ministry. At this meeting the parish requests permission to proceed with the proposed project.

The Building Commission recommends approval of the pastoral plan and needs assessment, and recommends that the bishop grant permission to proceed with a feasibility study and conceptual planning. The bishop will inform the pastor by letter of these decisions.

It is possible that projects with an estimated cost of $50,000 to $150,000 can be approved following one meeting of the Building Commission if sufficient detail regarding the project has been provided. Such consideration will be made on a case by case basis.

5. **Parish Work:** The parish prepares for the planning process.

The diocesan Director of Development schedules an orientation meeting at the parish to explain and discuss feasibility studies and the overall fundraising process. This can include guidance for hiring consultants, potential costs and timeframes, and alternate options. The parish then proceeds with the feasibility study, with the understanding that the consultant for that process may or may not be involved in the actual fundraising portion of the project.
The parish forms a building committee which initiates a process for design and construction of the project. The traditional design and construction project delivery approach is the “Design-Bid-Build” process. For this approach, the committee hires architect/design consultants to prepare construction design documents relating to the project. If the project involves liturgical or educational aspects, the Diocesan Director of Worship or Diocesan Superintendent of Schools and other appropriate consultants in those fields must be involved in the planning. The project will then be bid to at least three qualified general contractors in a competitive bid process led by the architect.

With the approval of the Diocesan Building Commission, the building committee may consider an alternative project delivery method. An alternative project delivery approach involves engaging a contractor utilizing a competitive Qualifications Based Selection (QBS) process. These approaches include Design Build, Construction Management (Agent and At-Risk), and negotiated General Construction. In each case, the committee interviews at least three contractors who are qualified to manage a contract of the size anticipated by the parish. Once selected, the contractor prepares estimates at each document development phase with the goal to manage project costs. Each of these approaches ultimately requires the contracting entity prepare a Guaranteed Maximum Price (GMP) prior to the start of construction. If the project involves liturgical or educational aspects, the diocesan Director of Worship or diocesan Superintendent of Schools and other appropriate consultants in those fields must be involved in the planning.

**If the project involves construction or renovation of worship space, the pastor must meet with the Diocesan Director of Worship. A list of recommended liturgical consultants will be provided in order that expertise in that area is available to facilitate the planning. Only after the plan for the worship space has been developed and approved will permission be given to move forward with the remainder of the Church renovation or construction project.**

When developing any new building project, or significantly renovating an existing building, parishes should plan for energy efficiency and the use of renewable sources of energy. While these methods may initially entail more expense, well-planned systems will more than pay for themselves over time, and reflect our commitment to be good stewards of God’s resources.

Square footage needs must be addressed before any drawings are made. The architect (for a design, bid build process) or the contractor (for a qualification based selection) will provide cost estimates based on the plan. The diocesan Director of Property Management can assist with a review of the plan and cost estimates.

Throughout the process, ample opportunity must be provided for information to be presented to parishioners for the purpose of seeking their input and feedback. It is important that the
pastoral plan, needs assessment, feasibility study and conceptual drawings be included in the presentations to the parish.

After much parish input, discussion and revision, the parish, represented by the finance and pastoral councils, recommends approval of the project to the pastor.

6. **Second Meeting with the Building Commission:** Representatives of the parish, including the pastor, present the feasibility study and conceptual plans to the Building Commission. (It would be helpful for written information to be submitted 15 days in advance of the meeting.) The commission will be interested in the financial condition of the parish, the results of the feasibility study, and the details of the conceptual plans which include access, parking, seating, liturgical and educational elements and others. The commission will ask questions to ascertain if the project, as presented, will be affordable to the parish and meets the needs of the parish.

Following this presentation, the Building Commission determines whether it should recommend to the bishop approval of the feasibility study and conceptual plans. If that recommendation is accepted, the Bishop will give permission to proceed to the fundraising and design phase. This decision will be communicated in a letter from the Bishop to the pastor.

7. **Parish begins work on final design and fundraising**

   - **Fundraising:** In general terms, fundraising for the specific project should be planned over a three year period. All of the necessary funds for a project must be pledged and 50% must be collected before construction can proceed.

   Unless approved by the Building Commission and Bishop for large projects, no long term debt is to be incurred. Short term construction loans are to be negotiated with local lending institutions. The Diocese is not in a position to guarantee parish construction loans.

   - **Final Design:** Final design and construction documents are developed with associated cost estimates. These estimates must be in line with fundraising progress.

8. **Third meeting with the Building Commission:** The pastor and parish representatives present the final fundraising information and project design to the Diocesan Building Commission.

   The Building Commission recommends to the Bishop approval of all or part of the project based on fundraising and estimated costs. The bishop will communicate his decision to the pastor by letter.

9. **Selection of Contractor in Design, Bid, Build Process:** The parish interviews potential bidders and seeks bids from at least three qualified contractors.
The parish analyzes the bids and chooses the lowest qualified bid. The Building Commission reviews the bid tabulation and approves the bid. (This generally does not involve a meeting of the commission.)

10. **Contracts and Insurance Coverage:** The contract must be sent to the Diocesan Director of Property Management for review. Catholic Mutual Group (CMG) automatically provides $10 Million coverage of builders’ risk insurance. The contract must be approved and evidence of necessary insurance, bonds, lien waivers and 10% retainage provided. The Director of Property Management will notify CMG that the project is starting and work with CMG to assure that necessary information is added to the property appraisal listing for the parish.

The pastor contacts the bishop requesting appropriate proxies to hold a corporation meeting and sign contracts.

Construction of the project proceeds. Progress reports to the Building Commission are made by the Director of Property Management.

11. **Concluding Activities:** The parish schedules dedication of the project through the bishop’s office.

A final report is made by the Director of Property Management to the Building Commission. The parish provides one bound paper copy of project drawings and project manual and one electronic copy (pdf files) for the diocesan archives.

### 810 Priest Housing Policy

The Second Vatican Council’s teaching on the church as the People of God has led to the graced participation of many of the laity in a wide variety of ministries and pastoral activities throughout the Church. What was once virtually the exclusive domain of the priest, ecclesial ministry within the parish, has properly been undertaken by all the baptized.

However, what was likewise principally the living quarters of the priest, the rectory, has also so often become the gathering and work space for lay ministers. “At one time rectories housed only priests and a housekeeper, but with an increase in lay involvement and with fewer priests, rectories are being used simultaneously as church offices and priests’ homes, a combination for which most rectories were not designed.” (From *Evolving visions of the Priesthood: Changes from Vatican II to the Turn of the New Century*, by the National federation of Priests’ Councils [NFPC]).

Recent studies and surveys on the morale and wellbeing of priests have found this situation of “living above the store” to be challenging. Because of the lack of privacy it is regarded as even unhealthy for many priests. This topic of priests’ living arrangements has been taken up by dioceses and priests’
councils throughout the United States. What follows are the reflections and recommendations of the Presbyteral Council of the Diocese of Des Moines in this matter.

- The pastoral care for a parish or other institution requires adequate and appropriate space.
  - This adequate and appropriate space for pastoral care includes space for offices, records, pastoral counseling and other appointments, faith formation, parish meetings.
  - This space for pastoral care is distinct from the worship space and social space.
  - This space for pastoral care is to be distinct from and separated from the living space for a priest or a pastoral administrator serving the parish or other institution.
  - It is recommended that the living space be off site or, at least, in a separate building, or designed in such a manner that privacy is insured.
  - With existing parish facilities, the finance and pastoral councils are to provide, within three years, for this separation of the living space from the space for pastoral care.
  - In the new construction or renovation of facilities, it is recommended that this living space be separate and where feasible off site from the worship space and the space for the pastoral care of the parish or institution.
  - With parish clusters, it is encouraged to consider having the living space at one parish site and the space of pastoral care at another.

- Adequate and appropriate living space for priests and pastoral administrators is important.
  - Living space which is distinct from and separated from the space for pastoral care is an issue of good health, appropriate boundaries and wellbeing.
  - Because of this, a growing number of priests choose to live elsewhere than in available on-site living space. This option, which is marked change from past patterns, is to be respected.
  - Adequate and appropriate living space, or reimbursement for such, is rightfully a part of the compensation for priests and pastoral administrators.
  - In some cases, the priest will live in his own home or in housing other than on-site living space. When this is the case, he and the parish finance council arrange for rent or financial reimbursement. (The normal expenses and reimbursements called for by diocesan salary guidelines – including utilities, telephone, household expenses, standard food allowance, etc.—remain the responsibility of the parish.)
  - The primary recommendation is that living space be offsite separated from the worship space and the space for pastoral care.
    - The next alternative is that living space which is on site be in a separate building.
The final alternative is that, if living space is in the same building with the space for pastoral care, a clear boundary and distinction between the two spaces be established and respected.

Approved March 1, 2009

811 Records Retention Policy


The Records Retention Schedule represents the periods of time that records must be kept according to legal and/or organizational requirements.

Records older than the retention period should be destroyed. Those of permanent value should be stored appropriately.

<table>
<thead>
<tr>
<th>Records Type</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Banking</strong></td>
<td></td>
</tr>
<tr>
<td>Bank deposits</td>
<td>7 years</td>
</tr>
<tr>
<td>Bank statements</td>
<td>7 years</td>
</tr>
<tr>
<td>Cancelled checks</td>
<td>7 years</td>
</tr>
<tr>
<td>Check registers/stubs</td>
<td>7 years</td>
</tr>
<tr>
<td><strong>General</strong></td>
<td></td>
</tr>
<tr>
<td>Audit reports</td>
<td>Permanent</td>
</tr>
<tr>
<td>Statements of Financial Position, Statements of Activities, annual</td>
<td>Permanent</td>
</tr>
<tr>
<td>Statements of Financial Position, Statements of Activities, monthly</td>
<td>Destroy after 1 year</td>
</tr>
<tr>
<td>Budgets, approved, revised</td>
<td>7 years</td>
</tr>
<tr>
<td>Financial reports, annual</td>
<td>Permanent</td>
</tr>
<tr>
<td>Financial reports, monthly</td>
<td>Destroy after 1 year</td>
</tr>
<tr>
<td>Financial statements</td>
<td>Permanent</td>
</tr>
<tr>
<td><strong>Investment/Insurance</strong></td>
<td></td>
</tr>
<tr>
<td>Bonds, cancelled</td>
<td>7 years from date of cancellation</td>
</tr>
<tr>
<td>Certificates of deposit, cancelled</td>
<td>3 years after redemption</td>
</tr>
<tr>
<td>Insurance policies/active</td>
<td>Permanent</td>
</tr>
<tr>
<td>Insurance policies/cancelled</td>
<td>Permanent</td>
</tr>
<tr>
<td>Letters of credit</td>
<td>7 years</td>
</tr>
<tr>
<td>Mortgage records</td>
<td>Permanent</td>
</tr>
<tr>
<td>Securities sales</td>
<td>7 years</td>
</tr>
<tr>
<td>Stock investment</td>
<td>7 years after sale</td>
</tr>
</tbody>
</table>
### Accounting
- Accounts payable invoices: 7 years
- Accounts payable ledgers: 7 years
- Accounts receivable ledgers: 7 years
- Credit card statements/charge slips: 7 years
- Invoices and paid bills, major building construction: Permanent
- Invoices and paid bills, general accts: 7 years
- Cash books: 7 years
- Cash journals: 7 years
- Cash journal, receipts on offerings and pledges: 7 years
- Receipts: 7 years
- Mortgage payments: 7 years
- Chart of Accounts: Permanent

### Other Records
- General ledger/annual: Permanent
- Journals, general and specific funds: Permanent
- Journal entry sheets: 7 years
- Ledgers, subsidiary: 7 years
- Payroll journals: 7 years
- Payroll registers, summary of earnings, deductions and accrued leave: 7 years
- Pension records: Permanent
- Pledge registers/ledgers: 7 years
- Permanently restricted gift documents: Permanent
- Temporarily restricted gift documents: 7 years after meeting restrictions

### Tax Records
- Employment taxes, contributions, and payments, including taxes withheld, FICA: 7 years from date of filing
- W-2 forms: 7 years from date of filing
- W-4 forms: 7 years from date of filing
- IRS exemption determination letters, for organizations other than those listed in The Official Catholic Directory: Permanent
- Form 990: Permanent
- State tax exemption certificates (income, excise, property, sales/use, etc.): Permanent
Appendix

Suggested Activity Checklist

Weekly Tasks:

- Enter Deposits.
- Enter tithing records into ParishSOFT Family Suites.
- Enter deposits into ParishSOFT Accounting
- Reconcile ParishSOFT Family Suites to deposit slips and ParishSOFT Accounting.
- Pay Outstanding Invoices – it is recommended this is done on the same day every week

Monthly Tasks

- Pay Monthly Utility Bills.
- Pay School Assessment(s) – if applicable.
- Pay Federal Taxes (Paid either monthly or biweekly depending on Parish/School).
- Pay State Taxes (Paid either monthly or quarterly).
- Pay LaMair-Mulock-Condon (Employer Administrative Services) for Employee Insurance – this is paid electronically by LMC – payment needs to be entered into ParishSOFT Accounting.
- Pay Payroll if applicable – (One or possibly more payrolls during month).
- Pay Christian Brothers for 403b withholding/matching –if applicable – pay at the same time payroll is paid which may be more frequently than monthly. Retirement funds must be remitted within 14 days of paycheck date.
- Reconcile Bank and make necessary entries. Have pastor or his designee review.
- Remit any Second Collection that has taken place during the month to the Diocese with matching transmittal form. See https://www.dmdioce.se.org/resources/finance/special-collections for transmittal forms.
- Reconcile Investment Statements and make necessary entries if applicable.
- Reconcile ParishSOFT Family Suites to Tithing income entered into ParishSOFT Accounting.

Quarterly:

- Reconcile Investment Statements and make necessary entries if applicable.
- Pay State Income Taxes (Paid either monthly or quarterly).
- Pay State Sales/Use Tax.
- File Federal Tax Form 941.

Annually:

- Prepare and file IRS Tax Form W-3 with a W-2 for each Employee.
- Prepare and file IRS Tax Form 1099 for all required vendor.
- Prepare and file IRS Tax Forms 1094 and 1095 for Health Insurance.

## Cash Count Sheet

<table>
<thead>
<tr>
<th>WEEKLY COLLECTION WORKSHEET</th>
<th>DATE:</th>
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</thead>
<tbody>
<tr>
<td><strong>Mass Time</strong>*</td>
<td></td>
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<tr>
<td><strong>Mass Date</strong>*</td>
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<tr>
<td><strong>LOOSE:</strong></td>
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<tr>
<td>Cash</td>
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<td>Checks</td>
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<td>Coins</td>
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<td><strong>Sub-total</strong></td>
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<td><strong>ENVELOPES:</strong></td>
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<tr>
<td>Cash</td>
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<tr>
<td>Checks</td>
<td></td>
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<tr>
<td>Coins</td>
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<tr>
<td><strong>Sub-total</strong></td>
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<tr>
<td><strong>Total Collection</strong></td>
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<tr>
<td><strong>OTHER:</strong></td>
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<tr>
<td>Undesig. Donations</td>
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<tr>
<td>Religious Ed Tuition</td>
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<td>Memorials</td>
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<td>Offerings</td>
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<td>Desig. Donations</td>
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<tr>
<td><strong>Total Other:</strong></td>
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<tr>
<td><strong>Total Deposit:</strong></td>
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</tbody>
</table>

Notes:

Counters:
## Bag Tracking Form

<table>
<thead>
<tr>
<th>Bag # Given</th>
<th>Received by</th>
<th>Mass Date</th>
<th>Mass Time</th>
<th>Bag # Used</th>
<th>Counted by</th>
<th>Bag Condition</th>
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</table>

**August 2017**

Diocese of Des Moines
## Statement of Financial Position Chart of Accounts with Descriptions

<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>ASSET ACCOUNTS</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Cash and Investment – Unrestricted (1000)</strong></td>
<td>Monies that may be used for any operational purpose.</td>
</tr>
<tr>
<td>1000</td>
<td>Checking – General</td>
<td>Monies that are on deposit in a financial institution handling the checking account.</td>
</tr>
<tr>
<td>1005-1049</td>
<td>Checking – Other</td>
<td>If additional checking accounts are maintained, they would be recorded here. Additional checking accounts are discouraged.</td>
</tr>
<tr>
<td>1050</td>
<td>Savings – Operations</td>
<td>Monies in a savings account used for excess operational funds.</td>
</tr>
<tr>
<td>1055</td>
<td>Savings – Other</td>
<td>Monies in a savings account used for special purpose funds.</td>
</tr>
<tr>
<td>1060-1070</td>
<td>Money Market Account</td>
<td>Monies in a Money Market type account</td>
</tr>
<tr>
<td>1090</td>
<td>Petty Cash</td>
<td>A minimal amount of currency and coin set aside to pay small bills which are not convenient to pay by check. Balance is operated on an imprest basis which means that the amount recorded in the account will not change. Monthly entries will be to various expense accounts and operational cash which will replenish the funds given out of petty cash.</td>
</tr>
<tr>
<td>1100-1125</td>
<td>Certificate of Deposit</td>
<td>Monies invested in Certificates of Deposit (CD).</td>
</tr>
<tr>
<td>1150-1160</td>
<td>Investment Account</td>
<td>Monies held with an investment broker/company for a wider array of investment opportunities.</td>
</tr>
<tr>
<td></td>
<td><strong>Parish Council – Restricted Cash 1200-1280</strong></td>
<td>Monies the Finance Council has designated for a specific purpose. Funds may be spent for only that purpose, unless subsequently changed by a vote of the Finance Council.</td>
</tr>
<tr>
<td></td>
<td><strong>Donor Restricted Cash 1300-1386</strong></td>
<td>Monies donors have restricted for a specific purpose. Funds may only be spent for that purpose. Only the donors may change the restriction.</td>
</tr>
<tr>
<td>1300</td>
<td>Building Fund</td>
<td>Monies specifically restricted by donors for a specific building purpose of substantial value. Usually requires Finance Council and Diocesan approval.</td>
</tr>
<tr>
<td>1305</td>
<td>Capital Campaign Fund</td>
<td>Monies for major acquisition/construction of assets or multiple assets. Requires Finance Council and Diocesan approval.</td>
</tr>
<tr>
<td>1310-1370</td>
<td>Checking – Donor Restricted</td>
<td></td>
</tr>
<tr>
<td>1375, 1380, 1385</td>
<td>Investment Account</td>
<td></td>
</tr>
<tr>
<td>Shortcut No.</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1376, 1381, 1386</td>
<td>Investment Market Adjustment</td>
<td>For investments owned at report date requiring an adjustment to market value. Record the effect of an unrealized gain or loss (debit or credit) in this account (An unrealized gain or loss is the difference between cost and market value.). Offsetting entry would be to 410003, Auxiliary Capital Gain/Loss, or to 420013, Exempt Capital Gain/Loss.</td>
</tr>
</tbody>
</table>

**Other Current Assets (1400)**  
*Assets which are capable of being converted into cash usually within a period of one year.*

<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1400</td>
<td>Prepaid Expenses</td>
<td>Payments in advance for expenses where a portion remains unused on the recording date. These amounts are reversed as the unused portions are diminished.</td>
</tr>
<tr>
<td>1405</td>
<td>Accts Receivable-Employee</td>
<td>Amounts due from employees for advance received on wages.</td>
</tr>
<tr>
<td>1410</td>
<td>Accounts Receivable-Trade</td>
<td>Amounts due from outside third parties for credit extended on the sale of goods.</td>
</tr>
<tr>
<td>1415</td>
<td>Accounts Receivable-Tuition</td>
<td>Amounts owed by parents/guardians on student tuition.</td>
</tr>
<tr>
<td>1420-1425</td>
<td>Accounts Receivable-</td>
<td></td>
</tr>
<tr>
<td>1430</td>
<td>Inventory</td>
<td>Goods owned and held for sale. Record Scrip inventory here or in an “Other” account if “Inventory” is not available.</td>
</tr>
<tr>
<td>1435-1490</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**Fixed Assets (1500)**  
*All types of property, buildings, equipment, and furniture above a certain dollar amount set in the Finance Council's capitalization policy*

<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500</td>
<td>Land</td>
<td>The only fixed asset not subject to depreciation. Land improvements, such as a parking lot, are subject to depreciation. Record such land improvements in an unused building account and label appropriately. Landscaping is considered permanent and should be capitalized with the land.</td>
</tr>
<tr>
<td>1505-1520</td>
<td>Buildings –</td>
<td></td>
</tr>
<tr>
<td>1530-1545</td>
<td>Buildings -</td>
<td>When constructing a building, use as a Building-in-Process account and record all costs that will be capitalized: materials and labor, architect fees, permits, special insurance, etc. Landscaping typically should be capitalized with the land.</td>
</tr>
<tr>
<td>1550</td>
<td>Buses</td>
<td></td>
</tr>
<tr>
<td>1555</td>
<td>Equipment</td>
<td></td>
</tr>
<tr>
<td>1560</td>
<td>Furniture and Fixtures</td>
<td>Fixtures include items attached to a building.</td>
</tr>
<tr>
<td>1565</td>
<td>Vehicles</td>
<td></td>
</tr>
</tbody>
</table>

**Accumulated Depreciation 1600-1660**  
*Records the total amount of depreciation expense recorded. This account is credited when depreciation is debited. The accumulated depreciation balance is shown as an offset to the related fixed asset balance.*

**Non-Current Assets (1700)**  
*Assets which are not easily converted into cash and are long-term in nature.*
<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1700-1705</td>
<td>Notes Receivable</td>
<td>Receivables that are considered longer term and usually have a written agreement with a stated interest rate, due date, and repayment schedule.</td>
</tr>
<tr>
<td>1710-1725</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**LIABILITY ACCOUNTS**


<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>FICA W/H Payable</td>
<td>Amounts withheld (employees’ portion) or expensed (account 510045, employer portion) for FICA (Social Security and Medicare) that are due to the federal government. If desired, an “Other Payroll W/H Payable” account may be used to record Social Security and Medicare in separate accounts.</td>
</tr>
<tr>
<td>2005</td>
<td>Federal W/H Payable</td>
<td>Amounts withheld from employees’ wages for their federal income taxes.</td>
</tr>
<tr>
<td>2010</td>
<td>State W/H Payable</td>
<td>Amounts withheld from employees’ wages for their Iowa income taxes.</td>
</tr>
<tr>
<td>2015</td>
<td>Health Insurance W/H Payable</td>
<td>Amounts withheld from employees’ wages (employees’ portion) or expensed (account 510010, employee benefit portion to be paid by employer) for health or vision insurance premiums.</td>
</tr>
<tr>
<td>2020</td>
<td>Dental Insurance W/H Payable</td>
<td>Amounts withheld from employees’ wages (employees’ portion) or expensed (account 510015, employee benefit portion to be paid by employer) for dental insurance premiums.</td>
</tr>
<tr>
<td>2025</td>
<td>Cafeteria W/H Payable</td>
<td>Amounts withheld from employees’ wages according to their individual Cafeteria Flex Plan written authorizations.</td>
</tr>
<tr>
<td>2030</td>
<td>Retirement W/H Payable</td>
<td>Amounts withheld from employees’ wages as contributions to their retirement savings plan and any employer contributions (debit account 510030 for non-priests or 510090 for priests).</td>
</tr>
<tr>
<td>2035</td>
<td>Unemployment Tax Liability Payable</td>
<td>Amounts owed for unemployment taxes.</td>
</tr>
<tr>
<td>2040-2050</td>
<td>Other Payroll W/H Payable</td>
<td></td>
</tr>
</tbody>
</table>

**Other Current Liabilities (2100)**

<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
</table>

**Obligations that should be paid within a year.**
<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2100</td>
<td>Accounts Payable – Trade</td>
<td>Liability arising from the purchase of goods or services on credit in the ordinary course of business with regular vendors.</td>
</tr>
<tr>
<td>2105</td>
<td>Accounts Payable – Other</td>
<td></td>
</tr>
<tr>
<td>2110</td>
<td>Pre-Paid Tuition</td>
<td>Tuition paid in advance which becomes revenue as service is rendered.</td>
</tr>
<tr>
<td>2115</td>
<td>Pre-Paid Registration Fees</td>
<td>Registration fees paid in advance which becomes revenue once a class has started.</td>
</tr>
<tr>
<td>2120</td>
<td>Short-Term Debt</td>
<td>Monies owed which are to be repaid within a year.</td>
</tr>
<tr>
<td>2125</td>
<td>Use Tax Payable</td>
<td>Use taxes that are owed.</td>
</tr>
<tr>
<td></td>
<td><strong>Funds Held For Others 2400-2450</strong></td>
<td><strong>Liabilities related to monies being held temporarily for organizations/groups associated with a parish/school.</strong></td>
</tr>
<tr>
<td>2600</td>
<td><strong>Long-Term Debt 2600-2620</strong></td>
<td><strong>Debt which is structured to be paid over a period of time greater than one year. Usually has a written agreement as to a repayment schedule, stated interest rate, and a due date.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>NET ASSET ACCOUNTS</strong></td>
<td></td>
</tr>
<tr>
<td>3000</td>
<td>Unrestricted Fund Balance</td>
<td>Fund balance not restricted by donors or law.</td>
</tr>
<tr>
<td>3005</td>
<td>Donor Restricted Fund Balance</td>
<td></td>
</tr>
<tr>
<td>3010</td>
<td>Parish Council Restricted Fund Balance</td>
<td></td>
</tr>
<tr>
<td>3015</td>
<td>Current Year Fund Balance Increase</td>
<td></td>
</tr>
<tr>
<td>3020</td>
<td>School Fund Balance</td>
<td>Parishes with schools or schools that record in Fund 2 will utilize this account. Since school expenses are typically greater than revenues, this balance will usually be negative.</td>
</tr>
<tr>
<td>3025</td>
<td>Catechesis Fund Balance</td>
<td>All revenues and expenses for Catechesis programs will close to this account. Balance will typically be negative.</td>
</tr>
<tr>
<td>3030</td>
<td>Parish Foundation Fund Balance</td>
<td></td>
</tr>
<tr>
<td>3035</td>
<td>School Foundation Fund Balance</td>
<td></td>
</tr>
<tr>
<td>3040</td>
<td>Cemetery Fund Balance</td>
<td></td>
</tr>
</tbody>
</table>
# Dedicated Chart of Accounts

<table>
<thead>
<tr>
<th>Shortcut No.</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diocesan Collections (2200-2280)</strong></td>
<td>Special collections taken for international, national, or local needs. Monies collected by the parishes through a “Second Collection” are remitted to the Diocese monthly. The Diocese in turn remits the money to the appropriate organization.</td>
<td></td>
</tr>
<tr>
<td>2200</td>
<td>Annual Diocesan Appeal</td>
<td>Monies collected for the Annual Diocesan Appeal which are forwarded to the Diocese. Monies are used to supplement the Diocesan operating budget in providing ministries for the people of the Diocese.</td>
</tr>
<tr>
<td>2205</td>
<td>Catholic Relief Services</td>
<td>Monies collected provide funding for Catholic Relief Services. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2210</td>
<td>Catholic Charities</td>
<td>Monies collected for Catholic Charities to help fund local community needs. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2215</td>
<td>Communications Campaign</td>
<td>Monies collected for the Catholic Communication Campaign (CCC) for the process of evangelization by fostering activities through various media forms. 50% of the funds collected go to the United States Conference of Catholic Bishops while the balance of the funds is retained by the Diocese for use in local communication projects. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese of all funds collected, by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2220</td>
<td>Disaster Relief</td>
<td>Monies collected for specific disasters on local, national, and international levels. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2225</td>
<td>Eastern Europe Collections</td>
<td>Monies collected provide funding to meet the needs of rebuilding the Church in Central and Eastern Europe. Currently, this is not a required collection.</td>
</tr>
<tr>
<td>2230</td>
<td>Holy Land Collection</td>
<td>This is a pontifical collection. Monies support the Holy Places and the pastoral, charitable, educational, and social works in the Holy Land. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2235</td>
<td>Catholic Home Missions</td>
<td>Monies collected provide financial support to missionary activities that strengthen the Catholic Church in the United States. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>Shortcut No.</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2235</td>
<td>Catholic Home Missions</td>
<td>Monies collected provide financial support to missionary activities that strengthen the Catholic Church in the United States. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2240</td>
<td>Human Development</td>
<td>Catholic Campaign for Human Development addresses the root causes of poverty in America through promotion and support of community-controlled, self-help organizations and transformative education.</td>
</tr>
<tr>
<td>2245</td>
<td>World Mission Sunday (also known as World Mission)</td>
<td>Celebrated in all the local Churches as the feast of catholicity and universal solidarity so Christians the world over will recognize their common responsibility with regard to the evangelization of the world.</td>
</tr>
<tr>
<td>2250</td>
<td>Overseas Relief</td>
<td>This collection is now known as Catholic Relief Services. See account 2205.</td>
</tr>
<tr>
<td>2255</td>
<td>Peter’s Pence</td>
<td>Monies collected enable the Holy Father to respond with emergency financial assistance to requests to aid the neediest throughout the world—those who suffer as a result of war, oppression, and natural disasters. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2260</td>
<td>Project Hope</td>
<td>Monies collected provide Catholic school tuition assistance for families in our Diocese. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2265</td>
<td>Rice Bowl</td>
<td>Monies collected provide funding for Catholic Relief Services’ (CRS) food security projects which support agriculture, nutrition, education, and self-sufficiency in communities around the world. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form. The Diocese then remits 75% to CRS for overseas projects and 25% is retained in the Diocese for local anti-poverty programs.</td>
</tr>
<tr>
<td>2270</td>
<td>Religious Retirement</td>
<td>Monies collected provide basic, supplemental, and special assistance retirement grants to religious institutes. When there are Second Collection funds to be remitted, a parish check should be sent to the Diocese by the end of the month, along with a transmittal form.</td>
</tr>
<tr>
<td>2275</td>
<td>Other Diocesan Collection</td>
<td>Monies collected for other Diocesan collections not covered by other accounts. A parish check should be sent to the Diocese for the total amount of funds collected.</td>
</tr>
<tr>
<td>Shortcut No.</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2280</td>
<td>Seminarian Collection</td>
<td>Monies collected for the needs of seminarians in our Diocese. A parish check should be sent to the Diocese for the total amount of funds collected.</td>
</tr>
<tr>
<td>2300-2315</td>
<td>Parish Collections</td>
<td>Special collections to support a specific need determined by the parish. The parish handles the distribution of the funds.</td>
</tr>
</tbody>
</table>
## Statement of Activities Chart of Accounts with Descriptions

<table>
<thead>
<tr>
<th>Program No.</th>
<th>PROGRAM NAMES</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Parish Administration</td>
<td>Include those activities associated with the general operations of a parish.</td>
</tr>
<tr>
<td>102</td>
<td>Liturgy</td>
<td>Liturgy is the official public worship of the Church. Include expenses such as missalettes, candles, wine, and hosts.</td>
</tr>
<tr>
<td>103</td>
<td>Sacramental Programs</td>
<td>There are seven sacraments: Baptism, Eucharist, Reconciliation, Confirmation, Marriage, Holy Orders, and Anointing of the Sick. Include any revenues and expenses associated with sacramental programs [See program 306 for Confirmations].</td>
</tr>
<tr>
<td>104</td>
<td>Music</td>
<td>Include musical activities, both instrumental and choral, that are not related to funds 2 or 3.</td>
</tr>
<tr>
<td>105</td>
<td>Rectory</td>
<td>The Rectory is the pastor’s housing. Include expenses for providing maintenance and repair, utilities, telephone, materials and supplies used in the operation of the residence.</td>
</tr>
<tr>
<td>106</td>
<td>Adult Faith Formation</td>
<td>Include all programs which support growth in faith for adults.</td>
</tr>
<tr>
<td>107</td>
<td>RCIA</td>
<td>RCIA (Rite of Christian Initiation of Adults) is the process adults go through to become Roman Catholic.</td>
</tr>
<tr>
<td>108</td>
<td>Pastoral Council</td>
<td>Pastoral Council advises the pastor in spiritual matters of the parish.</td>
</tr>
<tr>
<td>109</td>
<td>Finance Council</td>
<td>The Finance Council advises the parish/school in financial matters. There should be two Finance Councils when a parish also has a school.</td>
</tr>
<tr>
<td>110</td>
<td>Family Life</td>
<td>Include programs which support and strengthen the family.</td>
</tr>
<tr>
<td>111</td>
<td>Social Concerns</td>
<td>Include programs related to the Catholic Church’s respect life stance as well as the poor and disadvantaged.</td>
</tr>
<tr>
<td>112</td>
<td>Art and Environment</td>
<td>Programs related to art and the protection of the environment.</td>
</tr>
<tr>
<td>113</td>
<td>Parish Hall</td>
<td>Include all revenues and expenses for the Parish Hall, e.g., electricity, maintenance, etc.</td>
</tr>
<tr>
<td>114</td>
<td>Building and Grounds</td>
<td>Include all income and expenses related to buildings not included in other programs [Schools use program 212. See Building Expense accounts (7300)].</td>
</tr>
<tr>
<td>115</td>
<td>Volunteer program</td>
<td>Include all revenues and expenses related to seeking, training, and coordinating volunteers not included in other programs.</td>
</tr>
<tr>
<td>116</td>
<td>Human Resources</td>
<td>Activities related to the recruitment and selection of parish employees, their training and development, and the evaluation of their performance. Also includes costs associated with researching and maintaining personnel files.</td>
</tr>
<tr>
<td>117</td>
<td>Fundraising-Bazaar/Picnic</td>
<td>Revenues and expenses related to bazaars/picnics.</td>
</tr>
<tr>
<td>Program No.</td>
<td>PROGRAM NAMES</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>118</td>
<td>Fundraising-Auction</td>
<td>Revenues and expenses related to auctions.</td>
</tr>
<tr>
<td>119</td>
<td>Fundraising-Raffle</td>
<td>Revenues and expenses related to raffles.</td>
</tr>
<tr>
<td>120</td>
<td>Scrip Program – Parish</td>
<td>Scrip represents gift cards that the parish purchases at a discount, usually 3-5%, and sells at the regular retail price. A parish uses a scrip program to raise funds (Schools: Use program 214). Scrip programs may be national, local, or a combination of both.</td>
</tr>
<tr>
<td>121</td>
<td>Capital Campaign</td>
<td>A formal solicitation of the parishioners for a special designated purpose such as a new building, retirement of debt, or major renovation. Amounts being solicited are significant and require the Diocese’s approval.</td>
</tr>
<tr>
<td>122</td>
<td>Bulletin</td>
<td>Include revenues, such as sold advertising (account 410002), and expenses, such as printing, here.</td>
</tr>
<tr>
<td>123</td>
<td>Votive Stands</td>
<td>Revenues and expenses associated with votive stands, including costs of candles and supplies.</td>
</tr>
<tr>
<td>124</td>
<td>Parish Social Functions</td>
<td>Any parish social function to which parish members are invited (not private functions to which some parish members may be invited).</td>
</tr>
<tr>
<td>125</td>
<td>Farming Operation</td>
<td>For those parishes with farms, includes all aspects of the farming operation.</td>
</tr>
<tr>
<td>126</td>
<td>Rental Property</td>
<td>Revenues and expenses related to the rental of Parish property.</td>
</tr>
<tr>
<td>127</td>
<td>Parish Nurse</td>
<td>All revenues and expenses for those parishes that employ a nurse.</td>
</tr>
<tr>
<td>128</td>
<td>Stewardship</td>
<td>Expenses associated with the way time, talents, material possessions, or wealth are used or given for the service of God.</td>
</tr>
<tr>
<td>129</td>
<td>Hispanic Ministry</td>
<td>Activities to spread or express the faith to the Hispanic population.</td>
</tr>
<tr>
<td>130</td>
<td>Communications</td>
<td>Expenses for spreading the Gospel, marketing the parish’s ministries, and media relations.</td>
</tr>
<tr>
<td>131</td>
<td>Parish Welcome</td>
<td>Includes expenses for new parishioner activities.</td>
</tr>
<tr>
<td>132</td>
<td>Parish Retreats</td>
<td>Times set aside for spiritual renewal. Include fees charged and planning, educational, and religious retreat expenses.</td>
</tr>
<tr>
<td>133</td>
<td>Christ Renews His Parish</td>
<td>Special program with this name.</td>
</tr>
<tr>
<td>134</td>
<td>Auxiliary Organizations</td>
<td>Parish organizations, e.g., Altar and Rosary that support the Church through separate fundraising activities.</td>
</tr>
<tr>
<td>201</td>
<td>School Administration</td>
<td>Include activities associated with the general operations of a school which direct, control, or otherwise regulate activities not listed elsewhere, e.g., principal’s salary, legal services, expenses not associated with funds 1, 3-6.</td>
</tr>
<tr>
<td>Program No.</td>
<td>PROGRAM NAMES</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>202</td>
<td>Library/Media Center</td>
<td>Expenses for library books, equipment and other materials related to the maintenance of the library and the media center.</td>
</tr>
<tr>
<td>203</td>
<td>Lunch Room</td>
<td>Include fees charged for the school lunch program and government subsidies as well as expenses associated with the lunch program.</td>
</tr>
<tr>
<td>204</td>
<td>Counseling</td>
<td>Revenues and expenses associated with the guidance counseling function, including tests, evaluation forms, materials and supplies.</td>
</tr>
<tr>
<td>205</td>
<td>Transportation</td>
<td>Revenues and expenses related to bus transportation.</td>
</tr>
<tr>
<td>206</td>
<td>Athletics</td>
<td>Revenues and expenses related to the operation of various athletic programs, e.g., fees, dues, equipment, etc.</td>
</tr>
<tr>
<td>207</td>
<td>Technology</td>
<td>Revenues and expenses associated with technology, e.g., computers, audio visual, etc.</td>
</tr>
<tr>
<td>208</td>
<td>Before/After School Care</td>
<td>Revenues and expenses associated with Before/After School Care.</td>
</tr>
<tr>
<td>209</td>
<td>Preschool</td>
<td>Revenues and expenses associated with a preschool program.</td>
</tr>
<tr>
<td>210</td>
<td>Board of Education</td>
<td>Expenses related to the Board of Education.</td>
</tr>
<tr>
<td>211</td>
<td>School Committees</td>
<td>Revenues and expenses related to school committees [See program 219 for Auxiliary Organizations].</td>
</tr>
<tr>
<td>212</td>
<td>Building and Grounds</td>
<td>All income and expenses related to buildings that are not included in other programs [Parishes use program 114. See Building Expenses accounts (7300)].</td>
</tr>
<tr>
<td>213</td>
<td>Human Resources</td>
<td>Activities related to the recruitment and selection of school employees, their training and development, and the evaluation of their performance. Also includes costs associated with researching and maintaining personnel files.</td>
</tr>
<tr>
<td>214</td>
<td>Scrip Program – School</td>
<td>Scrip represents gift cards that the school purchases at a discount, usually 3-5%, and sells at the regular retail price. A school uses a scrip program to raise funds (Parishes: Use program 120). Scrip programs may be national, local, or a combination of both.</td>
</tr>
<tr>
<td>215</td>
<td>Capital Campaign</td>
<td>A formal solicitation of the parishioners, parents, and patrons for a special designated purpose such as a new building, retirement of debt, or major renovation. Amounts being solicited are significant and require the Diocese’s approval.</td>
</tr>
<tr>
<td>216</td>
<td>Band</td>
<td>Revenues and expenses related to the band program.</td>
</tr>
<tr>
<td>217</td>
<td>School Retreats</td>
<td>Include any fees charged, and planning, educational, and religious retreat expenses.</td>
</tr>
<tr>
<td>218</td>
<td>Bingo</td>
<td>Include revenues and expenses related to bingo.</td>
</tr>
<tr>
<td>219</td>
<td>Auxiliary Organizations</td>
<td>Those school organizations, e.g., Home and School, which support the school through separate fundraising activities.</td>
</tr>
<tr>
<td>Program No.</td>
<td>PROGRAM NAMES</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>301</td>
<td>Faith Formation</td>
<td>Catechetical services for the faith formation needs of children, youth, and adults in parishes.</td>
</tr>
<tr>
<td>302</td>
<td>Good Shepherd Program</td>
<td>Revenues and expenses for the Good Shepherd Program.</td>
</tr>
<tr>
<td>303</td>
<td>Youth Ministry</td>
<td>Revenues and expenses associated with catechetical services to youth.</td>
</tr>
<tr>
<td>304</td>
<td>Vacation Bible School</td>
<td>Revenues and expenses associated with Vacation Bible School, a summer program.</td>
</tr>
<tr>
<td>305</td>
<td>Youth Ministry Retreats</td>
<td>Include any fees charged, and planning, educational, and religious retreat expenses for youth retreats.</td>
</tr>
<tr>
<td>306</td>
<td>Confirmation/First Communion Preparation</td>
<td>Revenues and expenses associated with Confirmations, including First Communion preparation.</td>
</tr>
<tr>
<td>401</td>
<td>Foundation for Parish</td>
<td>Revenues and expenses associated with a parish’s foundation.</td>
</tr>
<tr>
<td>501</td>
<td>Foundation for School</td>
<td>Revenues and expenses associated with a school’s foundation.</td>
</tr>
<tr>
<td>502</td>
<td>Foundation for Dowling Students</td>
<td>Revenues and expenses associated with Dowling’s foundation.</td>
</tr>
<tr>
<td>601</td>
<td>Building and Grounds</td>
<td>All income and expenses related to cemetery.</td>
</tr>
</tbody>
</table>

### INCOME ACCOUNTS

**Primary Income – Collections (4000)**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>400001</td>
<td>Collection – Sunday Envelope</td>
<td>Cash receipts from tithe envelope collections; includes loose checks from parishioners.</td>
</tr>
<tr>
<td>400002</td>
<td>Collection – Christmas</td>
<td>All cash receipts from Christmas collections-envelopes, loose checks, currency, and coin.</td>
</tr>
<tr>
<td>400003</td>
<td>Collection – Easter</td>
<td>All cash receipts from Easter collections-envelopes, loose checks, currency, and coin.</td>
</tr>
<tr>
<td>400004</td>
<td>Collection – Holy Days</td>
<td>All cash receipts from a Holy Day collection-envelopes, loose checks, currency, and coin.</td>
</tr>
<tr>
<td>400005</td>
<td>Collection – Plate</td>
<td>Cash receipts from Sunday collections in the form of currency and coin which will not be posted to individual records.</td>
</tr>
<tr>
<td>400006</td>
<td>Collection – Children’s</td>
<td>Cash receipts from Sunday collections in special children’s envelopes.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>400007</td>
<td>Collection – Second</td>
<td>Cash receipts from collections to fund special parish needs such as a January heating bill. These receipts may be in envelopes designating the appeal or from collection efforts specified for special parish needs.</td>
</tr>
<tr>
<td>400008</td>
<td>Diocesan Appeal Refund</td>
<td>The refund from the Diocese as a result of the parish exceeding its Annual Diocesan Appeal (ADA) goal.</td>
</tr>
</tbody>
</table>

**Auxiliary Income (4100)**

*Income apart from collections that is not considered “exempt”*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>410004</td>
<td>Interest Income</td>
<td>Cash received representing interest/investment income received on unrestricted funds.</td>
</tr>
<tr>
<td>410005</td>
<td>Offerings</td>
<td>Offerings made for funerals, weddings, baptisms, etc. not disbursed to the celebrant, organist, etc., and not restricted as to use (also called Stole fees).</td>
</tr>
<tr>
<td>410006</td>
<td>Parish Social Functions</td>
<td>Parish events in which a fee or donations are accepted to cover the cost of the event. Use program 124 for revenues and expenses.</td>
</tr>
<tr>
<td>410007</td>
<td>Rental Income</td>
<td>Cash received from operation of parish-owned property. (Hall rental, farm rental, bus rental, etc.)</td>
</tr>
<tr>
<td>410008</td>
<td>Undesignated Donations</td>
<td>Special one-time gifts from a living donor apart from the tithing program that are not restricted or are designated for an operational expense.</td>
</tr>
<tr>
<td>410009</td>
<td>Votive Stand</td>
<td>Cash received for votive stand offerings. Use program 123 for revenues and expenses (710040).</td>
</tr>
<tr>
<td>410010</td>
<td>Miscellaneous Income</td>
<td>To be used only if no other revenue account fits the situation. This account should be used sparingly.</td>
</tr>
<tr>
<td>410011</td>
<td>Literature Sales</td>
<td>Cash received from literature sales.</td>
</tr>
<tr>
<td>410012</td>
<td>Fees – Nursery</td>
<td>Cash received for services rendered in the nursery.</td>
</tr>
<tr>
<td>410013</td>
<td>Capital Gain/Loss</td>
<td>Realized gains/losses on sale of <em>unrestricted</em> assets/investments. Also the unrealized gains/losses on the change in market value on <em>unrestricted</em> investments.</td>
</tr>
</tbody>
</table>

**ADA Exempt Income (4200)**

*Exempt income is not included in calculations for the Annual Diocesan Appeal (ADA).*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>420001</td>
<td>Auxiliary Organizations</td>
<td>Cash received from, or received on behalf of, an auxiliary organization such as Altar and Rosary, Knights of Columbus, or Holy Name Society.</td>
</tr>
<tr>
<td>420002</td>
<td>Bequests/Memorials</td>
<td>Cash receipts from estates or legacies or as memorials. [Use 420007 for bequests specified to be used for foundational purposes].</td>
</tr>
<tr>
<td>420003</td>
<td>Building Fund Income</td>
<td>Cash receipts from collections solely to fund capital projects (building, remodeling, and extraordinary repairs) of the parish. All building fund income must be coded to restricted cash or investment accounts on the Balance Sheet, and the Diocesan Building Commission Guidelines must be followed (<em>See page 162 for Diocesan Building Commission Guidelines</em>)</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>420004</td>
<td>Capital Campaign Income</td>
<td>Cash received on pledged amounts resulting from special designated purpose Capital Campaign, such as a Debt Reduction Drive.</td>
</tr>
<tr>
<td>420005</td>
<td>Cemetery Income</td>
<td>Donations for the cemetery.</td>
</tr>
<tr>
<td>420006</td>
<td>Designated Donations</td>
<td>Cash received as a donation {from a living donor} which is restricted to a non-operational expenditure. The designated purpose must be disclosed in the description of the transaction. [Use 410008 for donations designated for operational purposes].</td>
</tr>
<tr>
<td>420007</td>
<td>Foundation Income</td>
<td>Cash receipts, bequests, and legacies specified for use in establishing, or adding to, a foundation which will endow certain functions and operations of the Parish (Scholarships, tuition grants, etc.). The parish must abide by the Diocesan “Guidelines for Endowment Funds”, which call for a corporate resolution and a separate investment account.</td>
</tr>
<tr>
<td>420008</td>
<td>Inter-Parish Ministry Income</td>
<td>Income received by a parish from another parish. Also, parishes may be grouped as a team to reimburse one parish for team expenses, e.g., one parish pays the priest’s salary and the other parishes reimburse for their share.</td>
</tr>
<tr>
<td>420009</td>
<td>Mass Stipends</td>
<td>Donations made for Masses to be said in the future. The priest has a choice of accepting these donations or accepting a monthly allowance from the parish. The actual amount of Mass Stipends or the allowance would be paid through payroll and are subject to taxes. [Record the Mass Stipends paid to the priest in 501001].</td>
</tr>
<tr>
<td>420010</td>
<td>Property Value Appreciation</td>
<td>Adjustment of property values. Do not use to adjust fixed assets based on yearly insurance value increases.</td>
</tr>
<tr>
<td>420011</td>
<td>Sale of Property</td>
<td>Amounts received from sale of property other than sale of securities and other financial instruments.</td>
</tr>
<tr>
<td>420012</td>
<td>Investment Income</td>
<td>Interest or dividend income received from investments of restricted assets.</td>
</tr>
<tr>
<td>420013</td>
<td>Capital Gain/Loss</td>
<td>Realized gains/losses on sale of restricted assets/investments. Also the unrealized gains/losses on the change in market value on restricted investments.</td>
</tr>
<tr>
<td>420014</td>
<td>Extraordinary Income or Rebate</td>
<td>Unusual and non-recurring income.</td>
</tr>
<tr>
<td><strong>Education Income (4300)</strong></td>
<td><strong>Monies received related to school or religious education programs.</strong></td>
<td></td>
</tr>
<tr>
<td>430001</td>
<td>Tuition – Regular</td>
<td>Monies received for school tuition or religious education programs. If a parish school, monies received for tuition for students belonging to the parish.</td>
</tr>
<tr>
<td>430002</td>
<td>Tuition – Outside Parish</td>
<td>Monies/assessments received for school tuition or religious education programs for students belonging to other parishes.</td>
</tr>
<tr>
<td>430003</td>
<td>Tuition – Non Catholics</td>
<td>Tuition for non-Catholic students.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>430004</td>
<td>Fees – Athletic</td>
<td>Student participation in the school’s athletic programs.</td>
</tr>
<tr>
<td>430005</td>
<td>Fees – Band</td>
<td>Student participation in the school’s band program.</td>
</tr>
<tr>
<td>430006</td>
<td>Fees – Book</td>
<td>Students’ use of textbooks.</td>
</tr>
<tr>
<td>430007</td>
<td>Fees – Bus</td>
<td>Students’ use of bus transportation to and from school.</td>
</tr>
<tr>
<td>430008</td>
<td>Fees – Cafeteria</td>
<td>Students’ payments for lunch costs.</td>
</tr>
<tr>
<td>430009</td>
<td>Fees – Child Care</td>
<td>Cash received for the child care function of the school/parish.</td>
</tr>
<tr>
<td>430010</td>
<td>Fees – Foreign Language</td>
<td>Students’ payments for a foreign language class.</td>
</tr>
<tr>
<td>430011</td>
<td>Fees – Kindergarten</td>
<td>Kindergarten tuition.</td>
</tr>
<tr>
<td>430012</td>
<td>Fees – Other</td>
<td>Cash received for other student costs that are not recorded in other accounts.</td>
</tr>
<tr>
<td>430013</td>
<td>Fees – Preschool</td>
<td>Preschool tuition or attendance at preschool functions.</td>
</tr>
<tr>
<td>430014</td>
<td>Fees – RCIA</td>
<td>Rite of Christian Initiation of Adults: process an adult man or woman goes through to become Roman Catholic. Cash received for RCIA classes.</td>
</tr>
<tr>
<td>430015</td>
<td>Fees – Registration</td>
<td>School or religious education student registration.</td>
</tr>
<tr>
<td>430016</td>
<td>Fees – Student Activity</td>
<td>Cash received for students’ involvement in school activities.</td>
</tr>
<tr>
<td>430017</td>
<td>Fees – Youth Ministry</td>
<td>Cash received from income-producing activities of youth ministry.</td>
</tr>
<tr>
<td>430018</td>
<td>Subsidy – Government Bus</td>
<td>Government subsidy for bus costs.</td>
</tr>
<tr>
<td>430019</td>
<td>Subsidy – Government Cafeteria</td>
<td>Government subsidy for the school food program.</td>
</tr>
<tr>
<td>430020</td>
<td>Subsidy – Other</td>
<td>Cash received from outside sources to subsidize the general operation of the school or the participation in school programs.</td>
</tr>
<tr>
<td>430021</td>
<td>Subsidy – Textbooks</td>
<td>Subsidy for the cost of textbooks.</td>
</tr>
<tr>
<td>430022</td>
<td>Sale of Supplies</td>
<td>Cash received from the sale of school supplies.</td>
</tr>
<tr>
<td>430023</td>
<td>Vending</td>
<td>Vending machine sales.</td>
</tr>
<tr>
<td>430024</td>
<td>Foundations/Grants</td>
<td>Foundation, grant, or other philanthropic organization monies received to fund some aspect of the school program.</td>
</tr>
<tr>
<td>430025</td>
<td>Tuition Assistance</td>
<td>Monies received for tuition purposes such as a special collection or scholarship.</td>
</tr>
</tbody>
</table>

**Cemetery Income (4400)**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>440001</td>
<td>Cemetery Income</td>
<td>Cash received for or from the operation of the cemetery that is not recorded in a different account.</td>
</tr>
<tr>
<td>440002</td>
<td>Cemetery Perpetual Care Income</td>
<td>Cash received for the maintenance of the gravesites and the cemetery.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>EXPENSE ACCOUNTS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Clergy Salaries**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>501001</td>
<td>Priests</td>
<td>Salaries and Mass Stipends. Priests may receive actual Mass Stipends or the monthly allowance, whichever option the pastor chooses at the beginning of the year. Mass Stipends are considered taxable income.</td>
</tr>
<tr>
<td>501002</td>
<td>Pastoral Associate</td>
<td>Salaries for associate priests.</td>
</tr>
<tr>
<td>501003</td>
<td>Priests – Extra Services</td>
<td>Weekend assistance provided by a priest not assigned to the parish. Also referred to as a Mass Fee. Stole fees remitted to retired priests and priests outside the Diocese are recorded here, too.</td>
</tr>
</tbody>
</table>

**Professional Staff Salaries**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>502001</td>
<td>Administrator/Principal/DRE</td>
<td>Salaries for administrators, business managers, principals, and directors of religious education.</td>
</tr>
<tr>
<td>502002</td>
<td>Bookkeeper/Accountant</td>
<td>Salaries for bookkeepers and accounting staff.</td>
</tr>
<tr>
<td>502003</td>
<td>Liturgist</td>
<td>Salaries to those involved with liturgy (Mass, Vespers, Adoration, etc.)</td>
</tr>
<tr>
<td>502004</td>
<td>Musicians</td>
<td>Salaries/stipends paid to musicians participating in parish functions, including liturgy.</td>
</tr>
<tr>
<td>502005</td>
<td>Teachers</td>
<td>Salaries paid to lay teachers.</td>
</tr>
<tr>
<td>502006</td>
<td>Teachers – Religious</td>
<td>Salaries to members of religious orders who teach in the school.</td>
</tr>
<tr>
<td>502007</td>
<td>Teachers – Substitute</td>
<td>Salaries to personnel who replace regularly scheduled teachers temporarily.</td>
</tr>
<tr>
<td>502008</td>
<td>Teachers – Paraprofessional</td>
<td>Salaries to teacher aides or other paraprofessionals.</td>
</tr>
<tr>
<td>502009</td>
<td>Teachers – Counselor</td>
<td>Salaries to guidance counselors.</td>
</tr>
<tr>
<td>502010</td>
<td>Teachers – Pre Kindergarten</td>
<td>Salaries to pre-kindergarten teachers.</td>
</tr>
<tr>
<td>502011</td>
<td>Professional Salaries – Other</td>
<td>Salaries/stipends for school or religious education employees not included in other accounts.</td>
</tr>
</tbody>
</table>

**Support Staff Wages**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>503001</td>
<td>Secretary</td>
<td>Wages for members of the secretarial staff.</td>
</tr>
<tr>
<td>503002</td>
<td>Housekeeper</td>
<td>Wages for individuals who clean the rectory.</td>
</tr>
<tr>
<td>503003</td>
<td>Child Care Providers</td>
<td>Wages for individuals who provide child care services for the parish/school.</td>
</tr>
<tr>
<td>503004</td>
<td>Bus Drivers</td>
<td>Wages for bus drivers transporting students to and from school.</td>
</tr>
<tr>
<td>503005</td>
<td>Cafeteria Workers</td>
<td>Wages for individuals operating the cafeteria.</td>
</tr>
<tr>
<td>503006</td>
<td>Custodial Workers</td>
<td>Wages for individuals performing maintenance and janitorial duties.</td>
</tr>
<tr>
<td>503007</td>
<td>Support Staff – Other</td>
<td>Wages for employees not included in other accounts.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5100010</td>
<td>Health Insurance</td>
<td>Employer portion of health and vision insurance expenses.</td>
</tr>
<tr>
<td>5100015</td>
<td>Dental Insurance</td>
<td>Employer portion of dental insurance expenses.</td>
</tr>
<tr>
<td>5100020</td>
<td>Life Insurance</td>
<td>Employer costs of life insurance.</td>
</tr>
<tr>
<td>5100025</td>
<td>Disability Insurance</td>
<td>Employer costs of disability insurance.</td>
</tr>
<tr>
<td>5100030</td>
<td>Retirement Benefit</td>
<td>Employer contributions to the retirement plan.</td>
</tr>
<tr>
<td>5100035</td>
<td>Personal Allowance</td>
<td>Use for allowances that are not included in another account [Use 510070 for priests’ housing allowances – rent, utilities.]</td>
</tr>
<tr>
<td>5100040</td>
<td>Auto Allowance</td>
<td>As of 7/01/09, this account is no longer used.</td>
</tr>
<tr>
<td>5100045</td>
<td>FICA Tax</td>
<td>Employer portion of the FICA tax on employee salaries and wages. The amount is the same as that withheld from the employee’s salary. Both the employer and employee portions of FICA are remitted to the federal government. Priests and deacons should not have FICA deducted from their salaries.</td>
</tr>
<tr>
<td>5100050</td>
<td>Unemployment Taxes</td>
<td>Generally, parishes are exempt from paying unemployment taxes. If unemployment taxes are paid, record them here.</td>
</tr>
<tr>
<td>5100060</td>
<td>Cafeteria Plan</td>
<td>Administrative costs associated with the cafeteria plan, or flex plan, are recorded here.</td>
</tr>
<tr>
<td>5100070</td>
<td>Priests’ Housing Allowance</td>
<td>Payments for priests’ rent and utilities.</td>
</tr>
<tr>
<td>5100080</td>
<td>Priests’ Food Allowance</td>
<td>As of 7/01/09, this account is no longer used.</td>
</tr>
<tr>
<td>5100090</td>
<td>Priests’ Retirement</td>
<td>Parish/school matching payment for priests’ retirement</td>
</tr>
</tbody>
</table>

**Contracted Services (6000)**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>600010</td>
<td>Accounting/Audit Services</td>
<td>Fees paid for accounting services.</td>
</tr>
<tr>
<td>600020</td>
<td>Computer Consultant</td>
<td>Fees paid for computer/technology services.</td>
</tr>
<tr>
<td>600030</td>
<td>Contracted Services</td>
<td>Services provided for the general operation of the parish/school. Use 730040 or 734045 if related to a building.</td>
</tr>
<tr>
<td>600040</td>
<td>Financial Services</td>
<td>Fees paid to investment advisors.</td>
</tr>
<tr>
<td>600050</td>
<td>Legal Services</td>
<td>Fees paid for legal services.</td>
</tr>
<tr>
<td>600060</td>
<td>Other Consultant Fees</td>
<td>Fees paid for consulting or planning.</td>
</tr>
</tbody>
</table>

**Administrative Expenses (7000)**

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>700010</td>
<td>Advertising</td>
<td>Include telephone directory listings.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>700020</td>
<td>Equipment Rental/Maintenance</td>
<td>Expenses related to admin equip such as copiers, printers, and computers.</td>
</tr>
<tr>
<td>700030</td>
<td>Organization Dues</td>
<td>Membership dues to outside organizations</td>
</tr>
<tr>
<td>700040</td>
<td>Other Expenses</td>
<td>Use only if no other expense account fits the situation, use <em>sparingly</em>.</td>
</tr>
<tr>
<td>700050</td>
<td>Postage</td>
<td>Postage and shipping costs</td>
</tr>
<tr>
<td>700060</td>
<td>Printing</td>
<td>Outside printing expenses.</td>
</tr>
<tr>
<td>700065</td>
<td>Copier</td>
<td>Internal copy costs.</td>
</tr>
<tr>
<td>700070</td>
<td>Subscriptions/Publications</td>
<td>Books, magazines, newspapers for employees; if related to training, use 720010.</td>
</tr>
<tr>
<td>700080</td>
<td>Office Supplies</td>
<td>Office supply store orders and other administrative supplies.</td>
</tr>
<tr>
<td>700085</td>
<td>Computer Supplies</td>
<td>Computer supplies such as paper ribbons, software (750030, if instructional related), etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Computer hardware not capitalized would be recorded in 735053 or 750025.</td>
</tr>
<tr>
<td>700090</td>
<td>Public Relations</td>
<td>Public relation expenses for parish or school that are not advertising related.</td>
</tr>
</tbody>
</table>

**Program Expenses (7100)**  
*Expenses related directly to church ministries or school programs.*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>710010</td>
<td>Financial Assistance</td>
<td>Direct assistance to individuals and organizations</td>
</tr>
<tr>
<td>710020</td>
<td>Food Supplies</td>
<td>All costs of food and related products including caterers</td>
</tr>
<tr>
<td>710030</td>
<td>Program Services</td>
<td>Stipends and expenses for speakers, facilitators, ad hoc services, and ICN fees, etc.</td>
</tr>
<tr>
<td>710040</td>
<td>Program Supplies</td>
<td>Special items used for a program. Gifts purchased as a thank you for program involvement would be recorded here.</td>
</tr>
<tr>
<td>710050</td>
<td>Room and Equipment Rental</td>
<td>Rental items for hosting workshops, meetings, etc.</td>
</tr>
<tr>
<td>710060</td>
<td>Catholic School Assessments</td>
<td>Monies paid to schools within the Diocese for the education of parishioners’ children.</td>
</tr>
<tr>
<td>710070</td>
<td>Chaplaincy Expense</td>
<td>Costs supporting the chaplaincy program in the Diocese. Amounts are determined by the Diocese.</td>
</tr>
<tr>
<td>710080</td>
<td>Outside Pastoral Assistance</td>
<td>Record monies paid to outside priests for services rendered in 501003. Record other individuals who provide pastoral assistance here.</td>
</tr>
</tbody>
</table>

**Employee Travel and Training (7200)**  
*Expenses by employees for business travel or training.*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>720010</td>
<td>Textbooks/Resources</td>
<td>Publications purchased for use in classes, workshops, or for training purposes.</td>
</tr>
<tr>
<td>720020</td>
<td>Continuing Education Fees</td>
<td>Employee tuition, registration fees, workshop fees, and training.</td>
</tr>
<tr>
<td>720030</td>
<td>Meals/Lodging</td>
<td>Employee expenses for food and hotel while traveling.</td>
</tr>
<tr>
<td>720040</td>
<td>Mileage/Travel</td>
<td>Employee travel costs including daily mileage, airfare, auto rental and taxis. Record travel for priests providing weekend assistance here.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>730010</td>
<td>Property and Liability Insurance</td>
<td>Premiums paid for property and casualty insurance coverage. Premiums are paid to the Diocese.</td>
</tr>
<tr>
<td>730020</td>
<td>Workers Compensation Insurance</td>
<td>Premiums paid for workers' compensation coverage. Premiums are paid to the Diocese.</td>
</tr>
<tr>
<td>730030</td>
<td>Building Improvements</td>
<td>Improvements to a building under $1,000. Amounts over $1,000 may be capitalized under fixed assets rather than expensed here depending upon Finance Council's dollar threshold established for the capitalization policy.</td>
</tr>
<tr>
<td>730040</td>
<td>Maintenance - Contracted Services</td>
<td>Services received under a contractual agreement for the maintenance of a building.</td>
</tr>
<tr>
<td>730050</td>
<td>Maintenance - Supplies</td>
<td>Supplies and materials used in the maintenance of a building.</td>
</tr>
<tr>
<td>730060</td>
<td>Rent</td>
<td>Building rent on an ongoing basis.</td>
</tr>
<tr>
<td>730070</td>
<td>Utilities</td>
<td>Record all utilities here or break out under 7360 accounts.</td>
</tr>
<tr>
<td>730080</td>
<td>Telephone</td>
<td>Include all telephone costs, including cell phone bills here.</td>
</tr>
<tr>
<td>730090</td>
<td>Internet service</td>
<td>Record internet service costs are here.</td>
</tr>
<tr>
<td>734040</td>
<td>Contracted Repairs</td>
<td>Services received under a contractual agreement for repair work.</td>
</tr>
<tr>
<td>734041</td>
<td>HVAC Maintenance</td>
<td>Costs for maintenance of boilers, heating and air conditioning units.</td>
</tr>
<tr>
<td>734042</td>
<td>Grounds Care</td>
<td>Costs associated with taking care of the property outside the building that is not contractual. Include snow removal or lawn care expenses here.</td>
</tr>
<tr>
<td>734043</td>
<td>Pest Control</td>
<td>Costs associated with pest control.</td>
</tr>
<tr>
<td>734044</td>
<td>Trash Removal</td>
<td>Record trash removal costs here.</td>
</tr>
<tr>
<td>734045</td>
<td>Other Contracted Services</td>
<td>Services received under a contractual agreement related to buildings that are not covered under another account. [Use 730040 for maintenance contracts]</td>
</tr>
<tr>
<td>735050</td>
<td>Maintenance - Supplies</td>
<td>Costs associated with maintenance items that are not janitorial (735052).</td>
</tr>
<tr>
<td>735051</td>
<td>Rectory Supplies</td>
<td>Household costs for the Rectory including laundry, kitchen supplies, bathroom supplies, bedding, newspaper, and everyday household items (not large items such as furniture or appliances).</td>
</tr>
<tr>
<td>735052</td>
<td>Janitorial Supplies</td>
<td>Amounts for janitorial or cleaning supplies such as cleaning agents, towels, brooms, etc.</td>
</tr>
<tr>
<td>735053</td>
<td>Small Equipment Purchases</td>
<td>Costs for equipment that are under the Finance Council's established capitalization policy (maybe $1000) and are not included under 750025.</td>
</tr>
<tr>
<td>736070</td>
<td>Electricity</td>
<td>Record electricity costs here.</td>
</tr>
<tr>
<td>736071</td>
<td>Gas</td>
<td>Record gas costs here.</td>
</tr>
<tr>
<td>Account No</td>
<td>Account Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>736072</td>
<td>Water</td>
<td>Record water costs here.</td>
</tr>
<tr>
<td>736073</td>
<td>Other Utilities</td>
<td>Record utilities not covered under other 7360 accounts, or 730070, here.</td>
</tr>
</tbody>
</table>

**Vehicle Expenses (7400)**  
*Expenses related to parish or school-owned vehicles.*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>740010</td>
<td>Auto Expense - Fuel</td>
<td>Fuel costs for parish/school vehicles that are not employee reimbursements for mileage (720040).</td>
</tr>
<tr>
<td>740020</td>
<td>Auto Expense - Repairs and Maintenance</td>
<td>Repair and maintenance costs associated with parish/school-owned vehicles.</td>
</tr>
</tbody>
</table>

**Instructional Expenses (7500)**  
*Expenses incurred for educational purposes.*

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>750005</td>
<td>Textbooks</td>
<td>Costs for textbooks.</td>
</tr>
<tr>
<td>750010</td>
<td>Instructional Material</td>
<td>Costs for educational instructional materials.</td>
</tr>
<tr>
<td>750015</td>
<td>Instructional Supplies</td>
<td>Costs for instructional supplies and materials such as pencils, paper, workbooks, etc.</td>
</tr>
<tr>
<td>750020</td>
<td>Library/Media Center</td>
<td>Costs for library books, equipment, and other materials related to maintenance of the library and media center.</td>
</tr>
<tr>
<td>750025</td>
<td>Technology-Hardware</td>
<td>Costs related to technology hardware used for instructional purposes. See Parish/School's capitalization policy for possible capitalization of costs rather than expensing.</td>
</tr>
<tr>
<td>750030</td>
<td>Technology-Software</td>
<td>Software used for instructional purposes.</td>
</tr>
<tr>
<td>750035</td>
<td>Technology-Services</td>
<td>Technology service costs related to hardware/software used for instructional purposes.</td>
</tr>
<tr>
<td>750040</td>
<td>Guidance</td>
<td>Costs related to guidance counseling. Testing and evaluation may be broken out separately using account 750045.</td>
</tr>
<tr>
<td>750045</td>
<td>Testing</td>
<td>Costs related to any testing and related evaluation forms.</td>
</tr>
<tr>
<td>750050</td>
<td>Audio Visual</td>
<td>Audiovisual costs for supplies, repairs, and equipment not capitalized. See Parish/School's capitalization policy.</td>
</tr>
<tr>
<td>750055</td>
<td>Section 504</td>
<td>Costs related to a Section 504 program.</td>
</tr>
<tr>
<td>750060</td>
<td>Student Activities</td>
<td>Costs for extra-curricular activities other than athletics.</td>
</tr>
<tr>
<td>750065</td>
<td>Enrichment</td>
<td>Costs associated with educational enrichment programs such as Talented and Gifted (TAG).</td>
</tr>
<tr>
<td>750070</td>
<td>Athletics</td>
<td>Costs related to the operation of various athletic programs.</td>
</tr>
</tbody>
</table>

**Depreciation (8000)**  
The gradual conversion of the cost of an asset into expense. It is the allocation of the cost of the asset to the periods in which services from the asset are received. Depreciation does not affect cash balances. Straight line depreciation will generally be used.
<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>800010</td>
<td>Depreciation - Building</td>
<td>The offsetting credit applies to an Accumulated Depreciation-Buildings account (accounts 1600-1640).</td>
</tr>
<tr>
<td>800020</td>
<td>Depreciation - Improvements</td>
<td>The offsetting credit applies to an Accumulated Depreciation-Buildings account (accounts 1600-1640) or Accumulated Depreciation-Furniture and Fixtures (for fixture improvements) (account 1655).</td>
</tr>
<tr>
<td>800030</td>
<td>Depreciation - Furniture and Equipment</td>
<td>The offsetting credit applies to an Accumulated Depreciation-Equipment account (account 1650) or Accumulated Depreciation-Furniture and Fixtures (account 1655).</td>
</tr>
<tr>
<td>800040</td>
<td>Depreciation - Vehicles</td>
<td>The offsetting credit applies to an Accumulated Depreciation-Vehicles account (account 1660).</td>
</tr>
<tr>
<td></td>
<td>Other Charges (9000)</td>
<td><strong>Specific miscellaneous expenses.</strong></td>
</tr>
<tr>
<td>900010</td>
<td>Annual Diocesan Appeal</td>
<td>Amounts for prior year ADA assessments that were not covered by parishioner contributions. If parishes historically need to add to parishioner contributions for ADA, budget such amounts here.</td>
</tr>
<tr>
<td>900020</td>
<td>Bad Debt Expense</td>
<td>A charge-off for receivables on the balance sheet that are considered to be uncollectible. Apply the corresponding credit to the receivable.</td>
</tr>
<tr>
<td>900030</td>
<td>Bank Charges</td>
<td>Bank, or other financial institution, fees.</td>
</tr>
<tr>
<td>900040</td>
<td>Interest Expense</td>
<td>Interest expense incurred on monies borrowed from financial institutions, or the Diocese. Reflect monies borrowed on the Statement of Position under Current Liabilities (accounts 2100) or Long-Term Debt (accounts 2600).</td>
</tr>
<tr>
<td>900050</td>
<td>Other Parish Support</td>
<td>Monies paid to other parishes or schools as a donation. Record Catholic Assessments in 710060.</td>
</tr>
</tbody>
</table>
Permission for Child Delivery of Scrip and Waiver of Claim

I, ________________________________, give permission to ________________________________ to deliver Scrip, which I have ordered from parish/school to my child/ward, ________________________________.

I understand that my child/ward will be responsible for the safe transport of the Scrip from school to my home and certify that I have discussed the responsibilities associated with the transport of Scrip with my child/ward. I further understand that I have the option of personally picking my Scrip orders from the parish/school rather than having my child/ward transport it.

I agree that once the parish/school delivers the Scrip to my child/ward that the parish/school is not responsible for any Scrip which is lost, stolen, or misplaced. I hereby waive any right of recovery that I may have against the parish/school for Scrip which is lost, stolen, or misplaced after it is given to my child/ward.

This agreement is effective for the ________________________________ school year.

________________________________________
Parent/Guardian Signature

________________________________________
Date
Scrip Agreement

[YOUR PARISH/SCHOOL NAME]

[YOUR PARISH/SCHOOL NAME] (referred to herein as “we,” “us” and “our”) sponsors a scrip program which allows you to purchase scrip. The scrip you purchase through our program generates rebates from the participating retailers. These rebates can be used as a credit to your tuition account, cash back to you, and/or a gift to the school or parish. The parties agree as follows:

1. Rebates earned will be used in the following ways:
   a. _________ % as a charitable contribution to the school
   b. ___________ % as a charitable contribution to the parish
   c. ___________ % as tuition credit to my family’s tuition account: ___________________________
   d. ___________ % as lunch credit to my family’s lunch account: ___________________________
   e. ___________ % as tuition credit for the following school family: ___________________________
   f. ___________ % as tuition credit for a school family in need as determined by the school
   g. ___________ % cash rebate to you

Total: 100%

Our scrip program distributes the rebates [your number here] times a year in the month(s) of [your months here].

With respect to your charitable contributions, we will provide you with all required acknowledgements under sections 170(f)(8) and 170(f)(17) of the Internal Revenue Code.

You agree to indemnify us against any loss incurred in connection with there being insufficient funds in your account to cover the checks or ACH transfers you issue to pay for your scrip. We make no representations or warranties of any kind with respect to the scrip. This agreement continues unless replaced by another, and can be terminated by either of us upon 60 day’s advance notice to the other.

Please sign and date below to indicate your acknowledgement of this agreement.

Purchaser’s Signature: ____________________________________________

Printed Name: ____________________________________________ Date: _______________

Address: ______________________________________________________

ACKNOWLEDGED: [YOUR PARISH/SCHOOL NAME]

By ______________________________ Date: _______________

[Authorized Person’s Name & Title]
New Employee Checklist

- Application and Job Description
- Background Screening Application
  - Check the MVR (Motor Vehicle Record) box if the employee will be driving during the course of their employment
- Code of Conduct Acknowledgment
- Reference checks
- I-9
- Federal W-4
- State W-4
  - This is also the Centralized Employee Registry Form – see directions for submission on the top of the W-4
- Direct Deposit Authorization if applicable
- Notice to LMC of New Hire for all (part-time and full-time) employees (this will generate communication from LMC to benefit eligible employee regarding their benefits.) If employee does not wish to take the health insurance, they still need to go out to the benefits site to ‘waive’ their enrollment. You will receive the employee deduction information from LMC.
  - 28 hours eligible for all benefits
- 403(b) - All employees working 20 hours or more are eligible for this benefit. Effective 7/1/2017 LMC will no longer be sending the 403(b) notice to the employee so the folder and enrollment will come from your location. The match will begin after the first year. All matches are now 50% of the employee contribution up to a maximum of 8% of the employee’s wages.
- Marketplace Coverage Options Notice (give to both part-time and full-time employees)
- Receipt for Computer Usage Policy if applicable
- Receipt for handbook if applicable
- Access passwords for computer
- Software Authorizations if applicable
- Financial Institutions, authority to access or withdraw, if applicable
- Keys (new locks/combinations, if necessary), credit cards, equipment (phone, computer, etc.) if applicable
- VIRTUS Training
- Information to payroll provider
- Timesheet
- Vehicle Policy receipt and acknowledgement if applicable
  - Be Safe certification if applicable
  - Proof of insurance if applicable
- Notice to Catholic Mutual Group when employee is driving vehicle(s) owned by the location

Terminated Employee Checklist

If the parish or school is terminating employment, not the employee, you **must call** Diocese at 515-237-5085

☐ Request a written letter of resignation
☐ If being terminated by parish/school make sure you have called HR 515-237-5085
☐ Financial Institutions (including safe deposit boxes) authorizations removed, if applicable
☐ Credit Cards/store cards, collect cards and remove authorizations
☐ Equipment returned (computer, mobile phone, etc.), if applicable
☐ Software Authorizations/access removed, if applicable
☐ Notify LMC and Christian Brothers via the online portal
☐ Collect keys, credit cards, equipment
☐ Notify payroll provider if applicable
☐ ParishSOFT Accounting Payroll Module – uncheck Active in Emp/Cust tab
Certificate of Liability Insurance

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This certificate of insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder.

Important: If the certificate holder is an additional insured, the policy(ies) must be endorsed. If subrogation is waived, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Producer
XYZ Insurance Agency

Insured
XYZ Construction Company
125 Main Street
Des Moines, IA

Insurer(s) affording coverage

<table>
<thead>
<tr>
<th>Insurer</th>
<th>NAIC #</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
</tr>
</tbody>
</table>

Coverages

<table>
<thead>
<tr>
<th>Insr Ltr</th>
<th>Type of Insurance</th>
<th>Adl Insr</th>
<th>Sub WVD</th>
<th>Policy Number</th>
<th>Policy Eff (MM/DD/YYYY)</th>
<th>Policy Exp (MM/DD/YYYY)</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Liability</td>
<td></td>
<td></td>
<td>Y</td>
<td>XX/XX/XXXX</td>
<td>XX/XX/XXXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commercial General Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Claims-Made</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General Aggregate Limit Applies Per Policy Project Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Umbrella Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Excess Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retention $</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Automobile Liability

<table>
<thead>
<tr>
<th>Insr Ltr</th>
<th>Type of Insurance</th>
<th>Adl Insr</th>
<th>Sub WVD</th>
<th>Policy Number</th>
<th>Policy Eff (MM/DD/YYYY)</th>
<th>Policy Exp (MM/DD/YYYY)</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any Auto</td>
<td></td>
<td></td>
<td></td>
<td>XX/XX/XXXX</td>
<td>XX/XX/XXXX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All Owned Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scheduled Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-Owned Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Workers Compensation and Employers’ Liability

<table>
<thead>
<tr>
<th>Insr Ltr</th>
<th>Type of Insurance</th>
<th>Adl Insr</th>
<th>Sub WVD</th>
<th>Policy Number</th>
<th>Policy Eff (MM/DD/YYYY)</th>
<th>Policy Exp (MM/DD/YYYY)</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td>XX/XX/XXXX</td>
<td>XX/XX/XXXX</td>
<td></td>
</tr>
</tbody>
</table>

Description of Operations/locations/vehicles

The Parish Name/institution and The Roman Catholic Diocese of Des Moines are Additional Insured on the General Liability Policy.

Certificate Holder

The Roman Catholic Diocese of Des Moines
601 Grand Ave
Des Moines, IA 50309

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Authorized Representative

August 2017

Diocese of Des Moines
AIA Documents

Necessary deletions to various construction contracts:

When parishes/Institutions enter into a contract for a major renovation or remodeling project of parish/institution facilities or for the construction of a new building, a contract is signed with the general contractor. In most instances, the contract required is a standard contract prepared by the American Institute of Architects, (AIA). Two of the most common standard contracts are the AIA Document A201 and the AIA Document A107, but there are many other AIA contracts.

From an insurance and indemnification standpoint, the standard documents are written in favor of the contractor and/or sub-contractor. Fortunately, the contracts can be altered to make them more equitable for parishes/Institutions.

Attached is a contract that allows for changes to be made to various AIA contracts. Please note the changes are only intended to address insurance and indemnification concerns. Other areas of the contract should be reviewed on behalf of the parish/institution by a qualified attorney and the Diocesan Building Commission.
Addendum/Changes to the AIA Contract

Please check the box next to the AIA or AGC document that is being utilized. Checked boxes will denote the deletion and/or modification of the corresponding AIA or AGC contract as shown below.

Owner and Contractor agree that changes outlined will be binding and alter the corresponding AIA or AGC contracts. Both Owner and Contractor agree the Addendum will supersede any other contractual language.

AIA Document A201 – 1987 edition - General Conditions of the Contract for Construction

11.3.1 Delete Second half of first sentence (beginning after semicolon with “This insurance shall...”)
11.3.2 Delete entire paragraph
11.3.3 Delete entire paragraph
11.3.4 Delete entire paragraph
11.3.5 Delete entire paragraph
11.3.6 Delete entire paragraph


10.3.3 Delete the word “sole” from the last sentence
11.3.3 Delete entire paragraph
11.4.1 Delete the last sentence only (beginning with “This insurance shall...”)
11.4.2 Delete second half of first sentence (beginning after semicolon with “This insurance shall...”)
11.4.3 Delete entire paragraph
11.4.5 Delete entire paragraph
11.4.7 Delete entire paragraph

AIA DOCUMENT A107 – 1987 edition - Abbreviated Form of Agreement between Owner and Contractor for Construction Projects of Limited Scope

17.2 Delete last sentence only (beginning with “The Contractor shall...”)
17.3 Delete last sentence only (beginning with “This insurance shall...”)
17.6 Delete entire paragraph


15.2.2 Delete the word “sole” from the last sentence
16.3.3 Delete entire paragraph
16.4.1 Delete last sentence only (beginning with “this insurance shall...”)
16.5.1 Delete entire paragraph

AGC Document 410 – 1993 edition - Standard Form of Design – Build Agreement and General Conditions between Owner and Contractor

11.5.1 Delete second sentence only (beginning with “This insurance shall...”)
11.5.3 Delete entire paragraph
11.5.4 Delete entire paragraph
11.6.1 Delete entire paragraph
11.7.1 Delete entire paragraph
11.7.2 Delete entire paragraph

AGC Document 415 – 1993 edition - Standard Form of Design – Build Agreement and General Conditions between Owner and Contractor

10.1.2 Delete entire paragraph
10.5.1 Delete Contractor, Architect/Engineer, Subcontractors and Sub subcontractors from the second sentence in lines two and three
10.5.4 Delete Contractor, Architect/Engineer, Subcontractors and Sub subcontractors from the first sentence in lines one and two and the entire last sentence (beginning with “Exposures of the...”)
10.5.5 Last sentence only (beginning with “If the Contractor...”)
10.7.1 Delete entire paragraph
10.7.2 Delete entire paragraph


7.2.1 Delete last sentence only (beginning with “The Design/Builder shall...”)
7.3.1 Delete last sentence only (beginning with “This insurance shall...”)
7.3.3 Delete entire paragraph
7.3.4 Delete last sentence only (beginning with “This insurance shall...”)
7.3.8 Delete entire paragraph
7.4.1 Delete entire paragraph


August 2017

Diocese of Des Moines
9.4 Delete entire paragraph

AIA Document B141 — 1997 edition - Standard Form of Agreement between Owner and Architect with Standard Form of Architects Services

1.3.6 Delete entire paragraph

1.3.7.4 Delete entire paragraph


9.4 Delete entire paragraph

AGC Document 250 — 2000 Edition - Standard Form of Agreement and General Conditions between Owner and Contractor

11.1.1 Delete the phrase “other than to the work itself and other property insured under subparagraph 11.4” from the first sentence (beginning in the third line)

11.1.2 Owner will not be responsible to indemnify for any act or omission of an Architect/Engineers or others

11.2 Delete entire paragraph

11.4.1 Delete the second sentence (beginning with “This insurance shall also name…”) and delete the fourth sentence (beginning with “This policy shall provide for a waiver…”)

11.4.3 Delete entire paragraph up to the word “more” in the eighth line. The rest of the paragraph (beginning with “the Contractor shall indemnify”) remains intact.

CONTRACTOR: 

_______________________________________ 
Name

_______________________________________
Signature

_______________________________________
Date

PARISH/INSTITUTION: 

_______________________________________
Name (Parish is understood to include the Diocese of Des Moines)

_______________________________________
Signature

_______________________________________
Date

Standard Construction Contract

This Construction Contract (“Agreement”) is made and entered into this _____ day of ________, 20____, by and between ________________ and ___________________________ (“Contractor”).

W I T N E S S E T H:

_______________________________________
Name

_______________________________________
Date

_______________________________________
Name

_______________________________________
Date
WHEREAS, ___________ owns the following real property described as:
_____________________________ (the “Real Estate”); and

WHEREAS, Contractor and _____________ have agreed to enter into this Agreement for the performance of certain Real Estate construction work pursuant to the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Contract Documents.** The “Contract Documents” consist of this Agreement, the General Conditions set forth on Exhibit “A” and the Scope of Work set forth on Exhibit “B” attached hereto.

2. **The Work.** Contractor shall execute and perform all work to complete the improvements as specified in the Scope of Work attached hereto as Exhibit “B” (the “Work”). Contractor will furnish all permits, labor, material, equipment and supervision to complete the Work.

3. **Performance by Contractor.** Contractor covenants with ___________ to perform the Work in accordance with the Contract Documents. Contractor shall perform, supervise and direct the Work, using Contractor’s best skill and attention, and in all events in a good and professional manner and in accordance with high industry standards. Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work. Contractor shall provide _____________ with a list of all subcontractors that will be utilized for the Work and with a copy of the agreement between Contractor and each such subcontractor. Contractor shall verify that all subcontractors maintain general liability insurance, worker’s compensation insurance and automobile liability insurance, and Contractor shall indemnify and defend _____________ for any claim or cause of action, whatsoever which was caused by the negligence, or other actionable fault of an uninsured subcontractor.

4. **Date of Commencement and Substantial Completion.** The date of commencement shall be no later than ______________, 20____ (the “Commencement Date”). Contractor shall achieve substantial completion of the Work within a reasonable time after the Commencement Date, but in all events by not later than ______________, 20____, subject only to and as extended by any reasonable delays caused by weather conditions that are outside of the normal and ordinary historical conditions, labor disputes, unavoidable casualty, unusual delay in deliveries, acts of God, or other causes beyond Contractor’s control, or by a work stop permitted by the terms of this Agreement. Substantial completion shall be the stage in the progress of the Work when the Work is sufficiently complete in accordance with the Contract Documents so that all of the site improvements may be fully used for their intended purposes.

5. **Contract Sum and Allowances.** ________________ shall pay Contractor the sum of $______________ (the “Contract Sum”) for the Work, subject to adjustments for change orders and allowances as herein provided. If the actual cost for any item listed on the Contract Documents is less than the Cost of the Work for that item, then the Contract Sum will be reduced by the amount of the savings. If the actual cost for any item listed on the Contract Documents is more than the Cost of the Work for that item, the Contract Sum will be increased by the amount of the additional cost, but in no event, and under no circumstances, shall the aggregate of such additional costs exceed $______________.
6. **Cost of the Work.** The “Cost of the Work” shall include only those costs and expenses described below that are reasonably required for completion of the Work in accordance with the Contract Documents, and which have been or will be paid by Contractor. The actual costs of the following items constitute the “Cost of the Work” if the cost is incurred by Contractor in the performance of the Work:

   a. The cost of items which are consumed in the performance of the Work including tools, supplies, equipment and materials;
   b. The cost of removing debris;
   c. The cost (including transportation) of equipment, supplies and material;
   d. The cost of preventing or mitigating an emergency affecting the safety of persons or property;
   e. The cost of labor, including employees (at Contractor’s regular and ordinary course rate) and subcontractors;
   f. The cost of permits;
   g. The cost of premiums for insurance and bonds required by the Contract Documents, but excluding the insurance required by Section 7 in Exhibit A;
   h. The cost of leasing and/or renting machinery or equipment;
   i. The cost of architectural and engineering plans and drawings, including any changes or additions;
   j. Taxes (sales and/or use) payable as a result of purchase of materials and/or the performance of the Work; and
   k. Other costs incurred in the performance of the Work if and to the extent approved in writing by ___________, in __________’s sole discretion.

7. **Change Orders.** Any change to the Contract Documents (“Change Order”) shall be in writing. Unless otherwise agreed in a written Change Order, the Contract Sum shall be increased for any additional Work specified in the change order in question by a sum equal to the Cost of the Work.

8. **Progress Payments.** On or about the 10th day of each month following commencement of work under this Agreement, Contractor shall submit a written statement (“Invoice”) to ______________ showing all moneys paid out or costs incurred by Contractor on account of the Cost of the Work during the previous month. Beginning with the second full month following commencement of work under this Agreement, the Invoice will be accompanied by a partial waiver of mechanic’s lien from Contractor and each subcontractor that was included on the Invoice submitted for the previous month in form and content reasonably acceptable to _______________. Contractor agrees to also provide such other payment documentation, and to follow such other payment procedures, as may be required by ______________ for the Work. Payments of Invoices shall be made within ten (10) days after receipt by ______________ of the Invoice and of all other necessary documentation. Contractor shall be responsible for disbursing payments with lien waiver forms to the subcontractors.

9. **Final Completion and Final Payment.** Final payment shall be due within fifteen (15) days after the later of the date on which (i) a certificate of occupancy (or its equivalent) has been issued, or (ii) the completed appliances, materials, components and improvements required under the Work and this Agreement (collectively, the “Improvements”) have been accepted by ______________ for the Work (the “Completion Date”). ______________ acceptance of the Improvements shall not limit or otherwise
affect any of Contractor’s warranties or other duties, obligations, responsibilities or liabilities under this Agreement. At the time of this final payment, Contractor shall provide ________________ with a mechanic’s lien waiver signed by each of the subcontractors and by Contractor in the full amount of all payments made by ____________ to Contractor and in form and content reasonably acceptable to ______________. All sums remaining unpaid after ten (10) days from the due date which are not being disputed in good faith shall accrue interest at the rate of ten percent (10%) per annum.

10. Right to Stop Work. Contractor shall have the right to stop Work in the event ______________ shall fail to pay any progress payment due hereunder without such Work stoppage constituting a breach of Contractor’s duties, provided Contractor provides ______________ with not less than five days prior written notice of such Work stoppage. Any delay caused by a Work stoppage shall extend the time for substantial completion of the Work.

11. Arbitration. All claims, disputes and other matters in question between the parties to this Agreement arising out of or relating to this Agreement, or the breach thereof, involving the means, methods, or quality of the work performed, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect, and Chapter 679A of the Code of Iowa, unless the parties mutually agree otherwise. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Provided however, nothing herein shall be construed to (i) restrict Contractor’s right to file a mechanic’s lien, or to commence an action at law or in equity to foreclose said lien, or to seek any other available remedy for nonpayment of any sums due under the terms of this Agreement, or (ii) ________________ right to seek any equitable relief or remedy. Contractor shall continue performance of the Work during any arbitration proceeding.

12. Cost Breakdown. Contractor will provide such cost breakdown information as may be reasonably requested by ____________ CPA. The ____________ and ____________ CPA shall be solely responsible for analysis of the information, and for any tax decisions.

   
a. Entire Agreement. This Agreement, the Contract Documents listed herein, and the exhibits and attachments hereto, set forth all the covenants, provisions, agreements, conditions and understandings between the parties and there are no other covenants, promises, agreements, conditions or understandings either oral or written, between them. If any portion of the aforementioned documents are deemed or are determined to be in conflict with local or state or national statutes, that portion which is in conflict will be stricken with the remainder remaining binding for both parties.

b. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Iowa both as to interpretation and to performance. Any action brought to enforce this Agreement shall be in ____________ County, Iowa.
c. **Assigning.** Neither party hereto may assign their interest or obligations hereunder without the written consent of the other, which consent may be withheld in each party’s sole discretion; provided, however, that __________ may assign this Agreement, including as security or collateral, to __________ lender for the Work without notice to, or the consent of, Contractor.

d. **Exhibits.** Any and all exhibits referred to in this Agreement are hereby incorporated herein by reference and are made a part hereof as if they were included in the text hereof.

e. **Notices.** Any notice required to be given by the parties hereto shall be sent to the person and address shown at the beginning of this Agreement, unless either party notifies the other, in writing, of a new address, by certified mail, return receipt requested, or delivered in person.

f. **Attorney Fees and Costs.** In the event either party brings an action to enforce their rights under this Agreement, then the prevailing party shall be entitled to recover all of their costs, including reasonable attorney fees, related to such action.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written.

_________________________________________,

CONTRACTOR

By: __________________________

By: ___________________________

Its: __________________________

Its: ___________________________
EXHIBIT A

GENERAL CONDITIONS

1. Contractor shall perform, supervise and direct the Work using its best skill and attention, and in all events in a good and professional manner and in accordance with high industry standards. Contractor shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work.

2. Unless otherwise specifically noted, Contractor shall provide and pay for all labor, materials, equipment, tools, construction and other facilities and services necessary for the timely and proper execution of the Work.

3. Contractor shall at all times enforce reasonable discipline and good order among its employees and subcontractors, and Contractor shall not knowingly employ or otherwise retain for the Work, any unfit person or anyone not skilled in the task assigned to him or her.

4. All materials and equipment incorporated in the Work will be new, of good quality, free from faults and defects and in conformance with the Contract Documents. Contractor assigns to ____________ all warranties provided by manufacturers and suppliers as to all appliances, materials, and components constituting or otherwise incorporated in or related to the Work. Contractor hereby warrants to ______________ that all Work shall be free of defects in workmanship and materials for a period of twelve (12) months from the Completion Date.

Contractor also represents and warrants to ____________ as follows: (i) all of the Work shall be performed in accordance with all applicable federal, state and local laws, rules, regulations, orders and ordinances (collectively, “Laws”); (ii) all of the Improvements shall comply in all respects with all Laws; and (iii) all of the Improvements shall, upon payment in full under this Agreement by ____________, be free and clear of all liens, mechanic’s liens, security interests, financing statements, encumbrances, claims and demands of whatever kind, type or nature whatsoever in any way arising from or through Contractor or anyone claiming by or through Contractor, including, without limitation, any employee or subcontractor of Contractor.

The parties agree that this Section 4 shall survive completion of the Work and construction and the payment of all sums under this Agreement.

5. Contractor shall keep the premises free from accumulation of waste materials or rubbish caused by the Work or otherwise by Contractor’s operations.

6. Contractor shall secure and pay for all permits and certificates of inspection that may be required in connection with the Work.
EXHIBIT B

Scope of Work

See Attached
Diocese of Des Moines

Service Contractor Insurance & Indemnification Agreement

This Agreement, as negotiated herein, is entered into by and between __________________________
“Service Contractor” and ______________ “Parish/School”.

For good and valuable consideration, the receipt and sufficiency of which is hereby
acknowledged, Service Contractor and The Parish/School agree as follows:

A. Statement of Work:

From time to time, Service Contractor may perform services (“Work”) for The Parish/School, the
conditions and terms for such projects to be negotiated in separate agreement(s). In addition to the
terms and conditions agreed upon with respect to those particular projects, the Service Contractor
and The Parish/School hereby agree that the terms and conditions of this Agreement (the
“Agreement”) shall apply whenever Service Contractor provides services to The Parish/School.

B. Insurance:

See attached (page 212) for Insurance Requirements

The consultant and any other party working on their behalf shall purchase and maintain professional
liability insurance for the duration of the agreement. In addition to this, in the event coverage is
provided under a claims made policy coverage, an extended reporting period provision is required for
a minimum of 3 years from the completion of the work. Any policy retention or deductible is the
responsibility of the policy holder.

C. Indemnification:

The Work performed by the Service Contractor shall be at the risk of the Service Contractor exclusively.
Service Contractor assumes the entire responsibility and liability for all Work, supervision, labor, and
materials provided under any contract for Work by the Service Contractor, or under any other
direction, until final acceptance of the entirety of the Work by The Diocese. To the fullest extent
permitted by law, Service Contractor hereby indemnifies and holds harmless: The Diocese, its parent
and affiliates, and their respective officers, directors, employees and agents
“Parish/School” from all claims, actions, losses, judgments, or expenses (including, but not limited to:
attorneys’ fees, consequential damages, and punitive damages) arising from or in any way connected
to the work performed, materials furnished, or services provided to The Diocese during the term of this
Agreement regardless of whether or not such claim, action, loss, judgment, or expense is caused in part
by a party indemnified hereunder. Service Contractor shall be liable to The Diocese for all costs
incurred by The Diocese as a result of any failure of the Service Contractor, or any of its suppliers or
Service Contractor of any tier, to meet the terms of this Agreement.

Miscellaneous:

Service Contractor is an independent contractor and is not an employee of The Diocese.
a. Thirty-day prior written notice is required Service Contractor’s policy is to be cancelled for non-payment of premium. Certificates of insurance acceptable to the Parish/School and Roman Catholic Diocese of Des Moines shall be filed with the Parish/School and Roman Catholic Diocese of Des Moines prior to commencement of the Work. These certificates and the insurance policies required by this Agreement shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least thirty-day prior written notice has been given to the Parish/School and Roman Catholic Diocese of Des Moines. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Service Contractor with reasonable promptness.

i. Coverage shall remain in force for two years subsequent to project completion.

ii. This Agreement is governed by the laws of the State of Iowa. Any and all amendments must be agreed-to in writing by all parties to this Agreement.

iii. This Agreement shall inure to the benefit of, and be binding upon, the heirs, personal representatives, successors and assigns of the parties hereto, provided however, that neither The Diocese nor the Service Contractor shall assign this Agreement without first having obtained prior written consent of the other.

iv. This Agreement shall remain in full force and effect from the date of signing unless cancelled in writing by either party upon thirty-day prior written notice. The cancellation of this Agreement shall not negate any term or condition, such as the indemnity and/or insurance requirements.

__________________________________  __________    ___________________________  ______
Signature of Service Contractor       Date                Signature of Pastor         Date

See next page
Attachment Service Contractor - Insurance Requirements:

The Contractor should obtain and maintain, at its own expense, insurance of at a minimum the following types of coverages and limits of liability as specified below. All policies shall be issued by insurers admitted to do business in the state where the work will be performed, and rated A- VII or better by A.M. Best. Certificates of insurance that meet the requirements set forth in this document must be shown by Contractor and sub Contractor (if applicable) prior to starting the job. If the sub contractor does not meet the requirements set forth in this document, approval must be obtained from the Director of Property Management.

Commercial General Liability

- **Limits of Insurance:**
  - $1,000,000 Each Occurrence Limit
  - $2,000,000 General Aggregate
  - $2,000,000 Products / Completed Operations
  - $1,000,000 Personal & Advertising Injury
  - $50,000 Fire Damage Liability
  - $5,000 Medical Expense per Person

- Coverage on ISO CG0001 or similar. Restricting endorsements must be noted and approved.
- Waiver of Subrogation in favor of The Diocese and should apply to The Diocese's officers, agents, and employees.
- General Aggregate Limit shall apply separately to each project.
- Parish/School and Roman Catholic Diocese of Des Moines shall be named as additional insured for all work performed under the contract using Form numbers CG2010 (07/04) or CG 2010 (07/04) or equivalent. Additional Insured status for both ongoing and completed operations is required.
- Coverage shall be primary and noncontributory with respects to the additional insured.
- The Diocese’s insurance coverage is excess, non-contributory and not co-primary in relation to the coverage purchased by the Contractor or the sub-Contractor.
- Coverage shall remain in force for two years subsequent to project completion.
Commercial Auto Liability Insurance

Limits of Insurance:

☐ $1,000,000  Combined Single Limit Bodily Injury & Property Damage

☐ Coverage on ISO CA0001 or similar. Restricting endorsements must be noted and approved.

☐ Policy shall provide liability for all owned, non-owned and hired autos used by the Contractor.

☐ Waiver of Subrogation in favor of The Diocese and should apply to The Diocese's officers, agents, and employees.

Workers' Compensation Insurance

Limits of Insurance:

☐ $100,000  Bodily Injury by Accident (each accident)

☐ $500,000  Bodily Injury by Disease (policy limit)

☐ $100,000  Bodily Injury by Disease (each employee)

☐ Restricting endorsements must be noted and approved.

☐ Waiver of Subrogation in favor of The Diocese and should apply to The Diocese's officers, agents, and employees.

Umbrella Liability

Limits of Insurance:

☐ $2,000,000  Each Occurrence & Annual Limit (could vary depending on project)

☐ Coverage shall be at least as broad as provided in primary policies

☐ Restricting endorsements must be noted and approved.

☐ Waiver of Subrogation in favor of The Diocese and should apply to The Diocese's officers, agents, and employees.

Professional Liability for IT Technology, including Cyber / Data Privacy Risk

Limits of Insurance:

☐ $2,000,000  Each Claim / Loss

☐ $2,000,000  Aggregate

Policy should cover:
Professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Liability arising from theft, dissemination and/or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form.

Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure.

Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer’s or third person’s computer, computer system, network or similar computer related property and the data, software, and programs thereon.

Coverage shall remain in force for three years following termination of the Contract.

Professional Liability / Errors & Omissions (if applicable) Limits of Insurance:

- $1,000,000 per Claim
- $1,000,000 Aggregate

Policy must be maintained for duration of agreement. If policy is claims made, either the policy must be maintained for three years after work has been completed; or an Extended Reporting provision must be in effect for three years after work has been completed.
Facility Usage Agreement (Sample) For Parishes, Schools and Institutions

This Facility Use Agreement is entered into by and between ____________________________ (Owner) and ____________________________ (Licensee), for Licensee’s rental of the facility space known as ____________________________ and located at ____________________________, Iowa and terms are fully described in this agreement.

The Parties Agree as Follows:

Event Specifics: Date of the Event

Duration of the Event: from ________ □a.m. □p.m to ________ □a.m. □p.m

Purpose for which the facility is being rented ____________________________________________________________________________________________

Rental Fee Charged:

To be paid as follows: A deposit in the amount of $___________ to hold the facility and date is due at time of Agreement signing, and the balance is due on or before ____________________________. Estimated Guest/Attendees Count: __________________________________________________________________________________________

If a wedding reception, full names, addresses, and phone numbers of Bride and Groom: __________________________________________________________________________________________

If other event, full name, address and phone number of Licensee’s contact person: __________________________________________________________________________________________

Other specific arrangements between Owner and Licensee for the event: __________________________________________________________________________________________

1. **Insurance.** Licensee agrees to abide by the insurance requirements called for in the Third Party Special Events Coverage policy

2. **Indemnification and Hold Harmless.** To the fullest extent permitted by law, Licensee will indemnify Owner and save Owner, its agents and employees, and hold harmless from and against any and all claims, actions, damages, liability, and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in or upon Owner’s property, or the occupancy or use by Licensee of the property or any part thereof or the use by Licensee of any adjacent property, or occasioned wholly or in part by any act or omission of Licensee, its agents, employees, servants, Licensees, concessionaires, guests or other attendees. In case Owner shall be made a party to any litigation commenced by or against Licensee, Licensee shall protect and hold Owner harmless and shall pay all costs, expenses and reasonable attorney’s fees incurred or paid by Owner in connection with such litigation. This paragraph (2) does not relieve Licensee’s
responsibility to comply with paragraph (1).

3. **Licensee’s Representations and Owner’s Right to Deny Use.** As an inducement to the Owner entering into this Agreement with Licensee, Licensee represents that:

   (a) Licensee is not an individual, group or organization whose purpose, tenets, acts or omissions, or objectives contradict the faith and morals of the Catholic Church or the policies of the Diocese of Des Moines, as determined by the Bishop of the Diocese of Des Moines; and

   (b) In using the Facility, Licensee and its guests or attendees will not engage in (i) unlawful, unsafe, or hazardous activity on or around the Facility’s premises; (ii) a political event in support of one candidate for civil office and in opposition to other candidates for the same office; or (iii) an activity which offends or is contrary to the faith or morals of the Catholic Church.

   Additionally, Licensee acknowledges that the Owner reserves the right to deny the use of facilities to any person, group or organization when the Owner determines that the granting of such use will not be in the best interest of the Owner or the Diocese, or that the denial of such use is necessary to avoid scandal.

4. **Impossibility.** Licensee acknowledges that the Owner shall not be liable for Owner’s failure to provide the Facility for the Event due to fire, electrical failure, an act of God, or other condition beyond its reasonable control. In such case, Owner will make all reasonable efforts to reschedule the Event. If a rescheduled date cannot be agreed upon, Owner shall refund all monies paid by Licensee as Licensee’s sole and exclusive remedy.

5. **Damage or Loss.** Owner assumes no liability for the loss, damage or return of any items of personal property brought onto the premises by Licensee, or any of its guests. Licensee assumes all liability and risk of loss for any loss or damage to items of personal property brought onto premises by any member of said Licensee, or its agents, employees, servants, concessionaires, guests or other attendees. Owner assumes no liability for the loss or damage of vehicles parked in the Church/School/other Diocesan entity/Facility parking lot by Licensee, or any of its guests.

6. **Adherence to Facility Rules.** Licensee agrees to adhere, and to require its guests and attendees to adhere, to the following rules during the use of the Owner’s facility:

   (a) Licensee and its guests or attendees will not engage in (i) unlawful, unsafe, or hazardous activity on or around the Facility’s premises; (ii) a political event in support of one candidate for civil office and in opposition to other candidates for the same office; or (iii) activity which offends or is contrary to the faith or morals of the Catholic Church.

   (b) The Facility’s Building Manager or the Owner’s designee shall approve scheduling of all building facilities.
(c) Licensee agrees to conduct the Event in a civil orderly manner, and at reasonable noise level, and Owner reserves the right to eject any guest or attendee of the Event from the premises for damage to property, injury to person, unacceptable, unruly and/or dangerous behavior, inappropriate attire, lewd acts, disregard of Owner’s policies or these Rules, or for other violation of this Agreement.

(d) The Event must terminate by 1:00A.M. If the Event will have minors in attendance who are not accompanied by a parent or guardian, Licensee will be fully responsible for city curfew compliance.

(e) All decorations, flowers, liquor, or food items must be removed at the conclusion of the Event.

(f) There is to be NO SMOKING inside the building or on the premises.

(g) Firearms are strictly prohibited in the building, outside the building, and on the premises with the exception of security/police officers.

(h) Licensee shall comply with all applicable laws, ordinances and regulations in the use of the facility.

(i) Licensee is responsible for the conduct and acts and omissions of all individuals attending Licensee’s Event, including, but not limited to, all guests, attendees, caterers and vendors.

(j) Licensee is required to ensure that Licensee’s guests and the caterer and other vendors for the Event also comply with all applicable laws, ordinances and regulations.

(k) Licensee shall be liable for abuse of, damage to, or loss of property belonging to Owner, whether real or personal, and any and all injuries occurring to Licensee, its guests, attendees, and third parties as a result of Licensee’s use of Facility or conduct of Licensee, guests and/or attendees at the Event. Licensee agrees to reimburse the Church, upon demand, such sum as will be necessary to restore or replace the damaged property. Licensee assumes full responsibility for the character, acts and conduct of all persons attending Licensee’s Event.

(l) Licensee will not charge for (whether by admission fee or otherwise) alcoholic beverages served at Licensee’s Event and will otherwise comply with all laws regarding the use and consumption of liquor.

7. **Complete Agreement.** This represents the complete agreement between the parties. Any change or modification to this Agreement will be invalid unless made in writing and signed by both parties to this contract.
Agreed and entered into on the last date written below.

<table>
<thead>
<tr>
<th>OWNER:</th>
<th>LICENSEE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Name of Owner (Owner or other Diocesan entity)</td>
<td>Print Name of Person or Entity</td>
</tr>
<tr>
<td>Signature of Owner Representative</td>
<td>Signature of Authorized Representative</td>
</tr>
<tr>
<td>By Its: ____________________</td>
<td>Print Name of Authorized Person signing</td>
</tr>
<tr>
<td>(Pastor, Administrator, Principal, etc.)</td>
<td></td>
</tr>
<tr>
<td>Date: _____________________</td>
<td>Date: ___________________________</td>
</tr>
</tbody>
</table>
Diocese of Des Moines

Buildings and Grounds Volunteer Worker Agreement

We want to thank you for your offer to volunteer. We have the responsibility to advise you of the constraints under which you volunteer.

The volunteer acknowledges and agrees that he/she will only engage in activities for which he/she either has the requisite knowledge, or will be given the necessary knowledge, prior to starting the activity. The volunteer further agrees that he/she will participate only if in good health to do so and agrees to not perform any activity that he/she feels is unsafe.

The volunteer understands that he/she has no authority to represent the parish/school or the Diocese of Des Moines in dealing with any other person, business, or firm, and will not attempt to act as contracting agent of the parish/school or the Diocese. The volunteer further acknowledges that he/she is not entitled to any wages, reimbursements, or benefits from the volunteer work, including without limitation, worker’s compensation, unemployment benefits, medical and overtime.

The volunteer agrees to indemnify and hold harmless the parish or school and the Diocese of Des Moines for any claim, liability, or expense arising from any contractual liability incurred or alleged to have been incurred by the volunteer.

The volunteer realizes that he/she could be injured in the performance of his/her volunteer duties, and understands that he/she will need to first submit all medical claims to his/her own insurance provider before submitting any unpaid medical costs through the parish’s/school’s Volunteer Accident policy for possible coverage.

If there are any unpaid medical bills resulting from an accident after the volunteer’s insurance policy and the parish’s/school’s Volunteer Accident policy have processed submitted claims, the volunteer agrees to be responsible for any remaining payments and releases the parish/school and the Diocese from all claims, demands, or causes of action arising therefrom.

This Agreement is valid until terminated in writing by any of the signers below.

___________________________________________________           ________________
Pastor/Authorized Signer                                    Date

___________________________________________________           ________________
Volunteer Signature                                         Date

_____________________________________________________________           ________________
Parent/Guardian Signature if Volunteer is a Minor              Date

August 2017
Facility Usage/Indemnity Agreement

PARISH: _____________________________________________________________

PARISH is understood to include the Arch/Diocese of __________________________

FACILITY USER: _______________________________________________________

DATES OF FACILITY USAGE: ____________________________________________

TYPE OF FACILITY USAGE: ___________________________________

The above named FACILITY USER agrees to defend, protect, indemnify and hold harmless the above named PARISH against and from all claims arising from the negligence or fault of the above named FACILITY USER or any of its agents, family members, officers, volunteers, helpers, partners, organizational members or associates which arise out of the above identified FACILITY USAGE at the above named PARISH.

FACILITY USER agrees to provide a certificate of insurance to the PARISH, annually if necessary, which provides evidence of general liability coverage of not less than one million dollars ($1,000,000) per occurrence. FACILITY USER also agrees to have the PARISH named as an “Additional Insured” on its general liability policy for the DATE(S) OF FACILITY USAGE in relationship to the TYPE OF FACILITY USAGE for claims which arise out of FACILITY USER’S operations or are brought against the PARISH by FACILITY USERS’ employees, agents, partners, family members, students, customers, function attendees, guests, invitees, organizational members or associates. FACILITY USER also agrees to ensure that its liability insurance policy will be primary in the event of a covered claim or cause of action against PARISH.

If and only if FACILITY USER fails to comply with the above (second) paragraph, then the above named FACILITY USER agrees to protect, defend, hold harmless and fully indemnify the above named PARISH for any claim or cause of action whatsoever arising out of or related to the usage which takes place during the above identified DATE(S) OF FACILITY USAGE that is brought against the PARISH by the above named FACILITY USER or its employees, agents, partners, family members, students, customers, function attendees, guests, invitees, organizational members or associates, even if such claim arises from the alleged negligence of the PARISH, its employees or agents, or the negligence of any other individual or organization.

If any sentence or paragraph of this agreement is held invalid, it is agreed that the balance thereof, shall continue in full legal force and effect.

SIGNED BY: ______________________________________________
(Must be an official agent of FACILITY USER)

NAME (Please print): _________________________________________________

DATE: _______________________________________

Volunteer Driver Application Form

We greatly appreciate your interest in assisting us to meet our transportation needs. Responsible risk management dictates that we ask our volunteer drivers to answer the following questions. Thank you for your understanding and cooperation.

Name: ____________________________

Address: __________________________

City/State/Zip: ______________________

Telephone: _______________________ Date of Birth: ______________________

Email: ____________________________

Driver’s License Number: __________________________

State of Issue: _______________ Expiration Date: _______________

Have you had any of the following citations or convictions in the past THREE years?

<table>
<thead>
<tr>
<th>Citation</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving under the influence of alcohol or drugs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hit and run</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure to report an accident</td>
<td></td>
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</tr>
<tr>
<td>Negligent homicide arising out of the use of a motor vehicle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Using a motor vehicle for the commission of a felony</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permitting an unlicensed person to drive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reckless driving</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three moving violations or accidents in the last three years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Are you currently taking any medication that may make you drowsy? YES  NO

It is expected that all passengers will adhere to Iowa Safety belt laws and regulations.

I certify that the information given above is true and complete to the best of my knowledge. I agree that I will refrain from using a cell phone or any other electronic device while operating a vehicle on behalf of the Church.

_________________________  ______________________
Volunteer Signature        Date

RETA IN THIS FORM ON FILE FOR A MINIMUM OF THREE YEARS
Private Vehicle Application Form

We greatly appreciate your interest in assisting us to meet our transportation needs. Responsible risk management dictates that we ask you to answer the following questions. Thank you for your understanding and cooperation.

Owner’s Name: ________________________________
Address: _______________________________________
City/State/Zip: ___________________________________
Vehicle Year/Make/Model: ___________________________
Vehicle Identification Number: _______________________
License Plate #: _________________________________

Automobile Insurance Company: __________________________
Agent’s Name: ______________________________________
Address: _________________________________________
City/State/Zip: _____________________________________
Telephone: _________________________________________

PLEASE BE AWARE: In case of an accident, the insurance on this vehicle will be the primary coverage. The vehicle must be insured for the minimum liability limits of: $100,000/$300,000.

It is expected that all passengers will adhere to the Iowa safety belt laws and regulations. It is the driver’s responsibility to ensure this.

I certify that the information given above is true and complete and that to the best of my knowledge the vehicle is currently in a safe operating condition. I agree to maintain insurance coverage for the liability limits stated above. I agree to notify you if any of the information changes.

Signature ___________________________________ Date ____________

RETAI N THIS FORM ON FILE FOR A MINIMUM OF THREE YEARS
Vehicle Accident Report

Driver: ___________________  Date of birth: ___________________  License #: ___________________

<table>
<thead>
<tr>
<th>Year</th>
<th>Make</th>
<th>Model</th>
</tr>
</thead>
</table>

Vehicle Id Number: ___________________

<table>
<thead>
<tr>
<th>Accident Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: ________________</td>
<td>Time: ________________</td>
</tr>
<tr>
<td>Street location: ____________________</td>
<td></td>
</tr>
<tr>
<td>Description: ____________________</td>
<td>Use reverse side if necessary.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Vehicle</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year/Make/Model: ____________________</td>
<td>License plate #: ____________________</td>
</tr>
<tr>
<td>Owner’s name and address: ____________________</td>
<td></td>
</tr>
<tr>
<td>Driver’s name and address: ____________________</td>
<td></td>
</tr>
<tr>
<td>Driver’s license #: ____________________</td>
<td>State: ________________</td>
</tr>
<tr>
<td>Relationship to owner: ____________________</td>
<td></td>
</tr>
<tr>
<td>Description of damage: ____________________</td>
<td></td>
</tr>
<tr>
<td>Insurance company: ____________________</td>
<td></td>
</tr>
<tr>
<td>Phone #: ____________________</td>
<td>Policy #: ____________________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Injuries</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: ____________________</td>
<td>Address: ____________________</td>
</tr>
<tr>
<td>Extent of injuries: ____________________</td>
<td>Use the reverse side if necessary.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Witness/Passengers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: ____________________</td>
<td>Address: ____________________</td>
</tr>
<tr>
<td>Extent of injuries: ____________________</td>
<td>Use the reverse side if necessary.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Property Damage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners Name: ____________________</td>
<td>Address: ____________________</td>
</tr>
<tr>
<td>Extent of Damage: ____________________</td>
<td>Use the reverse side if necessary.</td>
</tr>
</tbody>
</table>

USE REVERSE SIDE TO PROVIDE A DIAGRAM OF THE SCENE

Signature ___________________  Date ___________________

RETAIN THIS FORM ON FILE FOR A MINIMUM OF 7 YEARS FROM THE ACCIDENT
Legal Consultation Form: Diocesan Matters

DIOCESE OF DES MOINES

Name ______________________________________________________________________

Department ______________________________________________________________________

Phone ______________________________________________________________________

Email ______________________________________________________________________

Without disclosing any confidential information, briefly describe the matter(s) which you would like to discuss with the attorney:

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

At whose request is legal consultation being sought in this matter?

____________________________________________________________________________

____________________________________________________________________________

Which cost center will be charged for this consultation?

____________________________________________________________________________

____________________________________________________________________________

Please name any other parties involved in the matter:

____________________________________________________________________________

____________________________________________________________________________

What would you like to accomplish as a result of seeking legal services?

____________________________________________________________________________

____________________________________________________________________________

For Internal Use Only

Date Received _______________________________ Log # _______________________________

Approval _______________________________ Date Approved _______________________________
Legal Consultation Form: Parishes, Schools & Other Institutions

DIOCESE OF DES MOINES

Name ____________________________________________________________

Organization ____________________________________________________

Address ________________________________________________________

City, State Zip ___________________________________________________

Phone __________________________________________________________

Email __________________________________________________________

Best time to call __________________________________________________

Without disclosing any confidential information, briefly describe the matter(s) which you would like to discuss with the attorney:

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

At whose request is legal consultation being sought in this matter?

________________________________________________________________

________________________________________________________________

Please name any other parties involved in the matter:

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

What would you like to accomplish as a result of seeking legal services?

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

For Internal Use Only

Date Received ________________________  Log # _______________________

Approval ____________________________  Date Approved _______________
A. **Finance Council**

1. The Finance Council meets at least four times a year.

2. Minutes are kept of those meetings on file in the parish office.

3. The Finance Council receives the following statements for review:
   - A. ParishSOFT Accounting’s Statement of Financial Position with Last Year’s YTD and Current YTD balances
   - B. ParishSOFT Accounting’s (CNA) Statement of Activities with Current YTD, Last Year YTD, and Budget variances.

4. At least one Finance Council member has "read only" access to CNA.

5. There are at least 5 Finance Council members.

6. Recent financial information, approved by the Finance Council, was made available to all parishioners/parents.

7. A copy of the financial statements shared with parishioners/parents is attached.

B. **Financial Institution Statements**

1. All statements are sent directly or are available electronically, to Pastor, or his designee who has no recording duties, unopened.

2. Pastor, or his designee, reviews statements for propriety, then signs and dates before giving to staff, or sends an email indicating s/he has completed her/his review.

3. Check images are received with all statements and reviewed.

4. Pastor is a signer on all financial institution accounts.

5. There is a policy to have a second signer on checks over a certain dollar limit.
   - A. That limit is

6. All financial institution statements are reconciled on a timely basis (within 14-30 days).

7. The preparer, or bookkeeper, verifies that the Mass Collection count sheets match what is recorded in the general ledger.

8. The preparer signs and dates the reconciliation when it is completed.

9. The reviewer signs and dates the reconciliation indicating his/her review.

C. **Fixed Assets**

1. Parish has properly recorded asset-related expenses such as fixed assets, building improvements, or repair and maintenance expenses.
   - A. Dollar level for capitalizing fixed assets is
## In the last 12 months:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 2 | A. All building projects ≥ $50,000 were reviewed by the Diocesan Building Commission  
   B. All building projects ≥ $25,000 received Bishop’s proxy (approval).  
   C. All sale of fixed assets ≥ $25,000 were approved by Bishop Pates.  
   D. All contracts related to building/renovation projects in the last 12 months have been reviewed by Norm Bormann. |

## There is construction or renovation activity going on right now. If False, go to section D.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 3 | A. What project(s)?  
   B. What amount(s)? |

## Loans and Notes Payable

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 1 | The parish/school has debt. If False, record and go to section E.  
   The debt is recorded on the Statement of Financial Position (SOFP)  
   A. If not on SOFP, who holds the debt?  
   B. Amount? |

## Separation of Duties (Excluding Tuition/School Fees)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 1 | Person(s) who receive monies at the parish (excluding auxiliary groups):  
   2 Person(s) with access to keys/safes/tamper-resistant bags which safe keep un-deposited funds:  
   3 Person(s) who deposit monies:  
   4 Person(s) who authorize disbursements:  
   5 Persons who can sign checks:  
   6 Persons authorized to withdraw from investments:  
   7 Persons authorized to wire money:  
      A. Two persons are required to authorize any electronic disbursements/transfers of money.  
   8 Person(s) who records transactions in general ledger:  
   9 Who processes payroll?  
      A. Who reviews payroll? Documented? Yes or No  
   10 Person(s) who records tithes/donations in ParishSOFT Family Suites:  
      A. Those who record transactions do not participate in Mass collection counts or have access to significant cash receipts/deposits  
      B. Preparer of year-end contribution statements:  
   11 Preparer of bank reconciliations:  
   12 Reviewer of bank reconciliations:  
   13 The bank reconciliation preparer and reviewer are two different people.  
   14 The reviewer does not record related transactions in the general ledger. |
The reviewer is not a subordinate of the preparer.

Preparer of investment reconciliations:

Reviewer of investment reconciliations:

The investment reconciliation preparer and reviewer are two different people.

The investment recon reviewer does not record related transactions in the general ledger.

The investment recon reviewer is not a subordinate of the preparer.

### F. Mass Collections

1. Pre-numbered tamper-resistant bags are pre-assigned and used for all Mass collections.

2. Access to the bags is limited to the person(s) who assigns the bags.
   - Who assigns the bags

3. A locking bank bag is used for all Mass collections.
   - Describe how keys to bank bag are secured:

4. Any temporary storage area for Mass collections is adequately secured.

5. There are at least two unrelated counters present while money is counted.

6. Count teams rotate periodically.

7. A log is maintained of all the tamper-resistant bags assigned and used.

   - Counters verify whether the bags they count were the bags assigned.
     - Counters indicate this verification by signing the log in the appropriate place.
     - There is a place on the log to note if the bag numbers do not match
     - If the bag numbers do not match, Pastor, or his designee, would be notified quickly.

8. All counters sign the count sheets.

9. Payments are never cashed out of offertory receipts

10. Checks are immediately endorsed "For Deposit Only" with the parish account number.

11. A deposit slip in triplicate is prepared. One copy attaches to the count sheet, one goes with the bank deposit, and one stays in the deposit book.

12. A tamper-resistant bag or a locking bank bag is used to transport all deposits.
   - The bank is aware that there should be a tamper-resistant bag or locked bank bag.

### G. ParishSOFT Family Suites Reporting

1. ParishSOFT Family Suites is used to record individual tithes.
   - Passwords are required to gain access.

2. All tithes, loose checks, and coins are recorded in Family Suites within 14 days.

3. Count sheets are reconciled to the weekly Family Suites totals.

4. Family Suites totals are reconciled to the general ledger.
### H. Electronic Receipts/Disbursements

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The parish/school banks online (even just viewing balances).</td>
</tr>
</tbody>
</table>
| 2 | Online banking activity is done on a computer with no other internet-related activity.  
   |   | A. This computer is password protected. |
| 3 | ACH deposits are accepted.  
   |   | A. The ACH file is uploaded via the bank’s website. |
|   | B. The computer used to upload the ACH file to the bank is not used for any non-bank internet activity. |
|   | C. The computer file(s) with bank information is password protected. |
| 4 | Credit card payments are accepted from parishioners, parents, or donors.  
   |   | A. Only the last 4 digits of credit card numbers are stored, if stored at all. |
| 5 | ACH disbursements (excluding payroll tax and benefit payments) are made. If False go to section I.  
   |   | A. The ACH file is uploaded to the banks website by the parish/school. If False, go to section I.  
   |   | B. The computer used to upload the ACH file is not used for any non-bank internet activity. |

### I. Cash Disbursements

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Blank checks are secured from unauthorized access.</td>
</tr>
<tr>
<td>2</td>
<td>All blank checks are pre-numbered by the check vendor.</td>
</tr>
<tr>
<td>3</td>
<td>Blank checks are never signed and left to fill in later.</td>
</tr>
<tr>
<td>4</td>
<td>Appropriate supporting documentation is attached to each check when it is presented to the check signer for his/her review and signature</td>
</tr>
<tr>
<td>5</td>
<td>The signer reviews the supporting documentation prior to signing each check.</td>
</tr>
<tr>
<td>6</td>
<td>Invoices are marked &quot;Paid&quot; or cancelled with a check # and date.</td>
</tr>
</tbody>
</table>

### J. Credit/Store Cards

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The parish/school has a credit/store card (If no, move to section K)</td>
</tr>
<tr>
<td>2</td>
<td>Access to the cards is limited to those authorized by the pastor or Principal and Finance Council.</td>
</tr>
</tbody>
</table>
| 3 | Policy is for receipts to be turned into the business office within a short period of time.  
   |   | A. Receipts note the purpose of the purchase and are signed by the purchaser. |
| 4 | Receipts are reconciled to the monthly statement when received. |
| 5 | The pastor/principal or a designated agent reviews and approves credit card statements.  
<p>|   | A. No one reviews his/her own charges. |
| 6 | Credit cards are kept secured from unauthorized use. |
| 7 | No one is authorized to use the card for to withdraw cash. |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>The credit limit has not been exceeded in the past 12 months.</td>
</tr>
<tr>
<td>9</td>
<td>The balance is paid in full each month.</td>
</tr>
<tr>
<td>10</td>
<td>Personal employee purchases are not allowed on a parish/school owned credit/store card</td>
</tr>
</tbody>
</table>

K. **Fundraisers**

1. For all major fundraisers (major=weekend Mass collection or > than $5,000):
   A. At least two unrelated people are always present when money is counted.
   B. Tamper-resistant bags are used to secure collected money.

2. A Gambling license was obtained for all raffles and bingo games during the year.

3. A sales tax permit was acquired before any gambling (raffles, bingo) activity began.

4. For distributed winnings ≥ $600:
   A. W2-Gs were prepared in accordance with federal law.
   B. Appropriate federal and state withholding were remitted.

5. Sales taxes related to gross receipts were filed on a timely basis with the state.

6. An annual gambling report was/will be filed with the state.

L. **Certain Governmental Areas**

1. Your parish/school prepares W-2s at the end of the year.
   The following forms are maintained on each employee:
   A. I-9 (in a separate file)
   B. Federal W-4 (If Exempt, must have new W-4 signed each year)
   C. State W-4 (If Exempt, must have new W-4 signed each year)

2. The parish/school does not withhold or remit social security tax on priests or deacons.

3. All federal and state withholding reports and payments have been filed on time for the past four quarters
   A. Pastor or, per Articles of Incorporation, a trustee or officer signs the 941s.

4. This parish/school matches 50% up to 8% of an employee’s pay for employees who work 20 or more hours a week:

5. Appropriate 1099s are mailed each year and a file of submitted 1099s is maintained.

6. Appropriate sales/use taxes are filed with the state of Iowa at least once a year.

7. Parish is aware that year-end contribution statements must have certain wording to be considered an appropriate acknowledgment for IRS purposes.

8. At a minimum, single contributions ≥ $250 are individually recognized on the year-end contribution statement.
THE REMAINING SECTIONS ARE FOR SCHOOLS ONLY

M. Separation of Duties - Tuition/School Fees

The position/person(s) that usually perform the following:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Receives tuition payments:</td>
</tr>
<tr>
<td>2</td>
<td>Counts tuition receipts:</td>
</tr>
<tr>
<td>3</td>
<td>Person(s) with access to the keys/safes/tamper-resistant bags, which safe keep un-deposited funds:</td>
</tr>
<tr>
<td>4</td>
<td>Prepares deposit slips:</td>
</tr>
<tr>
<td>5</td>
<td>Deposits tuition receipts:</td>
</tr>
<tr>
<td>6</td>
<td>Records payments in students' accounts:</td>
</tr>
<tr>
<td>7</td>
<td>Those who record payments in student accounts do not have access to un-deposited tuition or school fee monies</td>
</tr>
</tbody>
</table>

N. Tuition Receivables

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>An accurate detailed listing of tuition receivables exists, including a grand total.</td>
</tr>
<tr>
<td>2</td>
<td>There is a 30-60-90 days and older aging tuition receivable listing available.</td>
</tr>
<tr>
<td></td>
<td>A. This aging is shared with the finance council when they meet.</td>
</tr>
<tr>
<td>3</td>
<td>As of (date)__________ the % of tuition receivables which is 30 days or less =________%</td>
</tr>
<tr>
<td></td>
<td>As of (date)__________ the % of tuition receivables which is 31-60 days =________%</td>
</tr>
<tr>
<td></td>
<td>As of (date)__________ the % of tuition receivables which is 61-90 days =________%</td>
</tr>
<tr>
<td></td>
<td>As of (date)__________ the % of tuition receivables which is &gt; 90 days =________%</td>
</tr>
<tr>
<td>4</td>
<td>Tamper-resistant bags are used to secure tuition/fee receipts until the money is counted.</td>
</tr>
<tr>
<td>5</td>
<td>Tamper-resistant bags are pre-assigned and a log maintained of their usage.</td>
</tr>
<tr>
<td>6</td>
<td>Person(s) who assigns the bags and reviews the log for completeness:</td>
</tr>
<tr>
<td></td>
<td>Counters verify whether the bags they count were the bags assigned.</td>
</tr>
<tr>
<td></td>
<td>A. Counters indicate this verification by signing the log in the appropriate place.</td>
</tr>
<tr>
<td></td>
<td>B. There is a place on the log to note if the bag numbers do not match.</td>
</tr>
<tr>
<td></td>
<td>C. If the bag numbers do not match, the principal, or designee, would be quickly notified.</td>
</tr>
<tr>
<td>7</td>
<td>All counters sign the count sheets.</td>
</tr>
<tr>
<td>8</td>
<td>At least two unrelated people are involved in the counting of tuition/fee receipts.</td>
</tr>
<tr>
<td>9</td>
<td>A deposit slip in triplicate is prepared. One copy attaches to the count sheet, one goes with the bank deposit, and one stays in the deposit book.</td>
</tr>
<tr>
<td>10</td>
<td>A tamper-resistant bag or a locking bank bag is used to transport all deposits.</td>
</tr>
<tr>
<td></td>
<td>A. The bank is aware that there should be a tamper-resistant bag or locked bank bag.</td>
</tr>
<tr>
<td></td>
<td><strong>Scrip</strong></td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>The school sells scrip. If False, you are done with this section.</td>
</tr>
<tr>
<td></td>
<td>A. Scrip inventory is reflected on the parish/school's Statement of Financial Position.</td>
</tr>
<tr>
<td></td>
<td>1) Scrip inventory adjustments are recorded monthly</td>
</tr>
<tr>
<td></td>
<td>2) As of (date) the scrip balance is $</td>
</tr>
<tr>
<td></td>
<td>B. Scrip sales are recorded monthly on the Statement of Activities.</td>
</tr>
<tr>
<td>2</td>
<td>Two people are always present when scrip is not in its secured location.</td>
</tr>
<tr>
<td>3</td>
<td>Scrip is counted at least weekly by two people and compared to inventory records.</td>
</tr>
<tr>
<td>4</td>
<td>A written scrip agreement exists between the school/parish and the participants that allows the participant to choose how the rebates will be allocated,</td>
</tr>
<tr>
<td></td>
<td>A. One of the agreement options includes a cash back option.</td>
</tr>
<tr>
<td>5</td>
<td>Scrip is sent home with children <strong>only if</strong> written consent is provided.</td>
</tr>
</tbody>
</table>
Sample Priest Housing Letter

Compensation for Clergy on the [Parish Name] Payroll

Calendar Year 20XX

Compensation for Father Michael J. Fox will be paid in calendar year 20XX in accordance with the Diocese of Des Moines Priest Compensation Letter.

Father Michael J. Fox also will be provided free housing, with an estimated fair market value of $X,XXX per month.

Approved by the [Parish Name] Finance Council on November XX, 20XX.

Jane Doe

[Parish Name] Finance Council Chair
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- 1094c  
  See Affordable Care Act: Form 1094c  
- 1095b  
  See Affordable Care Act: Form 1095b  
- 1095c  
  See Affordable Care Act: Form 1095c  
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