

ROMAN CATHOLIC DIOCESE OF ALBANY

PARISH POLICIES

AND

PROCEDURES

Revised March 2017

Table of Contents

I.	CORPORATE STRUCTURE	1
III.	TRUSTEES	1
III.	FINANCE COMMITTEE	3
IV.	ACCOUNTING SOFTWARE	5
V.	BASIS OF ACCOUNTING	5
VI.	INTERNAL CONTROLS	6
VII.	INCOME	7
VIII.	EXPENSE	12
IX.	PARISH ASSETS	15
X.	PARISH LIABILITIES.....	17
XI.	COMPENSATION.....	18
XII.	AUXILIARY ORGANIZATIONS	24
XIV.	FINANCIAL REPORTING.....	25
XV.	REPORTING DONOR CONTRIBUTIONS	26
XVI.	BUILDING PROJECTS/RENOVATIONS/REPAIRS	28
XVII.	CONTRACTS	28
XVIII.	CEMETERIES	28
XIX.	SCHOOLS	29
XX.	TO REPORT CONCERNS.....	29

Appendixes

Appendix A

Appendix B

Appendix C

Appendix D

Appendix E

Appendix F

Appendix G

Appendix H

Appendix I

Appendix J

Appendix K

Appendix L

Appendix M

Appendix N

Appendix O

Appendix P

Appendix Q

Appendix R

Appendix S

Appendix T

Appendix U

I. CORPORATE STRUCTURE

A. Corporate Membership

Each parish is a separate membership corporation. The parish/corporate entity are organized in the following manner:

Corporate Members:

President	Bishop
Vice President	Vicar General
Secretary/Treasurer	Pastor/Canonical Pastor
Trustee	Lay person
Trustee	Lay person

B. Non-Profit Status

The Catholic Church is exempt from paying federal income tax under section 501(c) (3) of the Internal Revenue Code. The non-profit status of the Catholic Church is derived from a group ruling issued annually by the Internal Revenue Service (Appendix A).

C. Federal Employer Identification Number (FEIN)

Each parish must have a FEIN for opening bank accounts and payroll purposes.

The parish FEIN should only be issued after the approval of the Pastor. The parish should maintain a log identifying the recipient of the FEIN and the purpose of the request (e.g. establishing parish account, state and/or city licensing requirements).

National/International organizations (e.g. Knights of Columbus, St. Vincent de Paul Society) should not ask for or be given the parish FEIN to use for their bank accounts or activities. They should utilize their own separate FEIN.

D. State Sales Tax Exemption

Each parish must have a New York State “Exempt Organization Certificate” (form ST-119). This certificate exempts the parish from paying state sales tax. Use of the “Exempt Organization, Exempt Purchase Certificate” (form ST-119.1) should be reserved for purchases for the parish. The forms must not be used for personal purchases. “Exempt Organization, Exempt Purchase Certificates” should be secured so that access is restricted and limited to authorized individuals.

Questions regarding the state sales tax exemption should be directed to the Diocesan Finance Office.

III. TRUSTEES

Corporate law requires each parish to have two Lay Trustees. Together with the Bishop (President), the Vicar General (Vice President), and the Pastor (Secretary/Treasurer), the two Lay Trustees form the officers of the parish corporation.

The Trustees should function in the same manner as would any Trustee of a not-for-profit charitable or educational organization. They should be knowledgeable of the parish mission and familiar with parish programs. Since their major responsibility is a fiduciary one, they need to be part of the decision making process and review and sign financial reports sent to the Diocese. It is not mandated but strongly encouraged that the Trustees serve as ex officio members of the pastoral council and finance committee.

Selection Process for Lay Trustees

It is up to the Pastor/Parish Life Director/Administrator to recommend two individuals for Trustees. The Pastor's/Parish Life Director's/Administrator's proposals have to be submitted to the Bishop who appoints them. It is strongly recommended that the Pastor/Parish Life Director/Administrator consult with the pastoral council and perhaps the parish community as a whole in the selection of candidates for these positions. An individual must meet the following qualifications in order to be considered for Trustee:

- Twenty-one years of age
- A practicing Catholic

In addition, the following criteria should be weighed when considering an individual for Trustee:

- Active involvement in the parish
- Business acumen
- Availability to attend meetings
- Freedom from any conflict of interest either by occupation or by relationship to the Pastor/Parish Life Director/Administrator. Each Trustee will be required to certify annually to the parish corporation that no conflict of interest exists (Appendix B).
- Ability to function on a confidential basis when needed (Trustees will need to sign a confidentiality agreement when accepting their appointment – Appendix B).
- Ability to interact collaboratively with the Pastor/Parish Life Director/Administrator, pastoral council, and any other significant persons or groups in the parish.
- Sensitivity to spiritual and pastoral issues

Annually, the Pastor makes his recommendations for the appointment of Trustees to the Bishop on the "Resolution by Written Consent of the Ex Officio Trustees of" form (Appendix C). The form should be submitted to the Bishop's Office for approval and the signatures of the Bishop and the Vicar General. The original will be kept in the Chancery and a copy will be sent back to the parish for its records.

Trustees may be appointed annually or reappointed for five years (or a maximum of six one-year terms). Once the Bishop has appointed a person as a Trustee there is no need for further written reappointment. If the Pastor/Parish Life Director/Administrator wishes the Trustee to continue in that responsibility he may assume the Bishop's approval for the annual reappointment.

Meetings

Ideally, the Trustees should meet with the Pastor/Parish Life Director/Administrator quarterly. Since each parish is a New York State Religious Corporation there must be an annual meeting. The Trustees should be notified of the date and time of the annual meeting using the “Notice and Waiver” form (Appendix D). If the parish does not have a Pastor, the canonical Pastor (Administrative Advocate for Priests) must be included at the annual meeting either in person or by phone in order to have a quorum for the meeting. A quorum would consist of a minimum of three (3) of the five (5) “Corporate Members.” Since the Bishop and Vicar General will generally not be able to attend most annual meetings, a quorum will generally consist of the pastor and the Lay Trustees. A sample agenda for the annual meeting is included in the Appendix (E). A sample format to follow for the annual meeting minutes is also in the Appendix (F). The annual meeting minutes must be forwarded to the Chancery along with the Trustee appointment form.

The Pastor/Parish Life Director/Administrator should also meet with the Trustees in late July or early August to review and approve the parish’s annual financial report prior to its submission to the Diocese.

Minutes must be kept at all meetings and distributed to the attendees. Meeting minutes should be filed and kept in accordance with the Records Retention Schedule (Appendix G).

III. FINANCE COMMITTEE

Canon Law requires that each parish have a finance committee. The finance committee acts in an advisory capacity to assist the Pastor/Parish Life Director/Administrator in the administration of the parish goods (Canons 532 and 537).

The Pastor/Parish Life Director/Administration, together with the finance committee, is responsible for the faithful administration of parish property. Financial matters should be addressed within the context of the mission of the parish, Gospel values, and overall parish goals. Although they are two separate and distinct bodies, from an organizational standpoint, it may be appropriate for the finance committee to function as a committee of the pastoral council.

The Pastor/Parish Life Director/Administrator is responsible for establishing the finance committee. It is recommended that one or both of the Trustees be committee members. The total number of members may vary depending on the size of the parish and its needs. However, there should be no less than three members in addition to the Pastor/Parish Life Director/Administrator. Six is recommended as the maximum number. An individual must meet the following qualifications in order to be considered for membership on the finance committee:

- Twenty-one years of age.
- A practicing Catholic.

It is strongly recommended that members from the following occupations be included on the finance committee;

- Accountant
- Banker
- Investment Manager
- Lawyer

In addition, members from the following occupations are also desirable:

- Management Executive
- Human Resources/Personnel Executive
- Engineer or Construction/Property Manager
- Insurance Agent

The following criteria should also be weighed when considering an individual for the finance committee:

- Active involvement in the parish
- Business acumen
- Availability to attend meetings
- Knowledge of the parish operation
- Freedom from any conflict of interest either by occupation or by relationship to the Pastor. Each finance committee member will be required to certify annually to the parish corporation that no conflict of interest exists (Appendix H).
- Ability to function on a confidential basis when needed (finance committee members will need to sign a confidentiality agreement when accepting their appointment – Appendix H).
- Sensitivity to spiritual and pastoral issues

Members are to be appointed annually, in writing, for a term of one year.

Ideally the committee should meet monthly, but not less than quarterly. A member of the committee should be appointed to keep minutes. The minutes should be forwarded to the Pastor/Parish Life Director/Administrator for approval and for distribution to the other members. The minutes should be filed and kept in accordance with the Records Retention Schedule (Appendix G).

Responsibilities:

A. The pastor may preside at the meetings personally or ask one of the members to chair the meetings. Since the committee is advisory to the pastor, he does not vote at the meetings.

B. The pastor should consult with the finance committee:

- concerning any major expenditure of parish resources that require the permission of the diocesan bishop
- concerning the investment of parish funds

- when faced with expenditures which significantly exceed the approved budget for that year or when there seems to be a need for some special type of fund raising
- concerning any proposal to buy or sell property that requires the permission of the diocesan bishop (see Real Property manual)

C. The finance committee should play an active role in the preparation of the parish financial report and the parish budget to be submitted to the diocesan bishop each year. Both the report and the budget should be signed by the Pastor/Parish Life Director/Administrator, Lay Trustees and the chairperson of the finance committee.

D. The finance committee should assist in the formulation of the report to the faithful on the temporalities of the parish.

E. Although transparency should mark any consultative group, the finance committee reserves the right to conduct its meetings, or part of them, in executive session when the issue or matter warrants the same.

IV. ACCOUNTING SOFTWARE

The Diocese strongly recommends that parishes use the diocesan supported software for recording receipts and disbursements and maintaining the general ledger. A backup should be made on a flash drive, CD, or diskette at least monthly. The backup copy should be stored offsite or in a fireproof safe.

The diocesan supported software is to be used as an accrual system. This will allow for the entry of invoices when received and the automatic recording of payables. In addition to the support offered by the software company, the Diocese provides software support and has a full-time parish support specialist on staff (518-453-6651 or 800-390-7738).

V. BASIS OF ACCOUNTING

The method prescribed by the Diocese is the modified accrual basis. The modified accrual basis for parishes allows for the accrual basis of accounting except for the recognition of the purchase of fixed assets. Under this method all purchases are expensed including fixed assets (buildings, equipment etc.). Most financial transactions will be recorded on the accrual basis with income being recorded when earned and expenses recorded when incurred.

The receipt of the annual property and liability insurance bill from the Diocese can be used as an example. The parish receives the bill in July for the premiums for the fiscal year (July 1 to June 30). The invoice should be entered into the accounting system when received. On the accrual basis, the expense account will automatically be recorded (debited) and accounts payable will be recorded (credited). When the invoice is paid, accounts payable will be reduced (debited) and cash will be reduced (credited).

Another example of accrual accounting would be transactions relating to a parish capital campaign. In this example assume the parish receives a pledge of \$10,000 for the building of a new parish hall. The following entry should be made:

Debit	Pledge Receivable (Asset)	\$10,000
Credit	Revenue	\$10,000

In addition, to record pledges the parish also needs to recognize that a portion will not be collectable. Historically, the diocese has experienced a 5% rate for uncollectable pledges. The following entry should be made for a \$10,000 pledge:

Debit	Reserve for bad debt	\$ 500
Credit	Allowance for unfulfilled pledge (5% of \$10,000)	\$ 500

Amounts received on the pledge would be offset (credited) to the pledge receivable and cash accounts (debited).

VI. INTERNAL CONTROLS

Internal controls refer to the policies and procedures designed to safeguard the assets of the parish, enhance the reliability of financial records, and reduce the possibility of errors or fraud. The basic premise of any system of internal controls is that no one person should be responsible for all phases of a financial transaction. For example, if the bookkeeper prepares checks to pay invoices, the Pastor/Parish Life Director/Administrator should review the invoices and sign the checks. In addition to the general benefits noted, there are a number of benefits to implementing and following a system of internal controls for the church:

- Ensuring compliance with applicable laws, regulations, policies, and procedures, including Canon Law
- Promoting parishioner and public trust
- Protecting the physical well-being and integrity of parish employees and volunteers

Separation of duties is often difficult in a small parish. In those instances the ability of any one person to authorize and execute transactions should be limited to the greatest extent practicable. Regular review of financial transactions by the finance committee would be an oversight function in a situation where separation of duties is limited by staffing constraints. No system of internal controls will detect all errors and irregularities. However, when policies and procedures are followed the risk will be mitigated (see section XX).

VII. INCOME

A. Cash Receipts

1. Offertory

a. Weekly Collections

Weekly collections are a major source of revenue for the parish. The offertory must be strictly controlled from the time it is collected to the time it is deposited in the bank. Internal controls over the process, from collection to the recording of parishioner contributions, are listed below. (See Appendix I for collection and cash counting procedures.)

The importance of adhering to the following internal controls and the accompanying procedures cannot be overemphasized. They are designed to protect parish employees, volunteers and assets. If the controls and procedures are followed, the people handling cash are afforded the protection they are entitled to should allegations of impropriety ever be made.

i. Collection Process

- Ushers shall collect from the parishioners.
- The use of tamper evident bags or tamper evident locks is strongly recommended. Tamper evident bags and tamper evident locks should be safeguarded in the same manner as blank checks. A log should be used to track the inventory and issuance of bags and locks (Appendix J and K).
- Once the collection has been consolidated, it should be in the possession of two or more people at all times.
- It is strongly recommended that the collection be counted as soon as possible after each Mass.
- If the collection will not be counted after the Mass it should be locked in a fireproof safe or deposited in a night depository. Safe combinations and access to keys should be limited to key parish personnel. Combinations and locks should be changed periodically and when there are staff changes.

ii. Counting Teams

- The Pastor/Parish Life Director/Administrator should consider appointing counting team members as opposed to requesting volunteers.
- Counting teams must consist of two or more people and are not to include the Pastor/Parish Life Director/Administrator, Trustees, members of the same family (relatives may count if there is a third unrelated person present), the parish bookkeeper/secretary.
- A team captain should be appointed.
- Three or more counting teams are ideal.
- Teams should rotate from week to week.
- Under normal circumstances the same team should not be allowed to count week after week.

- iii. Counting Process
 - Access to the counting room should be restricted to team members when the collection is being counted.
 - The counting team should count all items collected during the Mass, including special collections.
 - Each Mass should be counted separately for record keeping purposes.
 - Where practicable, poor box, candles, and other donations should be counted and included as part of the last deposit of the weekend.

- iv. Deposits
 - The collection should be deposited intact.
 - Funds should never be disbursed from the collection.
 - Two people should take the deposit to the bank.
 - The collection should be deposited in a timely manner.

- v. Deposit Verification
 - The “Cash Count/Recap Sheets” (Appendix L and M) and the empty envelopes should be given to the bookkeeper.
 - Validated deposit slips returned by the bank should be given to the bookkeeper.
 - The bookkeeper should compare the deposit receipt from the bank to the “Cash Count/Recap Sheets.” Overages and shortages between count worksheets and bank deposit receipts should be reviewed to determine if additional count team members should be recruited or if count duties should be changed. The Pastor/Parish Life Director/Administrator should be notified of any discrepancy.
 - The bookkeeper should verify that the total of the amounts listed on envelopes agree to the “Total Envelopes” per the “Cash Count/Recap Sheets.”
 - The validated deposit receipt and tamper evident bag tear-off strip, if applicable, should be attached to the corresponding “Cash Count/Recap Sheet.”
 - Deposits should be entered in the accounting system and/or recorded in the cash receipt journal in a timely manner.

- vi. Recording Parishioner Contributions
 - For individuals that utilize envelopes or checks (Appendix N), a record of contributions should be maintained for the purpose of reporting annual contributions to each parishioner. These records may be maintained in a software program, by an outside vendor (e.g. Cathedral), manual cards, or in a spreadsheet. Someone independent of the collection, deposit and record keeping functions should enter the data. Amounts entered to parishioner contribution records should be reconciled to the counting documentation in order to verify that, in total, amounts have been properly entered.
 - Contributions should *not* be backdated to the date printed on the envelope. Use the collection date, even if there are multiple envelopes with multiple dates.

b. National Collections

A schedule of national collections is sent out annually by the Diocese. These collections are promulgated by the United States Conference of Catholic Bishops (USCCB). These collections should be collected, counted and recorded separately from parish collections. Since these funds are collected for the USCCB and are not parish funds they are to be recorded as a parish liability as indicated in the chart of accounts. These funds are to be sent to the Diocese within two months of collection.

c. Electronic Giving

Electronic giving is an alternative to donating through the offertory collection process. A parishioner's bank account or credit card is charged at a periodic interval in lieu of an offering put in the collection basket. One advantage of electronic giving is that the parish receives a contribution whether the parishioner is in church or not. This provides for a more consistent cash flow for the parish.

In an age when cybercrime is on the rise, it is imperative that parishes take every precaution to ensure the safety of the confidential information of its contributors. Parishes are **not** to maintain any confidential parishioner information such as bank account or credit card information either electronically or on paper. Parishes are only to use vendors that allow the parishioner to work directly with the vendor so that ***confidential information is neither received nor maintained by the parish.***

2. Other Cash Receipts

Other cash receipts are any funds that are not received through the collection process. These would include but are not limited to religious education fees, advertising, stole fees, etc. All cash receipts are generally to be received and receipted at the parish office. All cash receipts should be deposited intact in a parish account.

a. Internal Controls

A duplicate, numbered receipt should be issued for all items whether they are received in person or through the mail. In order to maintain separation of duties the person who deposits these items should not have access to account records or reconcile bank accounts. As a general rule someone other than the bookkeeper should deposit these items. The deposit receipt and supporting documentation should be forwarded to the bookkeeper for verification and entry into the accounting records. In the event that cash receipts are not received at the parish office (e.g. religious education registration), these controls should still be followed.

b. Stole Fees

Stole fees are offerings received on the occasion of liturgical celebrations such as baptisms, marriages, funerals, the blessing of a home etc. Stole fees belong to the parish and should be deposited to the parish operating account.

i. Assigned Priests and Sacramental Ministers:

A priest assigned to a parish, as a pastor, administrator, assistant or sacramental minister, is **NOT** to receive any additional compensation for these liturgical celebrations. Although a priest may not be compensated, he may accept a direct "free will" offering. A "free will" offering would result when an individual gives

a gratuitous gift to the priest with some indication it is a personal gift.

ii. Visiting Priests:

Clergy who are *not* assigned to a parish may receive payment from a parish for liturgical celebrations in accordance with the schedule distributed by the Office of the Administrative Advocate for Priests. These payments should be made from the parish operating account. Visiting priests may also accept a direct “free will” offering.

It is up to parish management to properly explain the policies regarding stole fees to parishioners, families and funeral homes. All literature distributed by the parish and funeral homes should reflect these policies and is not to include an amount payable for the priest.

c. Program Fees

Program fees represent amounts collected to run parish programs such as religious education, pre-kindergarten, or nursery school. These fees are recorded as non-assessable income of their related department.

d. Gifts and Bequests

A gift is the receipt of a donation outside of the offertory collection. A bequest is a gift received through an estate or trust. Gifts and bequests can be monetary, non-monetary, restricted, or non-restricted. Documentation for all bequests (particularly non-monetary) should be sent to the Diocese for review before being accepted.

3. Mass Stipends

In their simplest form, Mass stipends are made by a donor for a specific Mass intention to be said by a priest. Each parish is required to keep an accurate register of individual Mass intentions and related stipends.

Mass stipends are to be deposited and kept in a separate account. No amounts other than those for Mass stipends should be deposited to the stipend account. The account should not be included in the general ledger or listed on the parish’s financial report. This is the only account to be omitted from the parish records.

The priest who satisfies the Mass intention is entitled to the Mass stipend. However, a priest may not accept more than one stipend per day. In the Diocese of Albany, the disbursement of funds from the Mass stipend account is contingent upon how a priest chooses to receive stipends. Please see “Mass Stipends” in section XI under “Compensation” for a detailed discussion on how payments from the account should be handled.

Parishes may build up an excess of stipends in the stipend account due to the limitation that a priest may receive only one stipend per day but may satisfy multiple intentions at a Mass. Currently in the Diocese of Albany, the Bishop has not designated a use for excess stipends. In the absence of a designation, Canon Law indicates that the excess stipends may be used to support the works of the church (Canon 946). No payments other than those described in section XI under “Mass Stipends” or the transfer of excess

amounts to the parish operating account “to support the works of the church” should be made from the stipend account. The stipend account should never be drawn down below the value of any Masses yet to be celebrated.

B. Receipt of Non-Cash Items

1. Real Property

A gift/bequest of real property, land, buildings, vehicles etc. to the parish requires that certain steps be taken before accepting the property. Before any gift of real property is accepted by any parish, the parish needs to contact the Chancellor or the Office of Real Property so that the required information can be gathered and reviewed. This review is done to determine if there are any impairments to the acceptance of the gift.

2. Goods

For donations of goods (clothes, furniture, etc.), the donor should be given a receipt with the date received, a description of the item and the condition noted (poor, fair, good, excellent etc.). See Appendix P. Under no circumstances should the parish place a dollar value on the goods. It is up to the individual making the gift to determine its value.

3. Stocks/Investments

The median value of the stock/investment should be established on the day of receipt. This is the amount that will be carried on the balance sheet and noted on the gift receipt to the donor (Appendix Q).

C. Bingo, Bazaar, Fund Raising

Certain fund raising events may require prior approval or licensing with a state or local agency. In addition, certain events may require the submission of activity reports with state and/or local agencies. The parish should consult with state and local licensing agencies before holding any fund raising events.

The Diocesan philosophy regarding stewardship requires that the parish ask the question, “Is gambling the answer?” Faced with considerable financial burdens, our parishes, schools and institutions can find the use of gambling events an attractive method of raising substantial amounts of money. It is important to be aware of the disadvantages and dangers involved in hard core gambling such as Las Vegas nights. Such events can prey on the weakness of those addicted to gambling, occasion the loss of money by people who cannot afford it, and make religion depend upon an income base inconsistent with its expressed principles. For these reasons the Diocese strongly encourages good stewardship and generous free-will support as the preferred method of financing our programs rather than such projects as Bingo, raffles, etc. and strongly discourages use of hard core gambling by our parishes and institutions. While it is recognized that some projects are often necessary, the services of the Diocesan Stewardship Office are recommended to help parishes move closer to the ideal in this area.

1. Bingo

Bingo must be operated in conformance with the New York State Racing and

Wagering Board Bingo Regulations. A complete copy of the rules may be obtained from the Internet at <https://www.gaming.ny.gov/charitablegaming/>

2. Fund Raising

Many parishes rely on special fund raising events (annual festivals or feasts, dinner/dances) to supplement the weekly offertory. These events can generate a significant amount of revenue. It is important that each parish take special care to ensure that funds generated from these events are adequately safeguarded and monitored.

The following guidelines should be followed for all events:

- A committee of reputable and practicing members of the parish should coordinate each event. The Pastor/Parish Life Director/Administrator may or may not be a member of the committee but should monitor its activities.
- The financial activity for special events should be monitored separately.
- The process and deposit procedures for “other cash receipts” should be followed.
- When large amounts of cash are involved, periodic deposits should be made throughout the event.
- All disbursements relating to the event should be made through a parish checking account; payments directly from cash receipts are prohibited.
- Control over cash disbursements relating to the event should conform to those identified in the “Expense” section of this manual.
- A report of the net financial results of the special event should be prepared in a timely manner. Revenue and expenses should be reported separately.

VIII. EXPENSE

It is important that each parish pay bills in a timely manner. It can be beneficial if the parish sets a particular day of the week for preparing checks and adheres to it as closely as possible. This allows for the Pastor/Parish Life Director/Administrator, and in their absence one of the Lay Trustees, to schedule accordingly for the purpose of signing checks. Parishes must follow IRS rules regarding payments to vendors. All new vendors should complete a “Form W-9,” “Request for Taxpayer Identification Number and Certification,” prior to making the first payment. The [W-9](#) is used to determine if the vendor is a 1099 vendor. If the parish pays a 1099 vendor more than \$600 in a calendar year a “Form 1099-MISC” must be sent at the end of the calendar year. (The parish must obtain original forms. The forms are not available online.)

A. Internal Controls

1. Except for petty cash disbursements, all parish disbursements should be made by check (see “Use of Credit/Debit Cards” below). Under no circumstances should disbursements be made from funds awaiting deposit (collections).
2. Payment for goods and services received by the parish should be paid from the parish operating account.
3. Check signing authority should be limited to the Pastor/Parish Life Director/Administrator and Trustees. Where appropriate separation of duties can be maintained, the Pastor/Parish Life Director/Administrator may delegate the

responsibility of check signing to an appropriate individual (e.g. the Business Manager). Under no circumstances should an individual sign a check payable to himself/herself. Under no circumstances should the bookkeeper be an authorized signer on bank accounts.

4. All checks should be pre-numbered and accounted for. Voided and mutilated checks should be kept with cancelled checks/check images.
5. The supply of unused checks should be safeguarded and under the control of the person who prepares checks. (E.g. locked either in a safe or locked file cabinet).
6. Checks should never be made payable to "Cash."
7. Blank checks should never be signed.
8. A signature stamp or an electronic signature should *not* be used.

B. Use of Credit/Debit Cards

While parishes may elect to use corporate credit or debit cards to facilitate purchases, it is imperative that adequate controls be in place to govern the use of the cards. Receipts should be obtained for all transactions. Statements should be mailed directly to the parish address and the account should be reviewed each month. Parishes are not to incur finance charges on a credit card and are obligated to pay any outstanding balances at the end of each billing cycle.

C. Invoice Processing

1. The Pastor, Parish Life Director, Administrator, or Trustee should approve all invoices for payment. Each invoice should be initialed and dated to document approval. Where appropriate separation of duties can be maintained, the approving of invoices may be delegated to an appropriate individual (e.g. the business manager). All approved invoices should be entered in the accounting system when received to record the expense in the proper period. The invoice should be placed in an unpaid bill file until a check will be prepared.
2. Verification that goods were received or services were performed should be noted in writing on all invoices by the individual who received them.
3. Invoices should be reviewed for terms (discounts should be taken whenever possible), prices, and mathematical accuracy prior to payment.
4. The general ledger account to be charged should be noted on the invoice or check request by the bookkeeper.
5. Supporting documentation should be attached to all invoices (packing slip, bill of lading).
6. The invoice and all supporting documentation should be attached to the check so it is available for review by the check signer. Checks should not be signed without supporting documentation.
7. To avoid double payment, paid invoices should be dated and marked "Paid," with the check number noted, by the bookkeeper upon preparation of the check.
8. Paid invoices should be filed alphabetically by vendor and fiscal year, and kept in accordance with the Records Retention Schedule (Appendix G).
9. At the end of each month, a listing of the parish's unpaid obligations should be prepared for review at the next finance committee meeting.

D. Reimbursement

Accountable Reimbursement Plan

In order for a parish to be able to reimburse employees or volunteers for expenses, the parish must have an “accountable” plan for reimbursements. The plan must:

- Be in writing
- Be adopted by an official action by the parish
- Provide payment for only legitimate expenses with a business purpose, incurred solely for the benefit of the parish
- Require proper substantiation of the expense, including a written record made at or near the time of the expenditure, plus documentary evidence, such as receipts
- Require that the substantiation be submitted to the parish, within a “reasonable” period of time.

A sample plan can be found in Appendix R. For further information, see <http://www.irs.gov/publications/p463/ch06.html>.

Priest Reimbursement (Diocesan Policies)

Priests are entitled to reimbursement from the parish for ministry related expenses. There is a maximum reimbursement amount set for each calendar year. This amount is subject to change and is published annually in the budget package. The following are examples of items for which a priest may be reimbursed.

1. Transportation/Auto – The standard mileage rate set by the IRS should be used to compute the amount of reimbursement. The mileage rate is subject to change.
 - a. The preferred method is to log the date, the beginning and ending odometer reading and a description of the purpose of the trip. Commuting miles should not be included. In lieu of a log, a calendar or journal must be maintained to document and support the number of miles driven. Reimbursement should only be made upon receipt of a log, calendar or journal that substantiates the miles driven. (NOTE: The standard mileage rate reimbursement is in lieu of paying actual expenses for gas, maintenance and insurance on the priest’s vehicle. Therefore, priests are not to be reimbursed for these expenses.)
2. Business meals and entertainment
3. Retreats (to the extent allowed)
4. Professional dues and subscriptions
5. Religious books, supplies and software
6. Vestments (not to include suits, pants or jackets)
7. The business related portion of telephone bills

Adequate records must be maintained to substantiate expenses incurred. For mileage written records are considered adequate and may be maintained in an account book, diary, statement of expense, or similar record. For other types of reimbursement documentary evidence such as receipts, canceled checks, or bills should be presented to the parish to support each expense statement. Documentary evidence is adequate if it shows the amount, date, place and purpose of the expense.

Parish reimbursement to a priest should only be made upon receipt of documentary

evidence that substantiates the expenses claimed. Since priests are paid through a payroll agent, any unsubstantiated reimbursements to a priest are to be reported as income to him on a "Form 1099-MISC."

IX. PARISH ASSETS

A. Bank Accounts

All bank accounts utilizing the parish's Federal Employer Identification Number (FEIN) are to be recorded in the general ledger and reported. The only exception is the "Mass stipend" account which is excluded in accordance with Canon Law. Signatory powers for all parish accounts rest with the Pastor/Parish Life Director/Administrator. There should be three signers on all parish accounts. It is recommended that the Pastor/Parish Life Director/Administrator and the Trustees be the authorized signers. This responsibility extends to the accounts of all parish auxiliary organizations including, but not limited to, the Rosary Society, Holy Name Society, Catholic Youth Organization and fund-raising groups. Under no circumstances should the bookkeeper be an authorized signer on bank accounts.

Where appropriate separation of duties can be maintained, the Pastor/Parish Life Director/Administrator may delegate the responsibility of check signing to an appropriate individual (e.g. the business manager). Under no circumstances should an individual sign a check payable to himself/herself.

The Pastor, Parish Life Director, Administrator, or Trustees should periodically review the authorized signers on parish accounts, especially when there are personnel changes. The review should be documented on the "Parish Accounts" form (Appendix S). Individuals who have left the parish or relinquished responsibilities for the account should be removed as authorized signers as soon as possible. Each parish should maintain a current list of all bank accounts that includes the name of the banking institution; the account number, account title and authorized signers (use Appendix S).

Account Reconciliation

The timely reconciliation of bank account statements by an individual without check signing authority or access to cash is an important internal control. The following guidelines should be followed:

1. Unopened statements should be opened and reviewed by someone without check signing authority or access to cash prior to reconciliation. Cancelled checks or check images should be reviewed for signor, payees, amounts, and endorsements. Deposit amounts and dates should be noted.
2. Statements must be reconciled monthly upon receipt. Checks that remain outstanding for more than two months should be investigated and resolved. It may be necessary to contact the payee and reissue the check.
3. The bank reconciliation should be adequately documented.
 - a. For parishes using the Diocesan supported software, the bank reconciliation module should be used. The reconciliation should be printed, initialed and dated by the preparer and attached to the related bank statement.
 - b. For parishes not using the Diocesan recommended software, the backs of most bank statements provide an acceptable format. The reconciliation should be

- initialed and dated by the preparer.
4. A finance committee member should review bank reconciliations at their regularly scheduled meetings and the individual should note their review by initialing and dating them.
 5. Bank account statements, the reconciliation and cancelled checks or check images should be kept in accordance with the Records Retention Schedule (Appendix G). If cancelled checks are not obtainable, check images must be obtained. Images should include the front and back of check.

Closing Bank Accounts

When a decision is made to close an account the remaining check inventory should be shredded to prevent fraudulent use of checks.

B. Petty Cash

A petty cash fund may be used to facilitate the payment of various small expenses that are too cumbersome to be paid through the normal payment process. Petty cash should be operated on an “imprest basis,” which means the amount remains constant. At any point in time the cash and receipts should equal the total petty cash amount. The following operating guidelines should be followed:

1. One person should be assigned responsibility for disbursements, replenishment and safekeeping of petty cash.
2. A petty cash fund in “cash” should be no more than \$500.00. A petty cash fund in excess of \$500.00 should be in the form of a checking account and should be no more than \$1,000.00.
3. Petty cash should be kept in a secure location with restricted access.
4. Approval for withdrawal should be restricted. For example, only the Pastor/Parish Life Director/Administrator may be allowed to approve withdrawals.
5. Receipts should be provided to support withdrawals. Receipts should be retained as documentation for the transaction. Pre-numbered petty cash vouchers may be utilized for disbursements. Vouchers should include the date, amount, transaction description, name of recipient, and the initials of the approver.
6. Petty cash should be replenished periodically to the established level with entries to the appropriate general ledger accounts. Replenishment should be made by check in the name of the fund’s custodian. The words “petty cash” should appear on the check (e.g., “John/Jane Doe - Custodian of Petty Cash”). Petty cash should be replenished at the end of the fiscal year in order to record expenses in the proper period.
7. “Borrowing” from petty cash for personal expenses should not be permitted.

C. Investments

Parishes may invest on their own as long as it is done in accordance with the investment guidelines set by the USCCB (<http://www.usccb.org/about/financial-reporting/socially-responsible-investment-guidelines.cfm>).

If the parish does not want the responsibility of monitoring its investments, the Diocese has two investment vehicles available to parishes that are managed in compliance with the USCCB guidelines:

1. Diocesan Investment and Loan Trust - The Trust is setup for short term investing of funds that may be needed within five years. Trust accounts are a form of a savings account in that deposits receive a set rate of interest, which is reviewed quarterly, with no investment risk.
2. The Foundation of the Roman Catholic Diocese of Albany - The foundation is setup for long term investing of funds that are not expected to be needed by the parish for five or more years. Foundation accounts are invested as part of a unitized fund. Therefore, there is investment risk involved with these accounts. The idea is that over a longer period of time the underlying investments will outperform the interest rate offered by the Trust. For further information, contact the Diocesan Finance Office.

D. Receivables

Receivables are amounts due to the parish from other entities such as the cemetery or another parish in the case where two parishes share a priest and one parish is the invoiced parish. A receivable should be setup when a parish receives pledges as part of a capital campaign. The amounts should be recorded at the time of the pledge. The parish should recognize a percentage of pledges which may be uncollectable. See also "Basis of Accounting."

E. Capital Purchases

At the present time the practice of the Diocese is to expense all capital purchases. Refer to the chart of accounts (Appendix T) for the appropriate account to use.

Please refer to the Office of Real Property "Property Transactions" for guidance on real property issues. Effective July 1, 2011 the threshold for capital expenditures requiring prior approval from the Chancery was raised to \$20,000 from \$10,000. Please refer to Appendix U for a copy of the memo.

X. PARISH LIABILITIES

A. Accounts Payable

Amounts owed to vendors or other entities are to be recorded as liabilities of the parish. The Diocesan supported software is to be operated on an accrual basis where accounts payable is credited when an invoice is entered.

B. Payroll Liabilities

Payroll liabilities are amounts withheld from employees pay, such as income taxes and Social Security (FICA) that need to be submitted to a Federal or State agency. Amounts withheld for unemployment, health insurance, dental insurance and pension are also recorded as liabilities until they are submitted to the appropriate party.

C. Loans

All borrowed funds, whether from the Diocesan Investment and Loan Trust, a financial institution or other entity are to be recorded as a liability.

D. Diocesan Liabilities

Amounts owed to the Diocese should be listed separately and would include but are not limited to the following: the Diocesan assessment, priest health insurance, priest life insurance, priest retirement health, priest pension, McNeirney Community Service Corporation (priest salary), and the school assessment. (See Appendix T, chart of accounts).

E. National Collections

A schedule of national collections is sent out annually by the Diocese. These collections are promulgated by the USCCB. They should be collected, counted and recorded separate from parish collections. Since these funds are collected for the USCCB and are not parish funds they are to be recorded as a parish liability as indicated in the chart of accounts. These funds are to be sent to the Diocese within two months of collection.

F. Other Liabilities

Any other amounts the parish owes that do not fit into one of the categories noted above should be listed as an “other liability.”

XI. COMPENSATION

A. Payroll

1. Lay Employees

The proper recording and maintenance of payroll records is important to ensure that employees are compensated correctly and to determine the cost of parish operations. The parish is required to comply with all Federal and State guidelines.

For an employee, the parish is responsible for:

- Withholding Federal and State income taxes, employee share of FICA, and making payments in a timely manner.
- Paying the employer share of FICA.
- Issuing form W-2, Wage and Tax Statement, annually.
- Reporting wages on form 941, “Employer’s Quarterly Federal Tax Return” and form NYS-45, “Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return.”
- Providing a “Notice and Acknowledgement of Pay Rate and Payday” in compliance with the NYS Wage Theft Protection Act. Please refer to the Diocesan Office of Human Resources page on the intranet for more information.
- Providing a statement or pay stub in compliance with the NYS Wage Theft Protection Act. Please refer to the Diocesan Office of Human Resources page on the intranet for a comprehensive list of what should be included on the statement or pay stub.

NOTE: Diocesan entities are self-insured for unemployment insurance and workers compensation insurance. Therefore parishes are not to pay Federal or State unemployment insurance (FUTA and SUTA), or workers compensation insurance

to any State or Federal agency. Self-insurance premiums for unemployment are paid to the plan trustee, Trustco Bank. Workers compensation insurance is billed through the Diocesan self-insurance fund.

Certain internal controls should be followed whether the parish payroll is processed manually in-house, through the Diocesan supported software, or through an outside service:

- a. All employees regardless of their status (full-time, part-time, hourly, salary), must document their hours worked by the use of a time clock or on a timesheet. The time record should coincide with the parish payroll cycle (weekly, bi-weekly, monthly) so there is an accurate record of hours worked by pay period.
- b. The employee's supervisor should verify and approve hours worked prior to the payroll being processed. Approval should be documented by initialing and dating each employee time card or timesheet.
- c. Someone independent of the payroll process (Pastor/Administrator/Trustee/finance committee member) should periodically review the payroll register. Employee names should be scanned for validity. Regular and overtime hours, pay rates and deductions should be reviewed for reasonableness. The review should be documented by dating and initialing the payroll register.
- d. Only the Pastor/Parish Life Director/Administrator and Trustees should be allowed to sign payroll checks. Where appropriate separation of duties can be maintained, the Pastor/Parish Life Director/Administrator may delegate the responsibility of check signing to an appropriate individual (e.g. the business manager). Under no circumstances should an individual sign a check payable to himself/herself.
- e. For all employees who earn paid time off (vacation, sick, etc.), the parish should track their accrued time and usage. Time accrual records should be reviewed and approved by the employee's supervisor. Approval should be documented by initialing and dating the accrual record.

For each parish that processes payroll there should be a system that readily provides the following information:

- Current period earnings by employees.
- Quarterly and annual earnings by employees.
- Current, quarterly, and annual totals for taxes withheld from employees.
- Current, quarterly, and annual miscellaneous withholdings.
- The distribution of payroll expenses to the appropriate accounts.

A personnel folder is required for each employee of the parish. There is a comprehensive listing of items to be maintained for each employee available from the Diocesan Office of Human Resources. The list is also available on the Diocesan intranet.

2. Priests

a. Remuneration

Priests are paid based upon a tiered scale which is based upon the priest's ordination date. The greater the number of years that a priest has been ordained the higher his remuneration. The scale for each fiscal year is sent out as part of the annual budget package disseminated by the Diocesan Finance Office.

i. Diocesan Priests

Diocesan priests in active ministry are categorized differently than lay people for income tax and FICA purposes. For IRS and NYS (income tax) purposes, priests are considered employees. For FICA purposes they are considered independent contractors. Due to the complexities of their dual status, Diocesan priests are paid centrally through a payroll agent (McNeirney Community Service Corporation) which is reimbursed by the parish. Wage reporting (W-2) is done by the payroll agent.

ii. Religious Order Priests

Religious Order priests that have taken a vow of poverty are neither considered employees nor independent contractors for income tax or FICA purposes because they do not receive a salary. However, the priest's order is to receive an amount that is equal to that which the Diocesan priest would have received based upon the current salary scale. It is up to the Order to determine its participation in FICA.

iii. Special Situations

Sacramental Ministers - In the case where a pastor or pastoral associate of one parish is assigned as the sacramental minister of another parish the individual is not to receive any direct compensation for the services provided to the other parish. Although the sacramental minister is not to receive any direct compensation for his services, the parish that pays the priest should be reimbursed an agreed upon amount to offset the cost of a portion of his compensation. Agreements of this kind should be established at the beginning of the ministry/relationship.

Visiting Priests - Visiting priests should be paid in accordance with the schedule distributed by the Administrative Advocate for Priests. These amounts should be paid from the parish operating account. Visiting priests, including retired priests, must receive a "Form 1099-MISC" from a parish whenever the parish makes direct payments to them of \$600 or more in a calendar year. The amount reported on "Form 1099-MISC" is to include the total payments made to the priest. This should include payments for Mass stipends and mileage.

b. Mass Stipends

In their simplest form, Mass stipends are made by a donor for a specific Mass intention to be said by a priest. The priest who says the Mass is entitled to the Mass stipend. However, a priest may not accept more than one stipend per day. The disbursement of funds from the Mass stipend account is contingent upon how a priest chooses to receive stipends and his status at the parish.

Priests in the Diocese of Albany have the option of either receiving \$300 per month

in their salary or directly receiving Mass stipends.

i. Priests Assigned to a Parish:

When a priest takes the salary option for Mass stipends, the priest gives up his right to any Mass stipends earned. However, the parish has the right to be reimbursed from the Mass stipend account for an amount equal to what would have been earned by the priest for that month according to the Mass register. The net result is that the parish may end up paying the priest more than the value of the stipends he may have earned in any given month. In that case, the parish makes up the difference. If the parish has more than one priest, the same process is followed for each priest assigned to the parish.

If a priest takes Mass stipends directly from the Mass stipend account and not through the salary option, any amount in excess of \$600 per calendar year should be reported to him by the parish on a “Form 1099-MISC.”

ii. Sacramental Ministers:

In the case where a pastor or associate pastor of a parish is assigned as the sacramental minister of another parish and is receiving \$300 per month in lieu of Mass stipends, he is not to receive any stipends from the parish where he serves as sacramental minister.

If a priest is not getting Mass stipends in his salary, subject to the limitation of one Mass stipend per day, the priest is entitled to receive any Mass stipends earned. Any amount in excess of \$600 per calendar year should be reported by to him by the parish on a “Form 1099-MISC.”

iii. Visiting Priests (including retired priests):

Visiting priests should be paid in accordance with the schedule distributed by the Office of Administrative Advocate for Priests which includes a Mass stipend. These amounts should be paid from the parish operating account **NOT** the stipend account. Any stipends due to a visiting priest should be determined during a periodic review of the Mass register and transferred to the operating account which will offset the expense of the visiting priest the same as a priest receiving payments under the salary option.

c. Stole Fees

Stole fees are offerings received on the occasion of liturgical celebrations such as baptisms, marriages, funerals, the blessing of a home etc. Stole fees belong to the parish and should be deposited to the parish operating account.

i. Assigned Priests and Sacramental Ministers:

A priest assigned to a parish, as a pastor, administrator, assistant or sacramental minister, is **NOT** to receive any additional compensation for these liturgical celebrations. Although a priest may not be compensated, he may accept a direct “free will” offering. A “free will” offering would result when an individual gives a gratuitous gift to the priest with some indication it is a personal gift.

ii. Visiting Priests:

Clergy that are *not* assigned to a parish may receive payment from a parish for liturgical celebrations in accordance with the schedule distributed by the Office of Administrative Advocate for Priests. These payments should be made from the parish operating account. Visiting priests may also accept a direct “free will” offering.

It is up to parish management to properly explain the policies regarding stole fees to parishioners, families and funeral homes. All literature distributed by the parish and funeral homes should reflect these policies and is not to include an amount payable for the priest.

3. Women Religious

Women religious that have taken a vow of poverty are neither considered employees nor independent contractors for income tax or FICA purposes because they do not receive a salary. However, the religious order is to receive an amount based upon the current stipend schedule distributed in the annual budget packet distributed by the Diocesan Finance Office. It is up to the order to determine its participation in FICA.

4. Employee versus Independent Contractor

Whether someone who does work for the parish is an employee or an independent contractor is an important question. The answer determines liability to withhold and to pay certain Federal and State taxes as well as employee benefits. In general, someone who performs services is an employee if the parish can control what will be done and how it will be done ([IRS Publication 1779](#)). If there is a question as to the status of an individual, please contact the Diocesan Human Resources Office. For an independent contractor (individuals or unincorporated organizations), the parish is responsible for issuing “Form 1099-MISC,” to report compensation paid if the independent contractor earned \$600 or more from the parish during the calendar year.

B. Benefits

1. Lay Employees

The following benefits are mandatory for all employees regardless of their status (full-time, part-time, hourly, salary):

- Unemployment
- New York State short-term disability
- Worker’s compensation

For lay employees who work 20 or more hours per week or 1,000 hours per year, the following benefits should also be made available to them:

- Health insurance
- Group long-term disability
- Pension

- Life insurance
- Paid leave (vacation, sick, and personal time)

2. Priests

In addition to remuneration, Diocesan and order priests are entitled to the following benefits which are to be paid by their assignment:

- Health insurance
- Dental, short-term disability and health insurance reimbursements
- Retirement (pension, 403(b) and health)
- Life, accidental death and disability
- Group long-term disability
- Retreats (to the extent allowed)
- Continuing education (to the extent allowed)
- Housing - Where a priest is a pastor, associate or administrator of a parish there should be consideration given to the provision of housing. Where a rectory is available for use as a residence it is to be utilized. Where a rectory is not available consideration is to be given to either compensate the individual for the lease of appropriate housing or to reimburse allowable expenses related to a personally owned residence. In either case, the amount compensated or reimbursed is not to exceed the current estimated value of housing claimed at that time for self-employment tax purposes for priests/deacons living in a rectory. Currently that amount is \$12,000 per year or \$1,000 per month.

The value of housing provided to a priest is not subject to income tax.

However, housing is subject to FICA. Since priests are considered self-employed for FICA purposes, the priest has to pay the full amount of FICA at 15.3 % when filing their taxes, rather than the 7.65% that an employee would normally have deducted from their gross pay. Therefore, it is recommended that the priest complete a W-4 (Withholding Form), which includes an amount in line six, “Additional amount...” to cover FICA at 15.3% of the value of housing.

(Lodging furnished for the convenience of the employer is covered under TITLE 26; Subtitle A, CHAPTER 1, Subchapter B, PART III, Sec. 119 of the Internal Revenue Code.)

3. Women Religious

In addition to the stipend, women religious are entitled to the following benefits which are to be paid by the parish:

- Health insurance
- Pension
- Transportation allowance - If a vehicle is being supplied by the order, they are to receive an allowance for transportation. If a vehicle is provided by the parish then the parish pays for all vehicle expenses and a transportation allowance does not apply.

Women religious who are working on a part-time basis are to receive a pro-rata share of benefits.

XII. AUXILIARY ORGANIZATIONS

A. Parish Organizations

Parish organizations (e.g. Rosary Society, Holy Name Society, Catholic Youth Organization, and other fund-raising groups) are accountable to the Pastor/Parish Life Director/Administrator and should utilize the parishes Federal Employer Identification Number (FEIN).

At a minimum, the Pastor/Parish Life Director/Administrator should be an authorized signer on the parish organization bank account and should review the monthly account statement. A copy of the account statements for all accounts under the FEIN of the parish must be sent to the parish office. All activity of parish organizations must be reflected in the books and records of the parish.

B. National Organizations:

National organizations such as the Knights of Columbus and St. Vincent de Paul Society that use their own FEIN should submit an annual report to the Pastor/Parish Life Director/Administrator that includes a description of the activities and financial results for the organization.

XIII. BUDGET PROCESS

The development of an annual budget is an important and useful tool for managing parish finances. The primary purpose of the budget is to identify the financial resources needed to accomplish the parish's programs/mission.

The budget process should go smoothly if financial records are kept up to date and accurate. The fiscal year runs from July 1 to the following June 30. Therefore, the budget process usually starts early in the calendar year. The Diocesan Finance Office sends out a budget package each year that includes deadlines, salary information, and other guidelines. In order to complete the budget report the following information is needed:

- Actual income and expense balances for the previous fiscal year.
- Actual income and expense balances for the first six months of the current fiscal year.
- Actual asset and liability balances for the first six months of the current fiscal year.

With the information listed above the Pastor/Parish Life Director/Administrator should work with the finance committee to forecast budget numbers for the coming fiscal year. The budget should be realistic and attainable. It is also helpful to look back beyond the previous year to get a feel for trends in income and expense categories.

Other considerations should include, but not be limited to:

- Expected increases or decreases in the cost of materials and services.
- Inflationary trends.
- Insurance costs.
- Anticipated income or expense events.
- Variances to budget in the previous and current fiscal year.

The Pastor/Parish Life Director/Administrator, Trustees and finance committee should aim for a balanced budget (expenses should not exceed income). If a balanced budget is not attainable, the Pastor/Parish Life Director/Administrator, Trustees and finance committee should consult with the Diocesan Finance Office, the Diocesan Stewardship Office and the Pastoral Planning Office for assistance.

The Pastor/Parish Life Director/Administrator the two Trustees and the chairperson of the finance committee must sign the budget before it is submitted to the Diocese.

A synopsis of the approved budget should be shared with the parish community. Once the budget is in place, it is useful to periodically compare actual amounts to budgeted amounts. Explanations for significant variances from budget should be researched. Tracking the reason(s) for variances can be helpful when preparing the next year's budget.

XIV. FINANCIAL REPORTING

A. Reports to Finance Committee

Finance committee members should be provided with the information required for them to meet their responsibilities (see section III, Finance Committee). The Pastor/Parish Life Director/Administrator and bookkeeper should work with committee members to determine what information is most useful to them. Information should be distributed and reviewed at their regularly scheduled meetings. At a minimum, a consolidated balance sheet and income statement for the parish should be prepared and reviewed.

B. Report to Diocese

The Pastor/Parish Life Director/Administrator is responsible for submitting an annual financial report to the Diocese after the end of the fiscal year (June 30). Diocesan supported software users can print reports from the system. Non Diocesan supported software users should use the format provided by the Diocesan Finance Office. As with the budget, the Pastor/Parish Life Director/Administrator, the two Trustees and the chairperson of the finance committee must sign the financial report.

C. Report to Parishioners

Parishioners provide the principal financial support to the parish and should be informed of how their contributions are used. At a minimum, the parish community must receive an annual financial report in conjunction with the end of the fiscal year (Canon 1287). In addition to the annual financial report it might be beneficial to periodically report information in the weekly bulletin. Keeping parishioners informed of revenue and expenses may prove useful when a special collection is deemed necessary, e.g. fuel.

D. Account Records

All records are the property of the parish corporation. Parish accounting records and the underlying source documentation used to compile financial reports should be kept on parish premises at all times.

XV. REPORTING DONOR CONTRIBUTIONS

A. Cash Contributions

1. Annual Statements of Contributions

Where it is possible to identify contributions through either the receipt of loose checks or envelopes, all contributors should receive an annual statement that identifies the amount of their donations for the calendar year. If possible, someone independent of the counting, depositing and recording of collections should prepare the statements.

Parishioners should be notified when statements are available for pick up. In order to reduce the cost of mailings, the Trustees and Finance Committee members should consider distributing statements to parishioners after weekend Masses. After a period of time, any statements that have not been picked up or handed out should be mailed. Discrepancies should be resolved as soon as possible by reviewing the contribution records.

In order to deduct a charitable contribution, regardless of the amount, a taxpayer must have a bank record (such as a canceled check, a bank copy of a canceled check, or a bank statement containing the name of the charity, and the amount) or a written communication from the charity that includes the name of the charity, the date of the contribution, and the amount of the contribution. Parishioners should be encouraged to utilize envelopes since it is not possible to account for donations of cash. Annual contributions should never be “estimated” or “approximated.” Therefore receipts should not be issued to parishioners who contribute cash outside of the envelope system.

Please note that the annual reporting of contributions is not solely for tax purposes. It is also an integral part of internal controls since it acts as a negative confirmation of amounts contributed.

2. Single Contributions of \$250 or more

Per Internal Revenue Service (IRS) rules, a donor cannot claim a tax deduction for any single contribution of \$250 or more unless the donor obtains a contemporaneous, written acknowledgment of the contribution from the church (Appendix O). The donor must receive acknowledgement by the earlier of the date on which the donor actually files his or her tax return for the year of the contribution or the due date of the return.

The written acknowledgement should contain the following information:

- Name of the church.
- The amount given.
- A statement that no goods or services were provided by the church in return for the contribution.

A tax identification number or social security number is not required and should not be included on the written acknowledgement.

Where a donor makes gifts of \$250 or more to the parish on a regular basis (e.g. weekly collection) a separate acknowledgement may be provided for each single contribution of \$250 or more or an annual summary that lists each contribution, the date of each contribution and the total contribution ([IRS Publication 526](#)).

B. Quid Pro Quo Contributions

A contribution made by a donor in exchange for goods or services is known as a quid pro quo contribution. A donor may only take a contribution deduction to the extent that his/her contribution exceeds the fair market value of the goods or services the donor receives in return for the contribution. Therefore, donors need to know the value of the goods or services. The church must provide a written disclosure statement to a donor who makes a payment exceeding \$75 partly as a contribution and partly for goods and services provided by the church ([IRS Publication 1771](#)).

Example, a donor gives the church \$150 for participation in a charitable golf tournament. The value of the golf and meals is estimated to be \$90. In this example, the donor's tax deduction may not exceed \$60. Because the donor's payment exceeds \$75, the church must furnish a disclosure statement to the parishioner, even though the deductible amount does not exceed \$75.

A written disclosure statement must;

- Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods or services provided by the church.
- Provide the donor with a good-faith estimate of the fair market value of the goods or services.

The disclosure statement must be furnished in connection with either the solicitation or the receipt of the quid pro quo contribution. The statement must be in writing and must be made in a manner that is likely to come to the attention of the donor. It may be placed on the solicitation material, event program, or ticket.

A written disclosure statement is not required where the goods or services given to a donor meet the "token exception" or the "intangible religious benefits exception." The IRS has guidelines, which are subject to change, to determine if goods or services are considered insubstantial (token exception). Intangible religious benefits are defined as benefits provided by a tax-exempt organization operated exclusively for religious purposes that are not usually sold in commercial transactions outside a donative (gift) context.

C. Non-Cash Contributions

1. Goods

The donor should be given a written acknowledgement that contains the following information (Appendix P):

- Name of the church
- A description, but not the value of the item(s) given.

2. Services

Contribution statements cannot be issued for donated services. The IRS does not allow a deduction for services rendered.

3. Real Property

A gift/bequest of real property, land, buildings, vehicles etc. to the parish requires that certain steps be taken before accepting the property. Before any gift of real property is accepted by any parish, the parish needs to contact the Chancellor or the Office of Real Property so that the required information can be gathered and reviewed.

4. Stocks/Investments

The median value of the stock/investment should be established on the day of receipt. This is the amount that will be carried on the balance sheet and noted on the gift receipt to the donor (Appendix Q).

XVI. BUILDING PROJECTS/RENOVATIONS/REPAIRS

Please refer to the Office of Real Property “Property Transactions” for guidance on real property issues. Effective July 1, 2011 the threshold for capital expenditures requiring prior approval from the Chancery was raised to \$20,000 from \$10,000. Please refer to Appendix U for a copy of the memo.

XVII. CONTRACTS

Contracts or lease agreements with vendors for goods or services must be reviewed by the finance committee prior to signing. The review and discussion of the contract or lease agreement must be documented in the minutes of the finance committee.

XVIII. CEMETERIES

Parish cemeteries are a separate and distinct entity unto themselves. Therefore, cemetery financial records are to be accounted for as a separate fund of the parish. The parish chart of accounts has been designed so that the financial activity of cemeteries can be maintained within the parish ledger. This has been accomplished by setting up a separate fund within the ledger (department 40). A financial report for the cemetery should be included in the annual report submitted to the Diocese.

Any financial reports required by the Diocesan Cemetery Office should be submitted to that office in a format and according to a schedule prescribed by them. Questions regarding cemetery transactions should be referred to the Diocesan Cemetery Office. Cemetery budget and financial reports are to be reviewed by the finance committee (see section III for finance committee responsibilities).

XIX. SCHOOLS

Although parish schools are a part of the parish, unlike cemetery records, school records and finances are to be kept separate from parish accounting records. Financial reports should be submitted to the Diocesan School Office in a format and according to a schedule prescribed by that office. Questions regarding school operations should be referred to the Diocesan School Office.

School budget and financial reports are to be reviewed by the finance committee (see section III for finance committee responsibilities).

XX. TO REPORT CONCERNS

Anyone who suspects financial impropriety involving a parish or a Diocesan agency or office is encouraged to report his or her concerns promptly. Two individuals have been designated to receive this information. They are the Chief Financial Officer and the Vicar General of the Diocese. They can be reached by calling (518) 453-6600 or by writing to them in care of the Roman Catholic Diocese of Albany, 40 North Main Ave., Albany, NY 12203. The Diocese investigates reports it receives of suspected financial impropriety in its agencies, offices and parishes. Consistent with state and federal law, the Diocese prohibits adverse action against any employee who in good faith reports unlawful or improper conduct.

Note from the USCCB Office of General Counsel: The EIN below belongs to the USCCB and is to be used **only** to confirm that the USCCB as group ruling holder is recognized by the IRS as a 501(c)(3) organization. It is not to be used by **any** other organization in the group ruling **for any purpose**. Every subordinate organization in the group ruling has its own EIN that must be used for all official purposes.

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: May 27, 2016

Person to Contact:

R. Meyer ID# 0110429

Toll Free Telephone Number:

877-829-5500

United States Conference of Catholic Bishops
32114th Street, NE
Washington, DC 20017-1194

Employer Identification Number:

53-0196617

**For use by
the USCCB
only.**

**Group Exemption Number:
0928**

Dear Sir/Madam:

This responds to your May 23, 2016, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the Official Catholic Directory for 2016, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the Official Catholic Directory for 2016 are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

in your group exemption by consulting the Official Catholic Directory, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, Group Exemption , for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey I. Cooper". The signature is stylized and cursive, with a prominent initial "J" and a long horizontal stroke at the end.

Jeffrey I. Cooper
Director, Exempt Organizations Rulings
and Agreements

Appendix B

Name of Parish

Address of Parish

Conflict of Interest

I certify that no conflict of interest exists which would impair my ability to serve as Trustee of the above named parish. I also certify that I will comply with the parish corporation's "Conflict of Interest" policy as stated in the By-Laws.

Confidentiality or Privileged Information

Information known to be confidential that is acquired by individuals in the course of employment or association with the parish and its affiliated entities shall be used only for the benefit and purposes of the parish. Individuals shall neither disclose confidential information outside the scope of their authorized duties nor utilize their position or association with the parish for personal identification or advantage, although there may be instances, based on the use of careful discretion and judgment, where incidental use of the association with the parish may be appropriate.

I agree to maintain confidentiality on those matters designated as confidential and not to disclose any materials given to me in the course of performing my duties as Trustee.

Trustee Name (Please print)

Signature

Date

**RESOLUTION BY WRITTEN CONSENT
OF THE EX-OFFICIO TRUSTEES OF**

[Name of Parish]

Made the _____ day of _____, _____

The undersigned, being the ex-officio Trustees of the above-named Roman Catholic Church Corporation, hereby adopt the following Resolution pursuant to Section 91 of the New York State Religious Corporations Law:

RESOLVED, that _____ and _____, members of the above-titled incorporated church, are hereby elected, appointed, and selected to serve as Trustees of this corporation for a term of one year or until their successors are elected, appointed, and/or selected.

Most Rev.
Bishop/Trustee/President

Very Rev.
Vicar General/Trustee/Vice President

Pastor/Trustee/Secretary-Treasurer

PLACE IN CORPORATION MINUTES
NOTICE AND WAIVER

Notice is hereby given that the annual meeting of

Name of Parish Corporation

Will be held at _____, in the city, town, village of _____,
_____, County of _____, State _____,
of New York, on the _____ day of _____ 20____, at _____
o'clock, for the purpose of electing trustees for the ensuing year and for the
transaction of such other business as may properly come before said meeting.
Dated _____, New York _____ 20 _____

Secretary of Parish Corporation
(Pastor)

We, the undersigned, being all members of _____

Name of Parish Corporation

Hereby admit due and timely service of a notice of which the forgoing is a true
copy, and we hereby waive any further notice of the annual meeting therein
mentioned and the lapse of any prescribed period of time, and we do hereby
authorize and approve any and all lawful business that may be deemed
advisable by the members present at such meeting.

Bishop

Vicar General

Pastor

Trustee

Trustee

Proposed Annual Meeting Agenda

[Name of Parish]

ANNUAL MEETING AGENDA

Date of Meeting: _____, _____

1. Opening Prayer;
2. Announcement of Lay Trustee Appointments;
3. Pastor (Secretary/Treasurer) Report on the State of the Parish;
4. Parish Council Report;
5. Finance Committee Report;
 - a. Review of Financial Statement
6. Other Committee Reports;
[i.e. Buildings and Grounds, etc.; List all parish committees reporting]
7. Old Business;
8. New Business
 - a. Parish By-Laws (*if this was not done in previous years*)
[see proposed resolution attached]

**This format may be used for any additional meetings of the parish Trustees, but the title should be changed to reflect a regular, not annual, meeting.*

Proposed Form of Minutes of Meeting

**MINUTES OF THE ANNUAL
MEETING OF THE TRUSTEES OF**

[Name of Parish]

Held at _____ *[place of meeting]*
on the _____ day of _____,
at _____ a.m./p.m.

PRESENT ABSENT

[]	[]	_____
[]	[]	_____
[]	[]	_____

The Pastor/Secretary-Treasurer opened the meeting with a prayer.

Discussion Items and Reports:

1. Pastor/Secretary-Treasurer Report on the State of the Parish:
[reflect details of report]
2. Parish Council Report:
[reflect details of report]
3. Finance Committee Report:
 - a. Review of Financial Statement
[reflect details of report and attach financial statement]

NOTE: A resolution should be adopted approving the Finance Committee's Report. Reflect who made and seconded the resolution.

4. Other Committee Reports [i.e. Buildings and Grounds, etc.]:
[reflect details of all reports]

NOTE: Adopt one resolution approving all reports.

5. Old Business:
[reflect items discussed]
6. New Business:
[reflect items discussed]

Appendix F

NOTE:

- I. In all cases where approvals were required and/or any action taken, resolutions should be made, seconded, and adopted. The minutes should reflect the name of the persons who made and seconded the resolution(s) and the vote (i.e. unanimous; number in favor of, against, or any abstentions).
- II. If any documents are approved (i.e. contracts and/or By-Laws), copies should be attached to the Minutes and the Minutes reflect that copies are attached.
- III. All minutes are to be signed by all five Trustees.

Most Rev.
Bishop/Trustee/President

Very Rev.
Vicar General/Trustee/Vice President

Pastor/Trustee/Secretary-Treasurer

Lay Trustee

Lay Trustee

The above action of the Trustees is hereby approved.

Most Rev.
Bishop of Albany

**This format may be used for any additional meetings of the parish Trustees, but the title should be changed to reflect a regular, not annual, meeting.*

**Roman Catholic Diocese of Albany
Records Retention
Introduction**

The record retention guidelines for Diocesan/parish records were prepared to assist Diocesan offices and parishes' establish control over routine records and to preserve records of permanent value. The list of records included is lengthy but not all-inclusive. Each office/parish may have a series of records not mentioned here. Retention periods were devised based on canon law, state and federal statutes, and practical Diocesan/parish realities. If questions arise regarding records-related issues, please contact the appropriate office for additional information.

Records Retention Schedule

A record retention schedule represents the period of time that records must be kept according to legal and/or organizational requirements. Records retention policies include paper records and electronic files, data and e-mails. This document covers retention schedules for seven different groups of Diocesan/parish records:

- A. Sacramental
- B. Administrative
- C. Human Resources
- D. Financial and Accounting
- E. Property
- F. Cemetery
- G. Publications

Within each group the different record types are followed by a retention period. Records older than the retention period should be destroyed. Records of permanent value should be stored in a secure area where they are safeguarded against physical damage and deterioration. A fireproof safe is a good choice.

Confidential records should be made available only to diocesan/parish representatives with a legitimate right to know, unless their disclosure is compelled by some legal action.

A. Sacramental Records

Record Type	Retention Period
Baptism Register	Permanent
First Communion Register	Permanent
Client records (counseling)	Permanent
Confirmation Register	Permanent
Dispensations*	50 years
Marriage Register	Permanent
Marriage case files	Permanent
Notitiae	Permanent
Death Register	Permanent

B. Administrative Records

These records are produced in the course of the management of the affairs of the parish.

Record Type	Retention Period
Accident reports and claims (settled cases)	7 years
Annual Report to Diocese/parish	Permanent
Articles of incorporation and bylaws*	Permanent
Census records	Permanent
Contracts and leases	7 years after expiration
Correspondence (routine/general)	Review, discard biannually
Correspondence (legal/official)	Permanent
Donor lists	Permanent
Endowment decrees	Permanent

*Originals to be maintained in Diocesan archives.

08/2012

Appendix G

Historical files (newspaper clippings, photos)	Permanent
Inventories of property and equipment	Permanent
Legal documents	Permanent
Liturgical minister's schedules (altar servers, ushers, lectors, etc.)	Retain until superseded
Mass intention books	2 years
Meeting minutes	Permanent
Parental permission slips	7 years past reaching age 21
Parishioner contribution records	7 years
Parishioner contribution envelopes	7 years (Unless the parish reconciles contribution records to the related deposit. In this case, the envelopes can be destroyed upon reconciliation.)
Parish council constitutions	Retain until superseded.
Parish organization records (minutes, correspondence, publications, etc.)	Permanent
Policy statements	Permanent
Religious education reports (for the Diocesan offices)	Permanent
Restricted donation documentation	Permanent
Rosters of parishioners	Permanent
Will, testaments, codicils, bequest and estate papers	Permanent

C. Human Resources

Record Type

Retention Period

Administrative Records

Employee Policy Manual	Permanent
Job Descriptions	Permanent
Organizational Chart	Permanent
I-9 years Audit	Permanent

Personnel Records

A personnel file should be maintained for each active employee. There is a comprehensive listing of items to be maintained for each employee available from the Diocesan Office of Human Resources. The list is also available on the Diocesan intranet.

All material in the personnel folder is considered confidential and should be secured in a locked file. Information contained in the personnel folder should only be made available to Diocesan/parish representatives with a legitimate right to know, unless their disclosure is compelled by some legal action. An employee, upon reasonable notice, may review the contents of their file.

Record Type

Retention Period

Employee Application	Termination + 4 years
Resume	Termination + 4 years
Employee Contracts/Offer Letters	Termination + 4 years
Salary Information	Termination + 4 years
Attendance Records (Jury, PTO, STD, LTD, FMLA, Bereavement)	Termination + 4 years
Eligibility Verification Form I-9	Termination + 4 years
Performance Reviews (Evaluations)	Termination + 4 years
Write Ups	Termination + 4 years
Promotions/Transfers	Termination + 4 years
"Notice and Acknowledgement of Pay Rate and Payday" (NYS Wage Theft Protection Act)	Termination + 4 years

*Originals to be maintained in Diocesan archives.

08/2012

Appendix G

Record Type

Benefits

Open Enrollment	Termination + 4 years
New Hire	Termination + 4 years
Life Event	Termination + 4 years
Continuation of Benefits	Termination + 4 years
Termination of Benefits	Termination + 4 years
Disability records STD/LTD	Termination + 4 years
FMLA	Termination + 4 years
Pension vesting files	7 years
Retirement benefits (Election/Refusal to Participate)	7 years
Service records	7 years
Personnel file	Termination + 4 years
Rejected Applications/Resumes	Termination + 4 years

Retention Period

Health and Safety

Accident/injury reports	7 years
Employee medical complaints	7 years
Employee medical records	7 years
Environmental test records and reports	Permanent
Hazardous exposure records	Permanent
Toxic substance exposure reports	Permanent
Worker's compensation records	12 years

Payroll

Permanent earnings and records	Termination + 7 years
Attendance records	Termination + 7 years
Employee contracts	Termination + 7 years
Employee deduction authorization	Termination + 7 years
Employee salary schedules	Termination + 7 years
Labor contracts	Termination + 7 years
Flex spending plan enrollment form	7 years from end of plan year
W-2 forms	Filing + 7 years
W-4 forms	Filing + 7 years
Time cards	Filing + 3 years
Time records	Filing + 3 years

Safe Environment

Application	Termination + 7 years
Screening Form	Termination + 7 years
Interviews	Termination + 7 years
References	Termination + 7 years
Criminal Background Check	Termination + 7 years
Training Records	Termination + 7 years
Policy Acknowledgement	Termination + 7 years
Computer/Internet Policy	Termination + 7 years

D. Financial and Accounting Records

Record Type

Banking

Bank deposits	7 years
Bank reconciliation	1 year
Bank statements	7 years

Retention Period

*Originals to be maintained in Diocesan archives.

08/2012

Appendix G

Cancelled checks	7 years
Cancelled checks (building projects)	Permanent
Check registers/stubs	7 years
Duplicate deposit slips	1 year

General

Audit reports	Permanent
Balance sheets, annual	Permanent
Balance sheets, monthly/quarterly	Destroy after 1 year
Budgets, approved, revised	7 years
Financial statements, annual	Permanent
Financial statements, month end	Destroy after 1 year

Investment/Insurance

Bonds, cancelled	7 years from date of cancellation
Certificate of deposit, cancelled	3 years after redemption
Insurance policies	Permanent
Insurance records, current accident reports, claims, etc.	Permanent
Certificate of insurance	7 years
Investment reports	7 years
Letters of credit	7 years
Securities sales	7 years
Stock investment after sale	7 years

Accounting

Accounts Payable ledgers and schedules (cash disbursements)	7 years
Accounts Receivable ledgers and schedules (cash receipts)	7 years
Cash journals	7 years
Cash journals (receipts on offerings and pledges)	7 years
Chart of accounts	Permanent
Check requests for payments to vendors and employees	7 years
Credit card statements/charge slips	7 years
Depreciation schedules	Permanent
Invoices and paid bills (general accounts)	7 years
Invoices and paid bills (building projects)	Permanent
Invoices to customers	7 years
Mortgage payments	7 years
Receipts	7 years
Subsidiary ledgers	7 years

Other Records

General ledger and end of year trial balance	Permanent
Journals	Permanent
Journal entry sheets	7 years
Payroll journals	7 years
Payroll records and summary schedule of earnings deductions and accrued leave	7 years
Pension records	Permanent
Permanently restricted gift documents	Permanent
Petty cash vouchers	7 years
Pledge registers/ledgers	7 years

*Originals to be maintained in Diocesan archives.

08/2012

Appendix G

Temporarily restricted gift documents

7 years after meeting restrictions

Tax Records

Employment taxes, contributions, and payments
IRS exemption determination letter, for organizations
other than those listed in *The Official Catholic Directory*
State tax exemption certificates (income, excise,
property, sales/use etc.)
Tax returns and worksheets

7 years from date of filing
Permanent
Permanent
Permanent

E. Property Records

Record Type

Abstracts, deeds
Mortgage documents
Property appraisals by outside appraisers
Architectural records (blueprints, drawings building
designs and specifications)
Real estate surveys/plots/plans
Title search papers and certificates

Retention Period

Permanent
Permanent
Permanent
Permanent
Permanent
Permanent

F. Cemetery Records

Record Type

Account cards (record of lot ownership and payments)
Annual report
Bank statements
Board minutes
Burial cards (record of interment, name, date of burial,
lot number, etc. arranged alphabetically)
Burial record (record of interment, name, date of burial,
etc.)
Contracts documenting lot ownership
Correspondence

General ledger
Lot maps

Retention Period

Permanent
Permanent
7 years
Permanent
Permanent
Permanent
Selective retention; keep if item has historical,
legal, fiscal value
Permanent
Permanent

G. Publications

Record Type

Anniversary books
Annual reports to Diocese/parish
Newsletters of the parish or auxiliary organizations
Other Diocese/parish-related publications
Parish bulletins

Retention Period

Permanent
Permanent
Permanent
Permanent
Permanent

*Originals to be maintained in Diocesan archives.

08/2012

Appendix H

Name of Parish

Address of Parish

Conflict of Interest

I certify that no conflict of interest exists which would impair my ability to serve as a member of the Finance Committee of the above named parish. I also certify that I will comply with the parish corporation's "Conflict of Interest" policy as stated in the By-Laws.

Confidentiality or Privileged Information

Information known to be confidential that is acquired by individuals in the course of employment or association with the parish and its affiliated entities shall be used only for the benefit and purposes of the parish. Individuals shall neither disclose confidential information outside the scope of their authorized duties nor utilize their position or association with the parish for personal identification or advantage, although there may be instances, based on the use of careful discretion and judgment, where incidental use of the association with the parish may be appropriate.

I agree to maintain confidentiality on those matters designated as confidential and not to disclose any materials given to me in the course of performing my duties as a member of the Finance Committee.

Finance Committee Member Name (Please print)

Signature

Date

Collection Procedures:

The following procedures should be followed if the collection will *NOT* be counted immediately after Mass:

1. Tamper evident bags or tamper evident locks should be assigned and recorded in a log for each weekend Mass and special collection. Special collections include any collection that needs to be counted separately from the general collection. For tamper evident bags, the dates and times of the Masses should be noted on the bags with a permanent marker. The bags or locks should be placed with the usher's main collection basket.
2. The ushers should consolidate the individual collection baskets to the bag assigned to that Mass collection. For tamper evident bags, the tear-off strip should be put in the bag.
3. The first collection should always be consolidated and sealed before taking up a second collection.
4. The head usher should take the collection(s) to the altar, in a basket, and place it in a location away from doors or entrances.
5. After the liturgy, *two* people (this can be the Pastor/Parish Life Director/Administrator, an usher, a member of the counting team or any combination thereof) should secure the collection(s) in a locked safe or night depository.

In the event that the collection will be counted immediately after Mass, or, immediately after the offertory, two unrelated people should take the collection directly to counters in the counting area.

Cash Counting Procedures:

The following tasks should be assigned to the team members by the team captain:

1. Separate loose money and checks from envelopes.
2. Give loose to one counter and envelopes to another counter.
 - 2.1 Loose money and checks
 - 2.1.1 Separate checks from cash and restrictively endorse the checks.
 - 2.1.2 List all checks on the "Loose Check Summary" in ink.
 - 2.1.3 Run an adding machine tape of the checks and put with checks.
 - 2.1.4 Count bills and coins.
 - 2.1.5 Write amounts on "Cash Count/Recap Sheet" in ink.
 - 2.1.6 Have a different counter perform steps 2.1.3. through 2.1.5. to verify initial count.
 - 2.2 Envelopes
 - 2.2.1 Sort envelopes by type (e.g. regular, or, special).
 - 2.2.2 Verify contents of each envelope to amount on envelope. Check off amount on the envelope when it agrees. Mark correct amount on envelope if there is a discrepancy.
 - 2.2.3 Run an adding machine tape for each pile of envelopes and put with the envelopes.
 - 2.2.4 Separate checks from cash and restrictively endorse the checks.
 - 2.2.5 Run an adding machine tape of the checks and put with the checks.
 - 2.2.6 Count bills and coins.

Appendix I

- 2.2.7 Add the total checks and cash together and compare to the adding machine tape of envelopes.
 - 2.2.8 Enter verified amounts on the “Cash Count/Recap Sheet” in ink.
 - 2.2.9 Have a different counter perform steps 2.2.3. through 2.2.8. to verify initial count.
3. After all monies have been counted and verified, combine and wrap bills and coins. Bills should be banded by denomination. The amount and counters initials should be recorded on the band. The amounts should be verified and the second counter should initial the band as well.
4. The team captain should prepare the deposit slip, in ink, based on the “Cash Count/Recap Sheet.”
5. Verify cash listed on the deposit slip to wrapped bills and coins.
6. A tamper evident bag or tamper evident lock should be assigned for each deposit and recorded in the log. For tamper evident bags, the date of the deposit should be noted on the bag with a permanent marker. For tamper evident bags, the tear-off strip should be attached to the related counting documentation. Where tamper evident bags were received by the counters from the collection, the tear-off strip(s) should also be attached to the related counting documentation. Put the following in the bag:
 - 6.1 All cash
 - 6.2 All checks
 - 6.3 Adding machine tapes for checks
 - 6.4 Completed deposit slip
7. Seal or lock the bag.
8. **Two** people should take the deposit to the bank as soon as possible. If a night depository is available it should be used.
9. If a night depository is not available the deposit should be locked in a fireproof safe with limited access and taken to the bank as soon as possible by **two** people.

**Roman Catholic Diocese of Albany
Cash Count /Recap Sheet**

USE FOR INDIVIDUAL MASS.

Parish : _____
Date: _ _ _ _
Mass: _

	Loose Money		Envelopes		Deposit Total		
	Cash	Checks	Cash	Checks	Cash	Checks	Total
Collections:							
Sunday Collection							
Novena and Evening Service							
Children							
Monthly Collection							
Christmas Collection							
Easter Collection							
Diocesan Collection							
Special _							
Special _							
Other:							
Votive							
Donations							
Total							

Total Loose Total Envelopes

Cash Count Team Names:
(Initial and date next to name) _____

Tamper evident bag or lock number received: - _____
Tamper evident bag or lock number deposited: - _____

Denomination	Amount
100's	
50's	
20's	
10's	
5's	
1's	
Coins	
Total	

**Roman Catholic Diocese of Albany
Cash Count / Recap Sheet
Summary**

Parish : _

Date: _____

**USE IF ONLY MAKING
ONE DEPOSIT.**

	: PM : AM	Deposit Total					
Collections:							
Sunday Collection							
Novena and Evening Service							
Children							
Monthly Collection							
Christmas Collection							
Easter Collection							
Diocesan Collection							
Special _							
Special _							
Other:							
Votive							
Donations							
Total							

Cash Count Team Names:

(Initial and date next to name) _____

Tamper evident bag or lock number(s) received: _____

Tamper evident bag or lock number(s) deposited: _____

Denomination	Amount
100's	
50's	
20's	
10's	
5's	
1's	
Coins	
Total	

GIFT ACKNOWLEDGMENT - CASH

St. (Name) Church of (Your Town) gratefully acknowledges receipt of your contribution. This form is provided pursuant to section 170(f)(8) of the Internal Revenue Code. Please keep this with your tax records.

Name of Contributor: -

Address of Contributor: -

Amount of Contribution: _____

Date of contribution: _____

The Parish did not provide any goods or services in whole or partial consideration for the above contribution, or, provided only intangible religious benefits.

By: Church (Name), Street Address, City/Town, New York, Zip Code

Its: Signature
(Name), Pastor/Parish Life Director/Administrator

GIFT ACKNOWLEDGMENT - NON CASH

St. (Name) Church of (Your Town) gratefully acknowledges receipt of the following goods. This form is provided pursuant to section 170(f)(8) of the Internal Revenue Code. Please keep this with your tax records. Please note that the value of item(s) received cannot be determined by the parish.

Name of Contributor: -

Address of Contributor: -

Description of item(s): _____
(or attach listing) _____

Condition of item(s): _____
(excellent, good, fair, poor) -

Date of contribution: -

By: Church (Name), Street Address, City/Town, New York, Zip Code

Its: Signature
(Name), Pastor/Parish Life Director/Administrator

GIFT ACKNOWLEDGMENT - STOCKS, BONDS, or, OTHER INVESTMENT

St. (Name) Church of (Your Town) gratefully acknowledges receipt of the stocks, bonds or other investments described below. This form is provided pursuant to section 170(f)(8) of the Internal Revenue Code. Please keep this with your tax records.

Name of Contributor: -

Address of Contributor: -

Description and number of shares: _____

Value on day of receipt: _____

Date of contribution: _____

By: Church (Name), Street Address, City/Town, New York, Zip Code

Its: Signature
(Name), Pastor/Parish Life Director/Administrator

Accountable Plan for Reimbursements

Parish Name	Location
-------------	----------

The Parish hereby formally establishes an Accountable Plan for Reimbursements by setting the following minimum criteria for the reimbursement of expenses incurred by employees and volunteers of the parish:

- 1. The expenses must have a business connection. Expenses must have been paid or incurred while performing services as an employee or volunteer of the parish.

- 2. Proper substantiation of each expense is required. This includes written records made at or near the time of the expenditure, plus documentary evidence, such as receipts and the reason for the expenditure.

- 3. Any excess reimbursement or allowance must be returned to the parish within a reasonable period of time.

Pastor/Canonical Pastor

Date

Lay Trustee

Date

Lay Trustee

Date

Appendix S
Parish Accounts

Parish:
Location: -
Date:

Financial Institution _
1) Account Title - Account Number _
Signers _____
2) Account Title - Account Number _
Signers _____
3) Account Title - Account Number _
Signers _____
4) Account Title - Account Number _
Signers _____

Financial Institution _
1) Account Title - Account Number _
Signers _____
2) Account Title - Account Number _
Signers _____
3) Account Title - Account Number _
Signers _____
4) Account Title - Account Number _
Signers _____

Financial Institution _
1) Account Title - Account Number _
Signers _____
2) Account Title - Account Number _
Signers _____
3) Account Title - Account Number _
Signers _____
4) Account Title - Account Number _
Signers _____

Appendix T

ROMAN CATHOLIC DIOCESE OF ALBANY
PARISH ACCOUNT CODES
 Revised 08/2012

Department Number Assignments

Church	10	Parish Center/Hall	50
(parishes merging use 11, 12, 13 etc . . . for 2 nd site)		Dwelling (Not Rectory or Convent)	55
Diocesan Capital Campaign	15	Mission Church	60
Rectory	20	(multiple missions use 61,62,63, etc . . .)	
Religious Ed./Faith Formation	30	Program Expenses	70-79
Religious Ed. - Mission Churches	35	(especially involving accounts 4500-4600)	
Cemetery	40	(If not under depts. 10 or 30)	
(multiple cemeteries use 41,42,43, etc. . .)		Convent	80
		Restricted Funds & Accounts	90

Asset Accounts (Report: Balance Sheet; Normal Balance: Debit)		
Account No.	Account Title	Description
0100.10	Operating Account	This is the primary checking account for church income deposits and bill payment.
0101.10	Payroll Checking	Used to pay parish employees. Debit this account when transfers are made from operating to payroll checking.
0103.10	Bishop's Appeal Checking	Used exclusively for Bishop's Appeal.
0103.15	Diocesan Capital Campaign	Used exclusively for Diocesan Capital Campaign.
0105.40	Cemetery Checking	Primary checking account for cemetery income deposits and bill payment.
0109	Other Checking Accounts	Other checking accounts are discouraged but would be entered in the range 0106 to 0109.
0110-0119	Savings/Passbook Accounts	Record all savings and passbook accounts in this series.
0120-0129	CD Accounts	Record all CD's, each one with its own number, in this series.
0130-0139	Investment/Money Markets	Record investment (brokerage) or money market accounts in this series.
0140-0160	Parish Organization Accounts	To record cash balances of parish organizations, use this series of accounts.
0170.10	Albany Catholic Foundation (ACF) Endowment (Book Value)	
0171.10	ACF-Futures (Book Value)	
0172.10	ACF-Futures Market Valuation	Difference between market and book value (basis) of the investment.
0200	Accounts Receivable	Use for receivables for the parish (i.e., Capital District Community Loan Fund).
0210	Pledges Receivable	Total of unpaid pledges.
0215	Allowance for Unfulfilled Pledges	Portion of outstanding pledges receivable estimated to remain uncollected.
0250.10	Diocesan Investment & Loan Trust	Funds currently on deposit with RCDA Investment & Loan Trust (earning interest).
0250.15	Capital Campaign Investment & Loan Trust	Funds currently on deposit in the parish's Capital Campaign account with RCDA Investment & Loan Trust.
0280.10	Transfer/Exchange Account	This is a "pass-through" account (to be used when funds received for any purpose are to be expended in turn, or when funds expended are to be reimbursed, such as money collected for a bus trip.)
0281	Cemetery Receivable	Record monies owed to the Church from the cemetery.
0400	Prepaid Expenses	Record amounts paid <i>in advance</i> for a particular expense such as insurance. Regular journal entries should be used to pro-rate the expense each period.

Appendix T

Liability Accounts (Report: Balance Sheet; Normal Balance: Credit)

Payables		
0600	Accounts Payable Control	To maintain the balance of unpaid invoices entered into the PDS Ledger Payroll program. This account is employed only when the system operates in accrual basis accounting; posting is done internally by the system when invoices are entered (you are asked for a payable account number).
0601	Clergy Life Insurance & LTD (Account Payable)	Used to record amounts due to the Diocese for Clergy Pension Life Insurance and LTD. <i>(Make payments to RCDA General Fund.)</i>
0602	Diocesan Self-Insurance Fund Payable (Account Payable)	Used to record insurance monies due to the Diocesan Self-Insurance Fund. <i>(Make payments to RCDA Self Insurance Fund.)</i>
0603	Lay Life Insurance & LTD Payable (Account Payable)	Used to record amounts due to the Diocese for Lay Life Insurance and LTD. <i>(Make payments to RCDA General Fund.)</i>
0604	Parish Assessment Payable (Account Payable)	Used to record amount billed by the Diocese in April after the close of Bishop's Appeal if the parish does not make prior year assessment. <i>(Do not record the entire amount of the parish assessment.) (Make payments to RCDA General Fund - Parish Assessment.)</i>
0605	School Assessment Payable (Account Payable)	Used to record amounts due to the Diocese for schools or to a parish or regional school. <i>(Make payments to RCDA General Fund - School Assessment.)</i>
0606	Health Insurance Payable (Account Payable)	Used to record amounts due to the Diocese for health insurance. <i>(Make payments to RCDA Health Insurance Fund.)</i>
0607	Disability Payment Exchange (Account Payable)	Used to record employee short-term disability checks deposited then paid out via payroll check. Credit: When check is deposited; Debit: When employee is paid.
0608	Clergy Pension (Account Payable)	Used to record amounts due to the Diocese for Clergy pension. <i>(Make payments to RCDA - Priest Pension.)</i>
0609	Lay Pension (Account Payable)	Used to record amounts due to the Diocese for Lay pension. <i>(Make payments to RCDA - Lay Pension.)</i>
0681	McNeirney Community Services Corp. (Account Payable)	Used to record amounts due to McNeirney (Diocese) for Clergy salary. <i>(Make payments to McNeirney Community Services Corp.)</i>

Payroll Liabilities		
0610	FICA (Social Security/Medicare)	This account will carry amounts withheld from paychecks until they are paid via the payroll deposit.
0620	Federal Tax Withholding	This account will carry amounts withheld from paychecks until they are paid via the payroll deposit.
0630	New York State Withholding	This account will carry amounts withheld from paychecks until they are paid via the NYS quarterly report.
0635	Unemployment Insurance Liability	This amount is calculated in the payroll system (NOT withheld) on the first \$8,500 of each employee's wages and carried in this account until paid to Trustco.
0650	Health Insurance	This is the account to which <i>employee</i> health insurance deductions are posted. It is debited along with the expense accounts when the health insurance bill is paid (the one mailed to Capital Benefits Consulting but made out to the Diocese).
0651	Dental Insurance	This is the account to which employee dental insurance deductions are posted. It is debited when the dental insurance bill is paid to AFLAC; there is no employer contribution, so it is the only account used.
0660	Pension Withholding	This is the account to which the employee deduction (based on 2% calculation) is posted. It is debited along with the pension expense accounts when paying the RCDA pension invoice issued at the beginning of the fiscal year.
0670	Other Payroll Withholding	Use for other withholding such as tax shelter annuities.

Appendix T

0675	Wage Garnish	Use to record execution of court-ordered garnishment when it is withheld; debit when the payment is sent to the agency that initiates the order.
0680	Net Payroll	
Other Liabilities		
0685	Deferred Revenue	Use to post income received for expenses to be incurred for the next fiscal year. (e.g. Religious Education fees)
0686-0699	Other Liabilities	As defined by the parish.
0700	Loans Payable – Diocese	Use to record outstanding principal balance of loans owed to the Diocese.
0710	Loans Payable – Other	Use to record loans owed to other institutions such as banks.
0720	Cemetery Payable	Use to record amounts owed to cemetery by Church.
0750.40	Perpetual Care – sale of grave is recorded as 75% income and 25% to this account.	One-time receipt of funds for maintenance and upkeep of graves. When the sale of grave is recorded, two accounts are used, 75% is posted to the 1530.40 income account and the remaining 25% to 0750.40. When funds are remitted to Key Bank 0750.40 is the distribution account, eliminating the liability balance.
0810-0869	National Collections / Campaigns	Collections held on a Diocesan-wide basis or for a national or international purpose (Human Development). These are liability accounts because as soon as they are collected they are due to the Diocese. Funds should be sent within two months.
0810	Catholic University	<i>Make payments to RCDA Custodian Fund.</i>
0811	Missions (Co-Op - Summer)	<i>Make payments to The Propagation of the Faith.</i>
0812	Catholic Relief Services	<i>Make payments to RCDA Custodian Fund.</i>
0813	Catholic Communications	<i>Make payments to RCDA Custodian Fund.</i>
0814	Holy Father (Peter's Pence)	<i>Make payments to RCDA Custodian Fund.</i>
0815	Campaign for Human Development	<i>Make payments to RCDA Custodian Fund.</i>
0816	Black, Native & Latin American	<i>Make payments to RCDA Custodian Fund.</i>
0817	Propagation of the Faith	<i>Make payments to The Propagation of the Faith.</i>
0818	Rice Bowl	<i>Make payments to RCDA Custodian Fund.</i>
0819	Holy Land (Good Friday)	<i>Make payments to RCDA Custodian Fund.</i>
0820	UNICEF	<i>Make payments to RCDA Custodian Fund.</i>
0821	Bread for the World	<i>Make payments to RCDA Custodian Fund.</i>
0822	Crop	<i>Make payments to RCDA Custodian Fund.</i>
0823	Bishop's Appeal	<i>Make payments to RCDA General Fund.</i>
0823.15	Diocesan Capital Campaign	<i>Make payments to RCDA Capital Campaign Fund.</i>
0824	Eastern Churches	<i>Make payments to RCDA Custodian Fund.</i>
0825	Catholic Home Missions	<i>Make payments to RCDA Custodian Fund.</i>
0826+	As assigned by Comptroller's Office	

Fund Balance Accounts (Report Type: Balance Sheet – Normal Balance: Credit)		
0900	Fund Balance (Retained Earnings)	Must be referenced in the PDS Ledger setup screen. The Ledger program will automatically transfer the (Retained Earnings) net surplus or deficit amount to this account. Journal entries are NEVER to be made to this account.
0900.XX	Fund Balance (Retained Earnings)	Set up a Fund Balance Account for all departments that require separate reporting – example department 40 for cemetery. Journal entries are NEVER to be made to this account(s). When using multiple fund balances, be sure to designate the proper Prior Year Fund Balance to this account on the COA Detail screen.
0901	Prior Year Fund Balance (was known as Beginning Fund Balance)	Used by the PDS system to clear retained earnings account and post year-end or carryover equity. Entries to this account should be nominal at best.
0901.XX	Prior Year Fund Balance(s)	See above – Use department numbers for separate reporting – example would be department 40 for a cemetery.
NOTE: - When using multiple Fund Balances and Prior Fund Balances – ALL Income and Expense accounts need to have the correct PRIOR YEAR FUND BALANCE designated on the COA Detail screen.		

Appendix T

Income Accounts (Report Type: Income Statement -- Normal Balance: Credit)		
.XX	Use Department numbers with every account. These are assigned as a 2-digit suffix to the account number. Example: Pamphlet income for Religious Ed./Faith Formation would be 1110.30	
Assessable Income		
1000.XX	Heading Account	This would be used to label subsequent income accounts; each department might have a "heading account;" i.e., 1000.10 – Church Income
1001.10	Collections, Regular Offertory	Includes Sunday and Holy Day collections (include tithing).
1010-1030.10	Collections, Special	Other parish collections held for a particular local purpose (fuel, insurance, flowers, etc.) This series would also include collections for the school.
1040.30	Religious Education Collection	Record amounts from collections to defray costs of religious education programs including RCIA, Evangelization, and Faith Formation. The department suffix is .30.
1100.10	Baptism, Wedding, Funeral Receipts – "Stole Fees"	Record amounts received by the parish for these types of ceremonies/liturgies.
1110.10	Pamphlets, Papers, Machines Income	Record receipts from the production/sale of reading material, pamphlet racks, and vending machines. Corresponding expenses are charged to 2500.
1120.10	Votive Stands, Candles Income	Record gross receipts from sale of candles used in stands, etc. Corresponding expense is 2535. This does not include sanctuary/altar candles.
1130.10	Other Parish Organization Receipts	All other funds donated by parish organizations such as Altar Rosary Society.
1140.10	Interest and Dividend Income	Include interest earned on all investments and bank accounts.
1141.10	Realized Gains	On brokerage or Foundation statement, labeled realized gains are recorded in this account. The realized gains are used in calculation of the basis value on the statement. The component amounts are recorded separately.
1145.10	Gain on Sale of Investments	Record all money received in excess of the original investment when it is liquidated.
1150.10	Rental Income	Include gross payments received from rental of parish property or equipment.
1160.10	Advertising Receipts	Record receipts from a business or organization advertising in the church bulletin. Record bulletin rebates here.
1170.10	Other Income	Record all other ordinary income not included in the accounts above.
Non-Assessable Income		
1280.10	Collections/Campaign – Capital Improvements	Funds received via special collections/campaigns for capital improvements for the church, parish hall, etc. As these funds are spent, use the applicable capital expense account(s), such as 6020 (Equipment, Other Structural). This should be a special collection with its own set of envelopes.
1280.15	Diocesan Capital Campaign Income	Funds received via Diocesan Capital Campaign – the deposits shown on the quarterly statement as parish income.
1282.10	Interest Income for Capital Improvements	Interest received for investment of funds for the purpose of capital improvements (see account 1280).
1300.30	Religious Education/Faith Formation Receipts	Tuition/registration fees for these programs including RCIA, etc. – department 30.
1315.10	Transfers from Mass Offering/Stipend Account	Record all transfers of cash from the Mass offering account to the Church. (The Mass offering account is not to be recorded as part of the Ledger system.)
1320.10	Evangelist Receipts	Gross receipts received by the Church for the Evangelist to defray the actual billing; expenses are recorded in account 3440.
1350.XX	Special Events/Fundraising	Includes funds collected from bazaars, raffle tickets, etc.
1360.XX	Bingo Receipts	Includes all Bingo receipts; use account 5000 for such funds transferred to school, if applicable.
1365.XX	Pull Tab/Bell Jar Receipts	Include receipts from these items; use account 5000 for such funds transferred to school, if applicable.

Appendix T

1400.10	Donations, Contributions and Gifts	Include those donations and contributions for general parish use that are not restricted.
1410.10	Bequests, Non-Restricted	Record bequests which do not restrict the use of the funds in any way. Please see account 5050 if the bequest exceeds \$10,000.
1415.10	Bequests, Restricted	Record bequests of funds which are restricted as to how the money can be used (i.e., "for Religious Education expenses only").
1420.10	Contributed (Donated) Services	Record amount you would have to pay for particular services if not donated. Credit this account and Debit the service account (i.e., 2400.10 Consultant Services).
1440.XX	Restricted Donations	Record donations which are restricted as to how the funds can be used by the parish.
1450.10	Reimbursed Expenses from Clergy	Record reimbursements from clergy such as for room and board or for telephone.
1453.40	Parish Subsidy	Amounts transferred by the parish to subsidize its cemetery.
1455.10	Reimbursed Expenses from []	Record reimbursements which are received consistently from one person, parish, or company. Example: In some situations several parishes share the services of one pastor. One parish will serve as the administrative or invoiced parish (which is the one billed by the Diocese for the full salary, health insurance, and retirement-related costs for the priest). An administrative or invoiced parish which receives reimbursement from other parishes for shared pastor compensation would use "Reimbursed Expenses from . . ." accounts to record amounts from those parishes sharing the services of the pastor.
1458.10	Debt Forgiveness	Amount owed to the Diocese that is "forgiven." The corresponding liability would be debited.
1460.XX	Other Income – Non-Assessable	
1500.10	Insurance Claims Receipts	Record gross amounts received from insurance companies as a result of filing claims.
1510.10	Income from Sale of Assets	Record total received as a result of the sale of buildings, furnishings, equipment, and vehicles. Record the associated costs of the sale in account 5020.
1525.40	Annual Care Income	Receipts from individuals for maintenance and upkeep of grave sites. This money is retained by the parish.
1530.40	Sale of Graves Income	Gross amount received from the sale of graves. (Use account 0750 for the portion of sale related to Perpetual Care.)
1540.40	Interments (Grave Openings) Income	Gross amount received for actual opening of a grave.
1545.40	Foundations/Cornerstones Income	Gross amount received for foundations and cornerstones of graves.
1550.40	Vault Rental Income	Record all amounts received for rental of vault space.
1610.40	Perpetual Care	Report all amounts received from perpetual care distributions.
1615.10	Unrealized Gain/Loss on Investments	Includes amounts needed to adjust investment to market value.
1699.10	Total Account for Income	Total Income for Church – This is a total register set up in the Ledger system; its only function is to report a total; entries are not made to it directly. Corresponding .20, .30, .40, etc. for each department's income total.

Expense Accounts (Report Type: Income Statement – Normal Balance: Debit)		
2099	Heading Account for Expenses	This is a "heading only" account; contains no balances.
2099.10, etc.	Heading – Church Expenses	Suffix identifies departments if you wish to separate the expenses for each department.
2100.10	Salary Expense, Clergy	Salary paid to regular full-time clergy.
2101.10	Salary Expense, Clergy, Extra	Amounts paid to visiting or part-time clergy and/or visiting seminarians.
2102.10	Salary Expense, Religious – Church	Religious employed by the parish and charged to Church.
2102.30	Salary Expense, Religious – Religious Education/Formation	Religious employed by the parish and charged to Religious Education; i.e., DRE.
2103.XX	Third Party Sick Pay	For disability payments made directly to an employee from an insurance company.

Appendix T

2104.XX	Salary Expense, Lay - Use Dept. Suffix #	Salaries and hourly wages paid to lay employees; department is designated by the 2-digit suffix.
2105.XX	Occasional Help Expense	Include amounts paid for services of a one-time or infrequent nature.
2200.10	Benefits Expense, Health-Dental Insurance, Clergy	Record amounts paid for clergy health and dental insurance.
2202.XX	Benefits Expense, Health Insurance, Religious	Record amounts paid for religious health insurance - generally paid to the order to which they belong. Charge the appropriate department with 2-digit suffix.
2204.XX	Benefits Expense, Health Insurance, Lay	Gross amounts paid for lay health insurance programs. Amounts deducted from the employee paycheck should be credited to account 0650. Charge the appropriate department with 2-digit suffix.
2220.10	Benefits Expense, Life Insurance, Clergy	Payments made for priest life insurance.
2222.XX	Benefits Expense, Life Insurance, Lay	Payments made by parish for lay employee life insurance.
2224.10	Benefits Expense, Disability, Clergy	Record gross amounts paid for clergy for regular disability coverage and also for LTD (Long Term Disability).
2225.XX	Benefits Expense-NYS Disability, Lay	Debit this account for payments made to Hartford for disability insurance for employees.
2226.XX	Benefits Expense, Long Term Disability, Lay	Payments made on behalf of employees for LTD.
2230.10	Benefits Expense, Pension Retirement, Clergy	Record retirement amounts paid for priest pension and health insurance, which are billed quarterly.
2231.10	Benefits Expense, TSA, Clergy	Employer contributions to clergy Tax Sheltered Annuity. Currently limited to \$1,500 per year.
2232.XX	Benefits Expense, Pension, Religious	Amounts paid for religious employee pension; generally paid to the order to which they belong.
2234.XX	Benefits Expense, Pension, Lay	Record the portion of pension payment that represents the parish expense - the 7% paid for those employed 3+ years. (The 2% employee deduction is posted to account 0660.)
2304.XX	Payroll Tax Expense, FICA/Medicare	This account records the employer portion of FICA at the time the payroll is executed. In the Payroll program, this is an automatic journal entry established in Employer Setup. In Ledger without the Payroll system, it is part of a journal entry completed for every payroll deposit. Taxes should be charged to the appropriate departments using 2-digit suffixes.
2324.XX	Benefits Expense, Workers' Compensation	All amounts paid to the Diocese for Worker's Compensation.
2344.XX	Unemployment Insurance Expense	Remitted to Trustco Bank, this amount is calculated according to a formula using NYS wages.
2350.XX	Background Checks	Payments made for background checks run for employees and volunteers.
2400.XX	Consultant Services	Fees paid for outside consulting services such as computer consultants.
2410.XX	Professional Services	Include all costs of professional, legal, and accounting services.
2500.XX	Pamphlets, Papers, Machines	Record cost of items used with pamphlet racks, reading material, and vending machines, etc.
2510.XX	Supplies, Office/Classroom	Include expenses for paper, copier toner, pens, stationery, etc. Does NOT include equipment purchases such as computers.
2515.XX	Supplies, Computer Related	Include expenses for printer toner, diskettes, CD media, etc.
2520.XX	Supplies, Maintenance & Household	Include supplies used to maintain parish facilities (charge to church, rectory, etc. by 2-digit suffix) - items for cleaning and small maintenance jobs.
2525.10	Supplies, Altar	Expenses for altar wines, sanctuary and altar candles, hosts.
2530.10	Supplies, Altar - Flowers	Church/Altar beautification expenses.
2535.10	Votive Candles	Candles used for resale; votive stands.

Appendix T

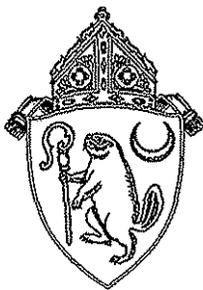
2540.10	Vestments	Includes all liturgical vestments.
2550.10	Food - Church	Include cost of all food and beverages purchased for activities in the church such as meetings and socials.
2550.20	Food Expense - Rectory	Include cost of food and beverages purchased for the rectory.
2550.XX	Food Expense - by department	Any other food purchases such as .30 for Religious Education.
2560.10	Church Envelopes Expense	Cost for the actual church contribution envelopes (not services regarding recording contributions - use 2815.10).
2565.XX	Supplies Expense, Small Equipment-Furnishings	Include all items that are durable but relatively low in cost; i.e., less than \$500.
2570.30	Textbooks Expense	Payments for textbooks for any purpose. Charge to appropriate department (most likely Religious Education).
2600.XX	Telephone Expense	Include all local and long distance charges, by department.
2650.XX	Telecommunications Expense	Telecom charges such as internet service.
2700.XX	Postage & Private Shippers Expense	Include cost of postage as well as UPS or FedEx expenses. Freight for equipment delivery should be included in the cost of the equipment.
2800.10	Rental Property Expenses	Include all costs incurred for operating and maintaining rental property owned by parish.
2805.XX	Rental Expense, Infrequent	Cost of leasing or renting equipment or facilities on an infrequent basis.
2810.XX	Contracted Services Expense, Maintenance	Include all contracted, non-salaried costs for maintenance such as for elevators, boilers, snow removal, mowing, etc. <i>Does not</i> include trash removal; see account 2890 for trash removal.
2815.XX	Contracted Services Expense, Other	Amounts paid for all other types of contracted services such as computer maintenance, cornerstone maintenance, cable television, painting and redecorating, grave openings, foundations, etc.
2820.XX	Audio Visual Rental Expense	
2830.XX	Utilities Expense	Charge this account for electricity, natural gas, and oil.
2831.XX	Utilities - Sewer & Water Expense	Include all sewer and water charges.
2835.10	Land Tax Expense	
2840.XX	Maintenance Expense - Grounds	Amounts paid for all <i>non-contracted</i> maintenance services such as lawn care, gasoline for equipment, grass seed and snow removal. Any <i>contracted</i> maintenance services should be charged to account 2810.
2850.XX	Insurance - Property & Vehicles	Include cost of property and vehicle insurance, using appropriate department.
2855.XX	Rented Property Expenses	Include all costs associated with <i>property being rented from another party</i> .
2860.XX	Surplus Property Expense	Cost of maintaining surplus property such as empty buildings.
2870.XX	Repairs/Upkeep Expense, Building and Structural	Include costs to maintain buildings to original state (i.e., repairs to roof, plumbing, heating and electrical). If the total cost is over \$500, it is considered capital expense and should be charged to account 6020.
2880.XX	Repairs Expense, Furnishings, Grounds and Equipment	Repairs, furnishings, grounds and equipment: Include cost of repairing broken or damaged furnishings, parish grounds such as fences and parking lot surfaces. Not to include auto repairs (see account 3200).
2890.XX	Trash Removal Expense	Include all costs associated with trash removal.
2900.XX	Laundry Services Expense	Include all laundry expenses.
3000.10	Interest Expenses	All interest paid for borrowed funds including mortgage interest.
3100.XX	Printing Expense (Outside)	Include cost of professional printing and all related expenses (i.e., Bulletin).
3200.XX	Transportation Expense, Parish Autos	Include all costs in maintaining parish-owned automobiles.
3210.XX	Transportation, Other Travel Expenses	Include expenses incurred for all other travel expenses of parish employees (i.e., mileage, tolls).
3220.XX	Transportation Services Expense	Include rental and/or leasing of cars or buses as well as payments for taxis and public transportation.

Appendix T

3300.10	Direct Reimbursements- Priest	Include all expenses submitted by priest for church related expense. See most recent budget information for current maximum amount.
3400.XX	Subscriptions, Dues Expense – Other	Include any dues or costs of subscriptions except the Evangelist; include newspapers.
3420.10	Liturgical Publications Expense	Cost of publications used by clergy in preparation for or during religious ceremonies. Include cost of daily missals.
3430.30	Reference Materials Expense	Used in conjunction with Religious Education/Faith Formation programs. Use account 3420 for liturgical publications.
3440.10	Evangelist Expense	Parish payment of Evangelist billing.
3600.10	Choir, Supplies and Services Expense	Include the cost of parish choir including music, robes, licensing and copyright fees.
4200.XX	Awards/Recognition Expense	Include costs incurred for recognition of employees and pastors (formerly identified as Pastor Appreciation).
4210.XX	Training/Education Expense – Staff (not volunteer training)	Include training expenses, continuing education and support activities for priests, parish employees, lay ministers and deacons.
4212.XX	Training/Education Expense – Volunteers	Include training expenses and support activities for church/parish volunteers (i.e., Eucharistic Ministers).
4215.10	Training Expense – Saint Bernard's	Payment of tuition for St. Bernard's Institute attendance.
4220.10	Priest's Retreats Expense	Include all expenses associated with priest retreats (lodging, food, etc.).
4230.XX	Youth and Other Retreats Expense	Expenses associated with non-clergy retreats.
4300.XX	Advertising Expense, Recruitment	Includes payment for recruitment activities for positions within the parish.
4350.XX	Fundraising Expenses	Include all costs of conducting fundraising activities such as bazaars and capital campaigns.
4400.10	Charity and Donations Expense	Include all amounts paid for charitable donations to persons, parishes, or other special purposes. Includes amounts paid for advertising space for charitable organizations.
4401.10	Charity and Donations – St. Vincent de Paul – Restricted	Include amounts paid for charitable donations specifically for St. Vincent de Paul Society.
4402.10	Charity and Donations – Food Pantry – Restricted	Include amounts paid for charitable donations specifically for Food Pantry.
4410.10	Charity and Donations – Tithing Account	Record amounts transferred from tithing receipts to charity.
4500-4600.XX	Parish Program Expenses	This is a special set of accounts used to record all types of expenses for a particular program regardless of the nature. Use these accounts when it is not necessary to set up an entire department for a program (i.e., CYO, RCIA).
4930.10	Bank Service Charges	Record all bank service charges from any checking, savings, or CD accounts. The appropriate cash account should be credited.
4931.10	Payroll Processing Fees	Record direct deposit fees for payroll (i.e., ADP-McNeirney).
4935.10	Investment Fees	Administration fees listed on Foundation or brokerage statement.
5000.10	Transfers to School/Religious Education/Youth Ministry	Include all transfers and subsidies for school, religious education, and/or youth ministry.
5010.XX	Transfer to Church	Include all transfers and subsidies for Church. Record transfer or contribution from cemetery for any reason.
5015.10	Transfer to Mission Church	Include all transfers to mission Church.
5020.10	Sale of Assets	Record amounts paid for the sale of assets (such as brokerage fees).
5030.10	School Assessment	Record funds sent to the Diocese for payment of the school assessment.
5035.XX	Clergy Pension Assessment	Record all assessment amounts paid for priest pension.
5040.10	Diocesan Assessment	Record payments made from regular parish funds to the Diocese due to Bishop's Appeal not meeting the assessment.
5045.15	Capital Campaign Assessment	Record payments made from regular parish funds to the Diocese due to the Capital Campaign Appeal not meeting the assessment.
5300.XX	Miscellaneous Expenses	Charge this account with payments for expenses not included elsewhere; to be used as <i>infrequently</i> as possibly.

Appendix T

5500.10	NYS Employee Disability Reporting	This account is used <i>only</i> as a register to hold a Third Party Pay amount prior to placing it on an employee's W-2.
6000.10	Fixed Assets, Vehicles	Include entire cost of purchasing vehicle for parish use.
6005.XX	Equipment, Audio Visual	Include such items as overhead projectors, VCR's, or DVD players. Charge the department that will use the equipment the majority of the time.
6010.XX	Equipment, Computer	Include purchase of computer, monitor, and any peripherals including printers. Related supplies are charged to account 2510.
6015.XX	Office Equipment, Furnishings	Include purchase of non-computer office equipment such as desks, copiers, or other furnishings.
6020.XX	Equipment or Repair, Structural ↓ <i>Hint: Can you put an inventory tag on it?</i>	Include purchase or repair cost of major building equipment or structural repair (i.e., boilers, air conditioners, masonry work, etc.). Charges to this account should include repairs or purchases in excess of \$500.
6030.10	Buildings - Purchased Intact or Constructed	Include all costs involved in purchase of an existing building or construction of a new one.
6035.10	Buildings - Demolition	Include all costs for demolition and removal of a building owned by parish.
6040.10	Land Purchased	Costs associated with real estate purchase.
6400.XX	Reserve for Bad Debt	Estimated pledges which will remain uncollected from a capital or stewardship campaign.
6450.XX	Restricted Expenses-Endowment	Include all expenses paid from Endowment Funds.
6460.XX	Endowment Distribution	Record distributions from Endowment Funds.
6500.10	Contingency Account	This account is only used for budget purposes, establishing a 4% contingency at the time of the budget inception. No charges are to be made to this account.
6800.10	Shared Clergy Expense	In some situations several parishes share the services of one pastor. One parish will serve as the administrative or invoiced parish (which is the one billed by the Diocese for the full salary, health insurance, and retirement-related costs for the priest). The <u>other parish(es)</u> will write a check to the invoiced or administrative parish as reimbursement for their share of the total expenses and charge that check to this account.
6999	Net Income/Deficit	This account is required by the PDS Ledger/Payroll program and must be referenced in the setup screen. It will indicate the net surplus or deficit at the end of each month and at the end of the year. This is a single "net" account, and no department suffixes are used.



Roman Catholic Diocese of Albany

40 North Main Avenue, Albany, New York 12203

MEMORANDUM

Roman Catholic Diocese of Albany
40 North Main Avenue, Albany, New York 12203
Chancellor for Pastoral Services
Tel. (518) 453-6612 Fax (518) 453.5795
Email: Elizabeth.simcoe@rcda.org

DATE: June 30, 2011
TO: Pastors, Parish Life Directors, Parish Life Coordinators Elizabeth Simcoe
FROM: Chancellor for Pastoral Services
RE: Threshold for Capital Expenditures

Colleagues,

Given today's expenses for even the simplest maintenance and construction projects, beginning July 1, 2011, the threshold at which permission from the Chancery is required for capital expenditures will be raised from \$10,000 to \$20,000 per project. This is also the threshold at which consultation with the Architecture and Building Commission is required.

However, the services of the ABC consultants are always available to our parishes no matter how big or small the project.

Priority is and should always be given to projects concerned with the health and safety (i.e. physical well-being) of staff, parishioners and I or the general public.

Additionally, for your information, standard contracts for use with building professionals are being developed to facilitate the capital improvements process. These should be available for your use by September.

We are God's people sharing a responsibility to Witness God's unconditional love and to bring Christ's healing presence to our World.