



***FINANCIAL POLICIES AND
PROCEDURES
FOR PARISHES***

DIOCESE OF VENICE IN FLORIDA

***1000 Pinebrook Road
Venice, Florida 34285
DioceseofVenice.org/Finance***

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FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section I. Parish Administration

The Pastor/Parish Administrator, with the assistance of the Parish Finance Council, is financially responsible for the administration of parish goods. He is to exercise sound stewardship and management of the financial and physical resources entrusted to him and is bound by the parameters of Canon and Civil law, particularly those aspects relating to tax exempt organizations. He is to employ sound business practices in conducting all financial and administrative matters of the parish within the limits of ordinary administration. A Pastor/Administrator acts invalidly if he goes beyond the limits of ordinary administration without first obtaining the written permission of the Diocesan Bishop.

A. Acts of Ordinary Administration * - Those acts which occur regularly in the operation, maintenance, and administration of parish property and activities. The limits of ordinary administration are determined not by universal law, but by particular law enacted by the Diocesan Bishop (c. 1281, par. 2). The following are examples of ordinary administration:

1. The collection and banking of money;
2. Employment of parish personnel and payment of their salaries and benefits following Diocesan Human Resource policies and procedures;
3. The purchase of what is required for the day to day operations of the parish and ordinary repairs such as roof and air conditioner repairs that do not exceed the financial limits of the ordinary administration in one amount or series of amounts for a single purpose (i.e. \$30,000 or 5% of operational income, whichever is lower);
4. Replacement of standard equipment, i.e. office supplies, text books, audio and visual equipment, liturgical and religious supplies, etc.;
5. Acceptance of donations which are free from any stipulation or requirement for service or advantageous preferences to be performed/granted by the parish on behalf of the donor;
6. The reparation of damages done to real estate;
7. Execution of vendor or service contract necessary to the maintenance of the parish to the extent not limited by other policies herein (see section XII).

* If doubt exists as to whether a matter is one of ordinary or extraordinary administration, the Chancellor is to be consulted and/or permission obtained from the Diocesan Bishop. Policies for Pastors include Parish Administrators unless limited by the Diocesan Bishop.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section I. Parish Administration (continued)

B. Acts of Extraordinary Administration - Those acts that go beyond the limits of ordinary administration that are reserved for the competency of, and must receive the written approval of the Diocesan Bishop for the transfer or rights over the stable patrimony of the public juridic person or the parish from one person to another, in order to be valid. The following are examples of extraordinary administration:

1. To buy, sell, exchange, mortgage or lease real or immovable property (including mobile homes);
2. To sell, exchange, mortgage objects of art, historical documents or other movable property of great importance;
3. To accept or renounce an inheritance, bequest, legacy or foundation;
4. To borrow money, except from the Diocese of Venice Savings & Loan Trust Fund;
5. To build, raze, or rebuild in a new form a parish building or to make extraordinary repairs to such buildings;
6. To accept any gift of real property;
7. To enter as a party to a lawsuit on behalf of the parish in civil court;
8. To donate, spend or obligate the parish by contract greater than one year and/or for an amount or series of amounts for a single purpose over and above that specified as being ordinary administration for the parish, i.e. an amount greater than 5% of total parish operational income as of the last complete fiscal year financial report or \$30,000 whichever is lower;
9. To establish a cemetery, columbarium, below ground crypt or new memorial garden;
10. To create or be a party to the creation of a civil corporation, partnership, trust, foundation, endowment, or other legal entity, for purposes other than personal management;
11. To erect or establish a Catholic school.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section I. Parish Administration (continued)

C. Cooperative Decision Making Between Pastor and Parish Finance Council

1. The Pastor, as administrator of the parish, shall coordinate the implementation of policies recommended by the Parish Finance Council and ratified by him. He shall be responsible for the day to day supervision and administration of parish life.
2. No action or decision of the Parish Finance Council can take effect until the Pastor has explicitly ratified it.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section II. Parish Finance Council

Each parish must have, according to the norms of Canon law, a Parish Finance Council to assist the Pastor who is the administrator of the goods of the parish (c. 537). The Finance Council shall operate under the policies identified herein.

1. It shall be called the Parish Finance Council of “Parish Name.”
2. The Parish Finance Council is to be a separate body from the Parish Pastoral Council, but work in collaboration with it and be responsible directly to the Pastor/Administrator.
3. The Parish Finance Council’s role is advisory and consultative to the Pastor.

MEMBERSHIP

The members of the Parish Finance Council should be animated by a Christian spirit and be deeply conscious of the mission of the parish to promote the works of the apostolate and of charity, especially toward the needy. Parish Finance Council will be constituted as follows:

1. The Pastor/Administrator is ex-officio President of the Council.
2. Membership is to consist of a minimum of three and a maximum of eight including the Pastor/Administrator.
3. Members of the Parish Finance Council are to be competent in financial matters and civil law. Finance Council Members shall be appointed or determined by the Pastor/Administrator or recommended to the Pastor/Administrator by members of the parish. Members are to serve for one, two or three year fixed and renewable and staggered terms.
4. Within three months of taking possession of the parish, a new Pastor must confirm the existing appointments in writing or make new appointments to the Parish Finance Council.
5. Members are to be drawn from the parish community and listed on the parish website. This requirement may be waived in the event of special expertise if all other conditions are met.
6. If a parish has a Parish Pastoral Council, one member of the Parish Finance Council should also be a member of the Parish Pastoral Council.
7. All members are bound to observe discretion in the confidential matters they consider as members of the Parish Finance Council.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section II. Parish Finance Council (continued)

8. A member may be removed from the council prior to the expiration of his/her term of office only by Pastor/Administrator.

MEETINGS

The Parish Finance Council shall meet a minimum of four times per year preferably quarterly. Written minutes of its meetings, approved by attendees, are to be maintained for at least 7 years in the parish office.

GENERAL FUNCTIONS

It is the function of the Parish Finance Council to support the Pastor/Administrator in the administration of the temporal goods of the parish as follows:

1. To review and coordinate the parish annual budget in consultation with other groups and in accordance with the goals set by the Pastor/Administrator or by the Parish Pastoral Council;
2. To review the quarterly financial reports to the Diocese and to formulate the annual financial report published to the Parish community which is to include at least all assets, liabilities, revenues and expenses of the Parish;
3. To review periodically the income and expenses in light of the annual budget;
4. To review contracts and agreements prior to obtaining approval of Diocesan legal counsel;
5. To encourage support and promote the annual Catholic Faith Appeal (CFA);
6. To inventory parish assets at least annually by documenting their existence (such as an itemized list of real and tangible personal property along with photos and videos of items on that list) and verify that these assets have been reported and disclosed during the annual appraisal process;
7. To assist with parish financial campaigns, drives or systems of special collections;
8. To review reports of external CPA financial reviews and follow up reports from Diocesan Internal Financial Services. The Pastor/Administrator and Parish Finance Council Chair are to sign a response letter to the Diocesan Director of Finance responding, if applicable, with a corrective action plan.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section II. Parish Finance Council (continued)

SPECIAL FUNCTIONS

The Pastor/Administrator is to consult with the Parish Finance Council prior to performing the following acts of financial administration which also require either the Bishop's signature or his written approval:

1. Making any extraordinary expenditure (including capital repairs). An extraordinary expenditure is understood to be anything more than the lesser of \$30,000 or 5% of the total parish operational income as of the last complete fiscal year financial report;
2. Signing any contract related to a capital project that exceeds the financial limits of ordinary administration and/or exceeds one year;
3. Using fixed capital for any reason beyond that to which it was initially restricted by the donor or competent authority;
4. Performing any act of extraordinary administration reserved to the competency of the Diocesan Bishop in accordance with the norms of Canon Law or Particular Law.

For additional information on Parish Finance Council and their responsibilities, see Appendix B for a copy of the Parish Finance Council Charter as well as sample documents in Appendices G through I.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section III. Bank Cards

DEBIT CARDS

Use of debit cards is not permitted under any circumstances.

CREDIT CARDS

All credit cards are to be authorized and approved by the Pastor. Upon issuance of a card, the card holder (user) agrees to the following:

1. The card is for parish business only and cannot be utilized for other purposes (including personal expenses).
2. Cardholder is to protect and safeguard from unauthorized use.
3. Detailed original invoices and receipts are to be provided as support for all credit card purchases. Details include: date, item description, unit and total cost, business purpose with attendee names, and any other source of information to support expenditure.
4. All undocumented expenses are considered “personal expenses” and deducted from employee’s paycheck.
5. Purchases over an amount to be determined by the Pastor/Administrator require prior approval from the Pastor/Administrator.
6. Monthly spending dollar limit as determined by the Pastor/Administrator.
7. Any misuse of the credit card may result in revocation of card privileges or disciplinary action, up to and including termination of employment.
8. In the event of lost or stolen credit card, it is the user’s responsibility to call and cancel the card immediately and contact the Parish or Finance Manager/Bookkeeper.
9. Upon termination or leave of absence, all credit cards are to be surrendered immediately to the Pastor or Finance Manager/Bookkeeper who will acknowledge the card was returned. Cancellation date is to be effective on discharge date.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section IV. Accounting and Financial Reporting

1. All parishes and parish organizations are to use a Diocesan approved uniform chart of accounts in maintaining their financial accounting records. See Appendix A.
2. The parish accounting period for recording financial transactions shall be on a 12 month fiscal year basis beginning on July 1 and ending on June 30.
3. The operating units of the parish as well as parish organizations shall observe the same accounting period for recording financial transactions.
4. Within one month following the last day of each fiscal quarter, a parish will hard close its books, as of the last day of the fiscal quarter, by password protecting the closed fiscal quarter and all prior fiscal quarters. Once this has been done, making entries into prior periods is not permitted without written permission of the Diocesan Director of Finance.
5. The quarterly hard close will automatically generate financial statements to meet the Diocesan financial reporting requirement. The statements will include a Statement of Financial Position (Balance Sheet) and a Statement of Activities (Income & Expense Statement).
6. Once quarterly closing process is complete, parish will send notice to Internal Financial Services inform that quarter is closed. Notices will be sent by email to reports@dioceseofvenice.org.
7. All bank accounts registered under the parish federal tax identification number must be included on financial reports. Any omitted accounts require written explanation to Internal Financial Services.
8. Each fiscal year ending June 30 shall be closed by July 31 of the same year. Prior to each fiscal year close, parishes are to review their preliminary Catholic Faith Appeal Goal Report for the same time period. Subsequent to the July 31 close, the Diocesan Finance Department will review calculations submitted by parishes. Approved, final goals will be sent to parishes in January each year.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section V. Bank Accounts

For better management, supervision, accounting and utilization of financial resources, each parish shall maintain only one checking account through which all the financial transactions of the parish and parish organizations shall pass (Parish Operating Checking Account) except that auxiliary and/or Mass Intention accounts may be established upon written request identifying the need for such an account, and written approval of the Diocesan Director of Finance.

Each parish is to have its own employer identification number. No separately incorporated organizations, such as Knights of Columbus, St. Vincent de Paul Society or others shall maintain an account using the parish federal employer identification number. Parish bank accounts cannot be maintained in the name of any person.

PARISH OPERATING CHECKING ACCOUNT

1. The parish operating checking account shall be established and maintained with the Pastor/Administrator as the primary authorized signatory. The Bishop must also be a signatory on the account. There may be one additional authorized signer which shall be limited to any from the following and selected in priority order:
 - a. Parochial Vicar(s),
 - b. Neighboring Pastor,
 - c. Parish Business Manager who is not a bookkeeper (with written approval from Bishop) or
 - d. Member of the Parish Finance Council (only when second signature is required.)
2. The parish operating checking account shall be established in the name of the parish and maintained as an interest earning checking account whenever advantageous to enable unused funds to produce additional income through interest earned while at the same time being readily available for disbursement. Unlike interest earned on accounts in the Diocese of Venice Savings & Loan Trust Fund, interest earned on the central bank account is assessable.
3. Parishes in the diocese are unincorporated nonprofit associations. Therefore, no parish may file a corporate resolution with a bank. The corporate resolutions are not appropriate. The parish bank is to file a "Not-for Profit" bank resolution for the appropriate account. All questions about bank resolutions are to be directed to the Department of Internal Financial Services.
4. Any single check in excess of \$15,000 shall require the signature of two signers on the account. Checks sent to the Catholic Center are excluded from this requirement and require only one authorized signature. Facsimile signatures are prohibited. No signatures stamps are permitted.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section V. Bank Accounts (continued)

5. Bank accounts are to be reconciled on a monthly basis in a timely manner and detailed reconciliation reports are to be retained and filed along with bank statements. This includes all parish accounts, including auxiliary accounts and investment accounts. The Pastor/Administrator is to receive the bank statements unopened and is to review it before providing to the bookkeeper to be reconciled. The actual reconciliation is to be compared with the financial statements by the Parish Finance Council at least annually. Check images are to be received from the bank on a monthly basis. On a periodic basis, check endorsements are to be reviewed for appropriateness.
6. At the end of the fiscal year, financial and accounting records such as check stubs, paid and canceled checks, voided checks, bank statements, books of account, bills, invoices, etc. of the parish shall be maintained in the parish office for permanent safekeeping according to the record retention schedule (Appendix E).

AUXILIARY BANK ACCOUNTS

1. Each auxiliary bank account's activity shall be reported to the Pastor on a quarterly basis in a statement of income and expenses along with a copy of the bank statement. All receipts and disbursements must be adequately documented and accounted for. Bank account balances, along with income and expenses of the auxiliary organization, must be recorded on the parish books before the parish quarterly report is submitted.
2. The parish auxiliary account shall be established in the name of the parish followed by the doing business as or "DBA" name which is the name of the auxiliary organization.
3. A Parish Auxiliary account shall be established and maintained with the Pastor as the primary authorized signatory. The Bishop must also be a signatory. Additional authorized signatories, which shall be limited to any two, may be chosen by the Pastor from the following:
 - a. Organization President
 - b. Organization Treasurer
4. Two signatures shall be required on each auxiliary account check.
5. Parish auxiliary accounts shall be subject to all policies and procedures noted above for Parish Operating Checking Accounts.
6. At the end of the fiscal year, financial and accounting records such as check stubs, paid and canceled checks, voided checks, bank statements, books of account, bills, invoices, etc. of each parish organization shall be turned over to the parish office and maintained for permanent safekeeping according to the record retention schedule (Appendix E).

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VI. Cash Receipts

The parish is required to follow the Diocesan system for the handling of cash receipts. All receipts, regardless of the source, must be deposited into the central banking account for proper accounting. Parishes are prohibited from using cash/currency for the direct payment of bills or wages, etc. Cash receipts include cash and checks. The basic element in an internal control environment is the segregation of duties between the actual handling/counting of cash receipts and the recording of receipts in the parish accounting records.

OFFERTORY COLLECTIONS

Each parish must maintain a written offertory collection process that is utilized on a weekly basis. The written policy shall include at a minimum the following criteria:

1. Offertory collections are to be secured immediately following the completion of the collection. Pre-numbered tamper-proof bags are required to be used by the ushers for all parish collections immediately following the Mass. Mass time, date and two usher signatures are to be written on each sealed bag. Funds are to be handled by two unrelated persons all times. A log to account for the sequentially used pre-numbered tamper proof bags must be maintained in the parish office. Parishes must utilize safes with limited access where the collections can be stored until counted. Access can be limited by either restricting access to the combination/key or having a drop safe, where bags can be deposited without actually opening the safe. The collections or keys are not to be left unsecured in the possession of any one person. Safes must be stored in a secured and monitored location on the parish premises.
2. If second collections are held, the funds are to be segregated in a separate tamper proof bag.
3. Each parish shall establish a team of rotated counters who are responsible for the counting of the offertory collection. This group is to include, at a minimum, two unrelated members and no parish employees. The parish bookkeeper is to have no part in the offertory collection counting process. In addition to counting of the offertory collection, a volunteer counter shall complete the appropriate deposit slip and accompany the offertory collection to the bank for depositing.
4. The volunteer count team shall complete an offertory count sheet(s) which is to be used to account for each type of cash and determine the total collection received. This sheet shall be compared to the deposit ticket to insure completeness and be signed by two members of the count team upon completion. These sheets shall be maintained as part of the parish records (refer to Appendix C. Collection Sheet Example).

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VI. Cash Receipts (continued)

5. A copy of the signed count sheet and duplicate deposit slip is sent to the bookkeeper before going to the bank. The parish bookkeeper shall be responsible for recording all receipts in the parish accounting records.
6. The parish bookkeeper or another designated parish employee shall record contributions to the individual donor's account. Counters will ensure the information that appears on the envelopes agree to the contribution check-name, amount, etc.

OTHER CASH RECEIPTS

1. Cash receipts received outside of the offertory collection process are to also be secured as soon as possible. This can be accomplished by either placing the funds inside the parish safe or making deposits intact as soon as possible. The responsibility of other cash receipts is to be handled by someone other than the parish bookkeeper or party responsible for the recording of such receipts. Copies are to be made of these checks as support for the deposit.
2. Checks shall be restrictively endorsed for deposit as soon as received.
3. Deposits of other cash receipts are to be performed at a minimum once per week or more often if warranted by amount.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VII. Cash Disbursements

1. All cash disbursements are to be made with pre-numbered checks. No pre-signed checks are allowed. Under no circumstances are debit cards permitted.
2. All checks must be prepared by the Parish bookkeeper and must be signed by the Pastor/Administrator or in his absence the second authorized signer.
3. If a mistake is made when preparing a check, the check is to be voided before preparing a new one, the voided check is to be altered to prevent its use.
4. All voided checks shall be retained to insure all pre-numbered checks are included in the parish financial records.
5. All disbursements are to be properly documented including
 - a. an original invoice,
 - b. evidence that the goods or services were received, and
 - c. evidence that the purchase transaction was properly authorized by the Pastor/Administrator or supervisor employee designated by the Pastor/Administrator.
6. If no invoice is available, a Check Request form shall be completed including the name of the payee, the amount, the purpose, proper approval and receipts attached when provided. This form shall be retained as part of the parish financial records.
7. All supporting documents are to be cancelled or marked “paid” once a disbursement is made to avoid double payments, along with the date and check number.
8. No checks may be made payable to cash.
9. Petty Cash – An imprest petty cash fund, not to exceed \$500, with one custodian may be used for business expenses only (not for personal expenses). The imprest fund involves the replenishing petty cash only when properly approved vouchers/detailed receipts are presented justifying all expenditures (date, purpose, person making purchase, authorized). Checks to replenish cash can only be made payable as: to the parish/staff member, i.e. “John Doe/Petty Cash.”

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VIII. Parish Income

All donations received by the parish are considered parish income. Refer to the Uniform Chart of Accounts for Parishes in the Appendix A for more details.

DONATIONS

1. The parish shall maintain on a calendar year basis a detailed list of contributions made by each parishioner. A detailed statement of annual contributions shall be made available to each contributing parishioner at the end of the year, no later than January 31st.
2. Bequests and donations are to be received by the parish free of any stipulations or requirements for any service or advantageous preferences to be performed or granted by the parish in behalf of the donor (i.e. a donation may not be used for school tuition.) Refer to Acts of Extraordinary Administration on page 5.
3. Offertory collections, bequests or donations in the form of stock certificates, bonds, and real estate are treated as follows:
 - a. Stock certificates or bonds shall be received, registered or endorsed in the parish name. These shall be submitted to the Diocesan Stewardship & Development Office who will liquidate the stock and make a deposit to the Diocese of Venice Savings & Loan Trust Fund account for the value of same.
 - b. Any donation of real property or an interest therein requires the written approval of the Bishop prior to acceptance of the gift. Real Property shall be received and registered for the parish in the name of “Frank J. Dewane, Bishop of the Diocese of Venice, his successors in office, a corporation sole”. These shall be recorded as non-cash offertory collections at the time of sale using the fair market value of the said real property.
4. See “Donor Acknowledgement” for requirements of acknowledging gifts in Section IX of this manual.
5. All national and Diocesan collections are to be remitted to the Diocesan Finance Department within 20 days following the date on which the collection is taken.
6. Donor contribution information maintained in donor files is to be reconciled to the general ledger in QuickBooks on a quarterly basis.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VIII. Parish Income (continued)

MASS STIPENDS AND OTHER PRIESTLY MINISTRATIONS

The following policies pertain to the treatment of Mass stipends and priestly ministrations:

A. Mass Stipends:

1. Mass stipends are not parish income, but the parish shall hold these monies in trust for the fulfilling of Mass intentions by priests.
2. Upon receipt of the \$10 offering as a stipend for a Mass intention, the money shall be recorded as a liability. Monies received for unfulfilled Masses can be deposited in the auxiliary account for Mass stipends, but may not be distributed to the priest fulfilling the intention until the corresponding Mass been celebrated.
3. The parish shall maintain a permanent and detailed record of all Mass offerings and the fulfillment of these offerings. The required record includes among others the date the stipend was received, the amount of the stipend and the date of the fulfillment.
4. Under Internal Revenue Guidelines, the parish is responsible for including the amount of stipends on the appropriate tax form at the end of the calendar year. For priests who are parish employees, Mass stipends shall be reported on Form W-2. For non-parish employees, the Mass stipends shall be reported on Form 1099. If Mass stipends are paid directly to the religious order, then form 1099 is not required.
5. A priest who celebrates several Masses on the same day can apply each to the intention for which the offering was given, but subject to the rule that, except on Christmas, he is to keep the offering for only one Mass and transfer the others to the purposes prescribed by the ordinary, while allowing for some recompense by reason of an extrinsic title. (Can. 951 §1).
6. No one is permitted to accept more offerings for Masses to be applied by himself than he can satisfy within a year. (Can. 953).

B. Stole Fees:

1. Monies received for priestly ministrations within the priest's assigned parish, such as baptisms, funerals, and marriages are considered parish income* (Canon 531) and must be deposited in the Parish Operating Checking Account. If a Mass is celebrated as part of a wedding or funeral, ten dollars (\$10) of the offering/stole fee shall be treated as a Mass stipend and given to the priest (reported as in 1. d.).

* The monthly compensation to the priest has been previously adjusted to account for the loss of income from stole fees, in order that such fees may be regarded as parish income in accord with the revised Canon 531.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section VIII. Parish Income (continued)

RENTAL INCOME / LICENSE FEES

Parish or Diocesan sponsored groups/events are permitted to use parish/Diocesan property without charge. There are no written agreements or additional insurance requirements.

When presented with requests from non-Diocesan and/or non-parish sponsored groups to use parish property, please refer to the following:

- A. Leases – to be utilized in cases of residences or unimproved real property, for a one year term.

The decision to lease parish property shall be made by the Pastor/Administrator with the approval of the Bishop of the Diocese of Venice. All agreements to lease Diocesan or parish property shall require written approval of the Bishop through the Chancellor's Office. The Bishop or his Attorney In Fact must sign such lease agreements. The Pastor/Administrator or Parish/Finance Council Presidents cannot sign lease contracts.

- B. Licenses – to be utilized in case of one day or short term events such as wedding receptions, civic group meetings, summer camps, etc.
 1. Permission to use parish/Diocesan buildings, facilities, and equipment shall be covered with an appropriate license agreement and Comprehensive General Liability Insurance with a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate bodily injury and property damage coverage. This insurance may be procured through the Diocesan Self Insurance Program, with the Insurance Facilities Use Program found online at <http://dioceseofvenice.org/Diocesan-policies-and-forms/diocesan-policies/>.
 2. A copy of the duly executed and signed license shall be retained by the parish and one copy to the licensee. Only the Pastor/Administrator may sign a license agreement on behalf of the parish.

An appropriate record shall be kept of all payments received. The parish may be obligated for Unrelated Business Income Tax (UBIT) for any rental/license income. All rentals are subject to Florida sales tax on gross rent received. Any questions are to be referred to the Diocesan Internal Financial Services Department.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section IX. Donor Acknowledgement

Certain substantiation and disclosure requirements on all nonprofit organizations, including churches, have been imposed by the Internal Revenue Service. In addition, certain donor restricted contributions may require a formal written acknowledgement. These requirements include written acknowledgement of gifts to support the donor's tax deductions.

CONTRIBUTIONS WITH DONOR RESRICTIONS

Donations presented to a parish which are restricted by the donor to a specific purpose or period time (including past and current donations made to a "parish foundation") can only be accepted by the parish with the written approval of the Bishop. Any documentation or correspondence related to these restricted donations must be permanently maintained by the parish receiving the donation and copies of this documentation must be forwarded to the Diocesan Finance Department to be maintained in the Diocesan archives (can. 1306). In addition, the parish is required to maintain a historical listing of all such donations along with their related obligations (can. 1307). This will be subject to examination in parish financial reviews.

DETERMINATION OF VALUE

A determination of the value or fair market value of non-cash donation (i.e. used clothing, household goods, cars, etc.) is the responsibility of the DONOR, not the recipient organization. Written acknowledgements of non-cash donations are to include items #1-4 above, but no value of the donation made. This determination is the responsibility of the donor.

WRITTEN ACKNOWLEDGEMENT

Internal Revenue Service guidelines allow for charitable deductions of greater than \$250 only if a written acknowledgement of the donation is obtained from the recipient organization by the earlier of the date the taxpayer's return for the year of the donation is due or filed. The IRS rules do not require the recipient organization to provide such written acknowledgment. However, the support of such donors would continue only with the cooperation of the recipients, by providing such written acknowledgements.

Such written acknowledgements must include the following:

1. The name of the donor;
2. The amount of cash and a description of any other property contributed;
3. A statement about whether the organization provided any goods or services in return for the contribution;

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section IX. Donor Acknowledgement (continued)

4. A good faith estimate and description of the value of items provided in return for a contribution, if any. If the only benefit provided consists of “intangible religious benefits,” a statement to that effect is to be made. Intangible religious benefits are those items provided by a church or other religious organization that generally are not sold in a commercial transaction outside of a donative context.

DONATIONS GREATER THAN \$5,000

Special rules apply for donations greater than \$5,000. In order to substantiate a deduction of greater than \$5,000, a qualified appraisal must be secured. This appraisal must be prepared no more than 60 days before the donation is made and no later than the due date for the return for the year in which the donation occurred. **THE APPRAISAL MUST BE PAID FOR BY THE DONOR.** The recipient organization may not pay for the appraisal. If the donor fails to obtain the necessary appraisal, the charitable donation may be limited or denied entirely by the Internal Revenue Service.

Exceptions to donations over \$5,000 do exist. The following types of donations are exceptions to this rule:

1. Contributions of publicly traded stocks,
2. Contributions of non-publicly traded stock valued at less than \$10,000 or less,
3. Contributions made by C Corporations, other than closely held corporations or personal service corporations,
4. Certain contributions of inventory or other property made by closely held corporations or personal service corporations that are for the care of the ill, the needy, or infants.

FORM 8282 – DONEE INFORMATION RETURN

Form 8282 is required to be filed if a tax-exempt organization (church) receives donated property which is valued at more than \$5,000 and disposes of such property within two years of the date the property was received. This form must be completed by the **DONEE OR CHURCH**, not the donor. Any questions about this form are to be directed to the Internal Financial Services department.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section IX. Donor Acknowledgement (continued)

QUID PRO QUO DONATIONS

This is a common term used to describe a certain type of contribution. Quid pro quo transactions are defined as a donation that is given with the condition that the donor receives something in return. A common example would be a fundraiser dinner where part of the ticket price is a contribution to raise funds and part is the price of the dinner received. For Quid Pro Quo donations, the Internal Revenue Service requires a disclosure statement be provided to all donors that are to include:

1. An explanation that the amount of the deductible contribution for federal income tax purposes is the excess of the amount of money contributed over the value of the goods or services provided by the religious organization, and
2. The organization's good faith estimate of the value of the goods or services furnished to the donor. This disclosure is to be made in a reasonable manner to be noticed by the donor.

EXAMPLES:

Sam Smith donated \$25 per week for 52 weeks in the offertory plate. Since the individual contributions are less than \$250, no written acknowledgement is required to substantiate his deduction.

Sam Smith makes two separate contributions of \$200 during the year. Since the individual contributions are less than \$250, no written acknowledge is required to substantiate his deduction.

Sam's brother, Steve, makes a contribution of \$400. Steve's contribution would require a written acknowledgement to substantiate his charitable deduction.

Steve Smith also makes contributions of \$250 each week in the offertory plate for 52 weeks. Since the contributions are on an ongoing basis, each contribution of \$250 does not require separate acknowledgement. In order to reduce administrative costs, the church can acknowledge Steve's total contributions in a single letter at the end of the year.

* For additional information, Publication 1771, "Charitable Contributions – Substantiation and Disclosure Requirements" can be obtained online at www.irs.gov, search for Publication 1771 under Forms and Publications. Any questions are to be directed to the Diocesan Internal Financial Services Department.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section X. Capital Expenditures

The Pastor/Administrator, after consulting the Parish Finance Council, may spend a maximum of \$30,000 or 5% of parish operational income, whichever is lower, on a given capital project, provided that such project is financed with parish funds. If financing is necessary, the parish must contact the Finance Department to apply for a loan with the Diocese of Venice Savings & Loan Trust Fund. A project cannot be broken down to smaller components to avoid this requirement.

APPROVAL REQUIREMENTS

Any capital expenditure or series of expenditures for a single purpose which exceeds \$30,000 or 5% of parish operational income, whichever is lower, must be approved by the Bishop through the Chancellor's Office. This includes ancillary contracts for the purchase of goods or services related to a construction project that are not included in the contract with general contractors (i.e. organ, altar, bell, etc.).

1. Approval of the capital improvements/expenditures shall cover the total project cost regardless of the length of time required to complete. Therefore, approval need not be secured from year to year on previously approved projects provided the approved amounts are not exceeded.
2. Any excess spending defined as \$10,000 or 5% of the general contract, whichever is greater, over the approved original project cost shall require approval from the Building and Construction Department and may be obtained by submission of a written revised project cost highlighting the reasons for the upward cost revision.
3. Pastors may not sign any notice of commencement in conjunction with improvement to real property since title is in the name of the Bishop and Corporation Sole. (see Section XII Real Estate).
4. Any capital expenditure relating to the improvement or purchase of real estate is additionally subject to the policy addressing real estate and the Diocesan Guidelines for Building and Renovations (<http://dioceseofvenice.org/diocesan-policies-and-forms/diocesan-policies/>) and the financial policy relating to real property.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XI. Contracts

In conjunction with the ordinary administration of the parish, the Pastor/Administrator is authorized to enter into a contract that binds the parish assets and this authority may not be delegated to another. Any contract executed by a third party or in the Pastor's absence shall be of no force and effect until signed by the Pastor. Any vendor contract, except related to business equipment, may not exceed a term of one year and must be terminable on 60 days written notice by either party without cause. Any exceptions of this policy must be approved by the Bishop through the Chancellor's Office in writing.

Additionally, any contract, or series of related contracts, that obligates the parish or Diocese for a sum of money in excess of 5% of total parish operational income as of the last complete fiscal year or \$30,000, whichever is lower, is not valid unless signed by the Bishop.

1. A contract for a period not to exceed three years may be required in some cases related to business equipment utilized in day to day operations of the parish, such as copy machines, vending machines, postage meters, telephones, computers/typewriters, etc.
2. Any contract pertaining to real property or capital improvements is subject to the limitations identified in other policies of this Manual.
3. Agreements with independent contractors are subject to additional insurance requirements by the Diocese of Venice Self Insurance Program. For inquiries on this topic please contact the Risk Management Coordinator in the Diocesan Finance Department via email at insurance@dioceseofvenice.org.
4. Consult with Internal Financial Services if there is any question on the contract's conformity with these identified limitations.
5. With the exception of certain job classifications, contracts are only available in schools for teachers, assistant principals and principals, and all other employees are employed in an "at-will" relationship for an indefinite period of time; therefore parish employees are free to terminate their employment at any time, with or without cause or advance notice. Likewise, the parish has the right to terminate a parish employee at any time, without cause or advance notice.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XII. Real Estate

Only the Bishop can enter into an agreement to buy, sell, lease, mortgage, or encumber real property. All real estate matters are to be directed to the Chancellor's Office.

Most Reverend Frank J. Dewane, in his capacity as Bishop, holds title to all real property of the Diocese of Venice in Florida and its Parishes, Missions, Schools and Institutions under both the Laws of the State of Florida and the Laws of the Roman Catholic Church in trust for these entities. He is empowered under both civil and Ecclesiastical law to receive and hold title to real property, administer all property, and to dispose of all property of each and every entity of the Diocese of Venice in Florida, for the benefit and use of such entity. Deeds for all real property must be in the name of "Frank J. Dewane as Bishop of the Diocese of Venice in Florida, His Successors in Office, a corporation sole."

A corporation sole is not a statutory corporation. It exists under the common law doctrine that is recognized in the State of Florida by Florida Statute §2.01. Authority is referenced to Reid v. Barry, 112 So.846 (Fla). Under the doctrine, the Bishop "solely" is the corporation and is the only interested person. Since it is not a statutory corporation, there are no Articles of Incorporation, By-laws or any officers or directors.

GENERAL

1. A Diocesan Real Estate Board comprised of clergy and lay persons assist the Bishop in real estate matters.
2. A Real Estate Board at the Deanery level studies and monitors the factors which affect the local real estate holdings of the Diocese and the parishes as well as the future needs for real estate and makes recommendations to the Bishop through the Chancellor's Office. These recommendations are presented to the Bishop for his review and approval.
3. The Chancellor is to be contacted promptly regarding any matter affecting the real estate (i.e. zoning changes, development of neighboring property, leasing of property, bequest of real estate etc.) so that the matter is handled in accordance with the Diocesan guidelines.
4. The terms of any contract, insofar as location, amount of acreage needed, approximate price, cash or mortgage terms, etc. are to be discussed with the Chancellor before negotiations for the purchase or sale of real estate are initiated.
5. All closing costs and expenses including attorney's fees are to be submitted at or prior to the time of closing.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XII. Real Estate (continued)

SALE OF REAL ESTATE OR INTEREST THEREIN

The following requirements shall be followed when the parish SELLS real estate:

1. After the discussion to sell parish property is made at the parish level, permission of the Bishop is required and must be arranged through the Chancellor's Office;
2. The Chancellor will arrange all aspects of the real estate transaction;
3. The deed or land contract must be submitted in triplicate to the Chancellor's Office for review and signature by the Bishop/or His Attorney in Fact;
4. The Diocese will arrange for title commitment;
5. The deed is given to the buyer upon receipt of a certified check;
6. The parish is to expect to pay what are generally regarded as seller's expenses including documentary stamps, costs of title insurance and broker's commissions. (5% is commonly accepted as broker's commissions for the church).
7. Following the closing, the Chancellor's Office is to promptly receive the following:
 - a. Closing Statement signed by all parties
 - b. Copy of recorded deed to purchaser (showing purchaser's address)
 - c. Original Promissory Note and recorded mortgage, if not a cash transaction.

PURCHASE OF REAL ESTATE

The following policies shall be followed when the parish PURCHASES real estate:

1. After the decision to purchase property is made at the parish level, the permission of the Bishop is required and may be arranged through the Chancellor's Office.
2. Seller is to furnish a survey, at seller's expense, or pay for the recertification of an existing survey to reveal any possible changes or encroachments on the land. Seller is to also furnish an updated abstract or a title policy from an insurance company acceptable to the Diocesan attorney and realtor.
3. Broker's fees for both the selling and purchasing broker are to be the responsibility of the seller.
4. Prepare an Offer to Purchase for the signature of the Bishop.
5. Have an attorney examine the abstract or title policy and give a written opinion that the seller can give good marketable title, free of encumbrances, and that the existing zoning will not prevent the use of the property for the purpose it is being purchased.
6. Title is always taken in the name of "Frank J. Dewane, as Bishop of the Diocese of Venice in Florida, His successors in Office, a Corporation Sole." The address on the Deed is to be 1000 Pinebrook Rd, Venice, FL 34285.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XII. Real Estate (continued)

7. When the contract is accepted, it is to be submitted in triplicate to the Chancellor's Office for review and signature by the Bishop or his Attorney in Fact. The title insurance commitment and closing statement with the necessary funds or a request for the funds to close is to be submitted to the Chancellor's Office sufficiently in advance to allow for the transfer of funds and the execution of the necessary documents by the Bishop.
8. Following the closing, copies of the following documents are to be promptly forwarded to the Chancellor's Office:
 - a. Original Recorded Deed
 - b. Title Insurance Policy
 - c. Survey
 - d. Appraisal
 - e. Copy of Note or Mortgage, if not a cash transaction

DONATION OF REAL ESTATE

Any donation or bequest of real property, or an interest therein, requires as a condition precedent the explicit written approval of the Bishop prior to acceptance of the gift. A site inspection must be done prior to any approval.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIII. Compensation and Tax Reporting

EMPLOYEE VS. INDEPENDENT CONTRACTOR

All workers who are hired to provide services for a parish are to be assumed to be employee for tax purposes (and receive a Form W-2) unless the parish is able to prove that the individual meets the Internal Revenue Service criteria to be classified as an independent contractor for tax purposes (and receive a Form 1099). Failure to make a correct classification can result in penalties, interest and back taxes for both the parish and for the employee personally. The determination of a worker as an independent contractor or employee must be done on a case by case basis and can only be determined by comparing the facts and circumstances to IRS guidelines. IRS has viewed this determination as an area of increased audit focus. It is imperative that the classification of an employee be reviewed in advance of being hired by the parish.

Employees – Compensated on either an hourly or salary basis. Social Security, Medicare and federal income taxes are withheld from their paychecks unless specifically exempt, such as Priests. Compensation is reported on Form W-2 as required by IRS instructions.

Independent contractors - Non-employees paid for services. Payments are reported on Form 1099 as required by IRS instructions. Prior to paying an independent contractor, parish must have a signed Form W-9 on file which includes the Social Security Number or Federal Employer Identification Number.

A worker's status is determined by applying relevant facts that fall into three main categories: behavioral control, financial control, and the type of relationship itself. In each case, it is very important to consider all the facts—no single fact provides the answer.

Behavioral Control. These facts show whether there is a right to direct or control how the worker does the work. A worker is an employee when the business has the right to direct and control the worker. The business does not have to actually direct or control the way the work is done—as long as the employer has the right to direct and control the work. For example:

1. *Instructions*—If you receive extensive instructions on how work is to be done, this suggests that you may be an employee. Instructions can cover a wide range of topics, for example: how, when, or where to do the work, what tools or equipment to use, what assistants to hire to help with the work, and where to purchase supplies and services. If you receive less extensive instructions about what is to be done, but not how it is to be done, you may be an independent contractor. For instance, instructions about time and place may be less important than directions on how the work is performed.
2. *Training*—If the business provides you with training about required procedures and methods, this suggests that the business wants the work done in a certain way, and you may be an employee.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIII. Compensation and Tax Reporting (continued)

Financial Control. These facts show whether there is a right to direct or control the business part of the work. For example:

1. *Significant Investment*—If you have a significant investment in your work, you may be an independent contractor. While there is no precise dollar test, the investment must have substance. However, a significant investment is not necessary to be an independent contractor.
2. *Expenses*—If you are not reimbursed for some or all business expenses, then you may be an independent contractor, especially if your unreimbursed business expenses are high.
3. *Opportunity for Profit or Loss*—If you can realize a profit or incur a loss, this suggests that you are in business for yourself and that you may be an independent contractor.

Relationship of the Parties. These are facts that illustrate how the business and the worker perceive their relationship. For example:

1. *Employee Benefits*—If you receive benefits, this is an indication that you are an employee. If you do not receive benefits, however, you could be either an employee or an independent contractor.

Example: Organist

Behavioral Control

1. *Instructions*—Organist position typically requires the parish to determine how, when and where work for the position is done and what equipment to use.
2. *Training*—Church typically provides training about required procedures and methods (liturgy) and this suggests that the parish wants the work done in a certain way.

Financial Control

1. *Significant Investment*—Organist position does not require significant investment.
2. *Expenses*—Organists are typically reimbursed for business expenses, if any.
3. *Opportunity for Profit or Loss*—Organists do not typically have an opportunity for profit or loss in their position.

Relationship of the Parties

1. *Employee Benefits*—Organists will receive benefits if they are on payroll.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIII. Compensation and Tax Reporting (continued)

FINANCIAL JOB POSITIONS

By virtue of the standard job position requirements, an individual working in the financial function (including but not limited to bookkeepers, business managers, finance managers and operations managers) in a parish must be hired as a parish employee for tax purposes and treated accordingly. Independent contractors and volunteers are not permitted to function in this area. Bookkeepers and other positions in the parish financial function in the Diocese do not meet the IRS tests to qualify as independent contractors. Prior to hiring or re-hiring a bookkeeper or employee responsible for parish bookkeeping, the individual must successfully pass a competency test administered by the Diocesan Department of Internal Financial Services and may be subject to a personal credit check along with other requirements.

CLERGY

The income taxation of Priests is unique compared to compensation reporting for lay employees. There are five primary differences between Priests and Laity for tax purposes to be considered.

1. Priests are self-employed for Social Security tax purposes.
2. Priests may receive tax free housing.
3. Priests are exempt from payroll withholding.
4. Priests, who receive Form W-2, may request payroll tax withholding.
5. Priests receive various allowances.

Priest wages are not subject to social security and Medicare withholding under any circumstances. They are subject to Federal Income Tax withholding only when the priest elects to have income tax withheld. This is elected on Form W-4 issued by the Internal Revenue Service (see www.irs.gov for forms and instructions).

Priests are not to receive Form W-2 and Form 1099 in the same tax year unless the priest receives different sources of income. For more information about priest wages, please refer to the manual *Tax Guide for Clergy* or contact the Diocesan Department of Internal Financial Services.

COMPENSATION

In order to insure adequate reporting of income, it is necessary for all Diocesan entities to review any payments made during the year to individuals, whether as an independent contractor or as an employee.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIII. Compensation and Tax Reporting (continued)

The following is a list of items to be reported as compensation on the appropriate form at the end of the calendar year:

1. Remuneration for services performed, whether on an hourly basis or as a salary
2. Bonuses, cash gifts, gift certificates, or cash equivalents paid to employees
3. Stipends paid to clergy
4. Cash allowances for food paid monthly to clergy (refer to annual priests' compensation and benefits memo)
5. Cash allowances paid for Vehicle Insurance and personal vehicle tags (refer to annual priests' compensation and benefits memo)

Please note that amounts paid to Diocesan employees are a reimbursement of expenses, such as mileage, or business related expenses, and are not taxable compensation to the recipient. Documentation is important for such a determination. Employees are to be reimbursed only when a properly completed expense report is provided to the parish, mission, or school and is approved by the appropriate party. This list of compensation items is not an all-inclusive. If you are unsure of the correct treatment of such amounts, please contact the Diocesan Department of Internal Financial Services with any questions in advance of the end of the year.

FOOD AND HOUSING ALLOWANCES

Housing allowances for clergy are almost always tax-free for income tax purposes to the recipient. This is one of the differences between clergy and other regular employees. However, clergy are to consult with their tax preparer for proper treatment on the clergy's personal income tax return. There are tax consequences for receiving a housing allowance. Food or "board" allowances are treated differently. In order for food allowances to be treated as income tax-free to the recipient/clergy, the following requirements must be met:

1. Meals, which means meals not groceries or cash allowances for food, must be prepared and consumed on the premises of the parish or rectory, not in a private residence;
2. The meals are for the convenience of the parish. Meaning the priests solely dine at the parish or in the rectory on the parish grounds because he is "on call". The priest must be available to handle calls made by parishioners in person or on the phone and he must be expected to do so in the future; and
3. The meals are expected as part of the priest's assignment to the parish. The priest residing and dining in the rectory is part of his working conditions and not optional.

These three criteria will exclude most food allowances from being handled in an income tax-free manner. If you have questions or concerns about this, please review the literature provided in the *Tax Guide for Clergy* manual or call the Diocesan Department of Internal Financial Services.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIII. Compensation and Tax Reporting (continued)

RELIGIOUS ORDER PAYMENTS

In order to comply with IRS regulations, all remuneration checks paid for religious order priests, sisters and brothers, including stipends, must be made out to the religious order and include the name of the priest, sister or brother in the memo section of the check or as a second payee. For example: Payable to: Congregation of St. Mary and Sister Mary Joseph.

TAX FORMS

Prepared by ADP Standardized Payroll

Form 941, Employers Quarterly Federal Tax Return (Federal Payroll Taxes) – Due April 30th, July 31st, October 31st, and January 31st of each year.

Form UCT-6, Florida Employer Quarterly Report (State Unemployment Compensation) - Due April 30th, July 31st, October 31st, and January 31st of each year.

Form W-2, Tax Statement – Due to employees before January 31st of each year.

Form W-3, Transmittal of Wage and Tax Statement – Due to the Social Security Administration prior to February 28th of each year.

Prepared by Parish in QuickBooks

Form 1099, Miscellaneous Income – Due to recipient prior to February 28th of each year.

Form W-2G, Certain Gambling Winnings - Due to winners before January 31st of each year.

Form 1096, Transmittal of Information Returns – Due to the Internal Revenue Service prior to March 31st of each year.

Other forms may be necessary if you have gambling or bingo activities at your entity or if you have paid foreign individuals for services performed in the United States. If you have questions or need information about either of these areas, please contact Internal Financial Services.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIV. Employee Personnel Files

State and federal law require employers to keep current and accurate employee records. Employee files (payroll and/or HR file) are established for each employee at the time of hire and maintained in a locked file. Only the Pastor/Administrator of the parish or other individual designated by the Pastor/Administrator will have access to the employee file.

Employee files are the property of the parish and Diocese. Under no circumstances is an employee permitted to remove anything from their file. Employees are welcome to review the information in their file within a reasonable time following a written request to the Pastor/Administrator.

PERSONNEL RECORDS

Personnel files for employees are to contain the following items and be kept confidential. Refer to the Human Resource Policy and Procedure Manual for additional details:

Employment History

1. Employment Application and Resume
2. Offer letter of Employment
3. References/employment verifications (minimum of three (3) references are to be conducted)
4. Job Description
5. Cleared fingerprint and background check
6. Signed employee acknowledgement of receiving a copy of the Employee Handbook
7. IRS W-4 Form
8. I-9 Form (MUST ALSO BE retained in a separate file)
9. Copy of Driver's License
10. Copy of Social Security Card and/or documentation to support I-9 Form
11. Payroll New Hire/Change Form
12. Direct Deposit Authorization
13. Emergency Contact Information
14. Attendance Records
15. Jury Duty Accommodation
16. Forms relating to employee benefits
17. FMLA Documentation
18. Copies of Driver Information to drive parish vehicles
19. Confirmation of completion of the Safe Environment Training Program (Certificate)
20. Attestation of Good Moral Character
21. Code of Pastoral Conduct Acknowledgment
22. Acknowledgment of the Protection of Children and Vulnerable Adults Policy and Procedural Guidelines

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIV. Employee Personnel Files (continued)

23. Various acknowledgments of other parish policies
24. Employee Performance Development and Improvement
25. Letters relating to changes in employment status such as promotions, demotions, transfers, change in job classifications, education and training certificates
26. Performance Review Forms
27. Letters of Understanding
28. Letters of Thanks/Appreciation
29. Letters of Recommendations
30. Warnings and/or disciplinary notices
31. Employment Termination Records
32. Letter of resignation
33. Notification of discharge/Information Sheet
34. Exit Interview form
35. Termination form

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XV. Diocese of Venice Savings & Loan Trust Fund

The diocese maintains a cooperative savings and loan program, in trust for Diocesan entities, to manage deposits of medium to long term funds and also to issue loans to participating members, primarily for construction projects. Funds in excess of an entity's short-term operating needs must be on deposit in the Savings & Loan Trust Fund.

LOANS

1. The interest rate for loans is variable. Current rate can be found online at <http://dioceseofvenice.org/offices/finance/frequently-asked-questions/>
2. Parishes borrowing funds for new construction of capital programs/projects will sign a Loan Application and a Parish Promissory Note for a determined period, not to exceed ten years, with an **amortization** schedule including principal and interest.

DEPOSITS

1. The interest rate for savings accounts is variable. Current rate can be found online at <http://dioceseofvenice.org/offices/finance/frequently-asked-questions/>
2. Interest will be computed daily. Interest earned on savings accounts is not assessable.
3. The one month operating requirement is to be reviewed monthly to determine if savings withdrawals or deposits are to be made.

The Diocese of Venice Savings & Loan Trust Fund Policies & Procedures manual and forms are available upon request from the Diocesan Finance Department.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XVI. Diocesan Assessment

On an annual basis, parishes and missions in the Diocese make a required contribution to financially support Diocesan wide ministries and programs which are presented in further detail in the annual Catholic Faith Appeal brochure. This annual contribution to the Diocesan Church is known locally as the “assessment.” It is calculated based on a percentage of annual parish ordinary income, which is 26% for parishes with ordinary income greater than \$200,000 and 10% for parishes with ordinary income less than or equal to \$200,000, less credits for donations made directly by the parish to approved Diocesan schools, poor parishes and missions. In almost all cases, this calculated assessment amount is the same amount used as the parish Catholic Faith Appeal goal. The annual assessment contribution is not in addition to parish Catholic Faith Appeal fundraising. The assessment amount is the parish obligation and the Catholic Faith Appeal is a means by which a parish can satisfy that obligation.

The Uniform Chart of Accounts for Parishes identifies income accounts that are assessable. Parish assessments are charged in full to all parishes, regardless of financial condition. If a parish has a concern about its ability to pay its assessed amount, please notify the Director of Finance. In addition to income accounts that are assessable on the chart of accounts, other items are added and subtracted to determine assessable income as follows:

ADDITIONS:

1. Auxiliary Organization income net of expenses
2. Food Pantry income net of expenses
3. Bazaars, Bingo, & Raffle income net of expenses
4. Religious store income net of expenses
5. Memorial Garden income net of expenses
6. Thrift store income net of expenses

DEDUCTIONS:

1. Direct Contributions to Elementary Schools
2. Direct Contributions to Secondary Schools
3. An additional 4% of all School contributions
4. Direct Contributions to approved Catholic Entities within the Diocese

IMPORTANT - School contributions will be matched against school records before any deduction is granted to a parish. Direct contributions must be sent by parishes to schools by June 15 of each fiscal year in order to allow processing and recording time by schools to be counted as a deduction for that fiscal year. Contributions sent beyond this cut-off date may be counted in the following fiscal year.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XVI. Diocesan Assessment (continued)

1. The annual assessment is provided in January for the following fiscal year. The assessment is recognized over an 8 month period beginning in July, and as follows:

| | |
|------------|-----------|
| 30% | July |
| 10% | August |
| 10% | September |
| 10% | October |
| 10% | November |
| 10% | December |
| 10% | January |
| <u>10%</u> | February |
| 100% | |

2. If the parish or mission has not made full payment of the prior year assessment prior to the June 30 fiscal year end, the parish will be automatically issued a loan from the Diocese of Venice Savings & Loan Trust Fund for the amount past due. A new promissory note will be issued and must be signed by the Pastor/Administrator of the parish.
3. Any assessable amounts not reported on the parish financial statements that are subsequently identified may be subject to an additional assessment.
4. In order for any fundraiser, gifts or bequests to be counted toward a parish Catholic Faith Appeal goal, it must be approved by the Diocesan Director of Development in writing. Refer to Appendix D for a Catholic Faith Appeal Parish Fundraiser Form.
5. When a new parish or mission is established and constructed, it is usually exempt from assessment and participation in the Catholic Faith Appeal in the first three years. This status will be acknowledged in a letter from the Bishop or through the Chancellor's Office on his behalf, including the beginning and ending date of such exemption.
6. When an existing parish is seeking approval for a major construction project, they may be eligible for a 3 year assessment exemption for funds raised to support the project. The approval for such request will take into consideration the last five years of parish financial activities among other factors. This status will be acknowledged in a letter from the Bishop or through the Chancellor's Office on his behalf, including the beginning and ending date of such exemption. Please note that income from fundraising related to the project is exempt from assessment only if it is deposited in an S&L account. Any funds reported as income and not deposited will be considered assessable income. Any excess approved building fund proceeds are subject to assessment.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XVII. Tax Obligations

The parish is obligated for all **necessary** federal, state, and local tax forms.

FEDERAL TAX OBLIGATIONS

1. Each Parish, whether or not it has employees, is to maintain a federal employer identification number (“FEIN”). Any questions or assistance are to be directed to Internal Financial Services.
2. All parishes and organizations listed in the Official Catholic Directory are exempt from income taxes on parish income under Internal Revenue Code Section 501(c)3. They are eligible to receive tax deductible charitable contributions as evidence by a group letter ruling.
3. Tax on unrelated business activities – Income from unrelated business activities such as advertising, sale of merchandise, are subject to normal business taxes. Any question regarding liability for the unrelated business activities is to be referred to Internal Financial Services.
4. Under Internal Revenue Guidelines, every lay employee is subject to mandatory payroll tax deductions which may not be waived by the employer. FICA taxes, Social Security and Medicare must be withheld on each employee’s earnings in accordance with the rates and limits set by the Federal Government. Compliance in this area is satisfied by participation in the Diocesan standardized payroll program.
5. The parish is required to file Form 1099-Misc for each unincorporated individual or entity (including clergy) to whom it pays an aggregate of \$600 or more in any calendar year to report:
 - a. Gross rents;
 - b. Commissions, fees or other compensation paid to non-employees;
 - c. Awards, bonuses, stipends, gifts; and
 - d. Other fixed and determinable gains.

A copy of the 1099 must also be sent to the taxpayer by the last day of February each year.

NOTE: Some benefits provided to employees such as housing or transportation is considered as compensation to the employee, with particular exceptions to clergy, and must be included on the W-2 form at their fair market value.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XVII. Tax Obligations (continued)

6. An organization that conducts gambling activities is required to report gambling winnings on Form W-2G if the winnings are \$600 or more and at least 300 times the amount of the wager or if the winnings are subject to withholding. In advance of conducting a gaming activity (raffles, bingo, etc.), due to the complexity and individual needs of the parish, the activity must be approved in writing by the Diocesan Director of Development. If the activity is not approved for inclusion in the Catholic Faith Appeal, income from the activity will be assessable. Any questions or assistance related to tax compliance are to be directed to Internal Financial Services.

STATE AND LOCAL TAX OBLIGATIONS

1. Real property that is predominantly used for charitable or religious purposes is exempt from Ad Valorem real property taxes. Such taxes are based upon the value of the real property owned. Property which is vacant or not used for charitable or religious purposes may not be exempt from such taxation. The parish may be responsible for various special assessments or Non-Ad Valorem taxes. Any questions regarding parish responsibility for real property taxes/assessment are to be referred to the Diocesan Real Estate Department.
2. Churches are not exempt from the payment of most licenses, permits and fees, i.e. automobile license plates, inspection fees, building permits, etc.
3. Each parish is to obtain its own sales tax exemption number (Consumer Certificate of Exemption) which is distinct from that of the Diocese/Catholic Center. An application may be obtained by following Florida Catholic Conference instructions found online at www.flacathconf.org/SalesTaxExemption. The FCC will forward the application to the Florida Department of Revenue. The certificate is valid for 5 years.
 - a. The exemption applies to all goods purchased for consumption/use by the parish. The parish should not be charged sales tax on a utility bill and a claim for a refund may be made if paid in the past.
 - b. Although Florida authorizes churches to purchase tangible personal property for church use and consumption without application of the sales tax, there is no exemption allowed when tangible personal property is purchased for resale purposes (i.e. fundraisers, thrift stores), unless the purchaser is licensed as a retailer for the purpose of paying tax on the receipts derived from the subsequent resale. When in doubt, contact the Internal Financial Services.
 - c. Parishes/Entities that rent commercial property must collect and remit sales tax on the rental income.

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XVIII. Diocesan Self Insurance Program

The Diocese is self-insured and has established a program to provide comprehensive coverage to all of its entities. For questions regarding our insurance program, please refer to the Self Insurance Program booklet found on the Diocesan website or contact the Diocesan Risk Management Coordinator in the Finance Department at Insurance@dioceseofvenice.org.

TYPES OF COVERAGE

The following types of insurance coverage are provided to participating entities of the Diocese:

1. Property Insurance
2. Liability Insurance
3. Worker's Compensation Insurance
4. Unemployment Insurance
5. Student Insurance
6. Auto Insurance (Only on Diocesan Vehicles)

FINANCIAL POLICIES AND PROCEDURES FOR PARISHES

Section XIX. Parish Financial Operational Review

Parish Operational Reviews are performed to insure compliance with Diocesan Financial Policies and Procedures, employment laws, and Internal Revenue Service guidelines. The following are reasons parish financial reviews are performed by the Diocesan Director of Internal Financial Services:

1. At the request of the Bishop
2. During the transition of the Parish Pastor/Administrator, or
3. On a regular rotational basis.

Prior to an operational review, the Pastor/Administrator will be notified in writing. The parish will then be contacted to establish a time for such review, provide the bookkeeper with a list of records that will be necessary and to answer any questions. Once the review is completed, Internal Financial Services will provide the Pastor/Administrator with a written report of the review findings and will provide a copy to the Bishop, Vicar General, Chancellor and Diocesan Director of Finance.

APPENDIX A
Uniform Chart of Accounts



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|----------------------------|--|------------------------|------------------|
| Accounts Receivable | | | |
| 1200 | Accounts Receivable | Receivable | D |
| Other Assets | | | |
| 1250 | Other Receivables | Other Current | D |
| 1300 | Inventory-Gift Shop - The balance of this account represents the original cost of any items for resale remaining unsold at the end of the fiscal year . The balance in this account is adjusted only at fiscal year end. | Other Current Asset | D |
| 1350 | Pre-paid Assessment - CFA deposits from your parishioners received at the Catholic Center are recorded here. Set up sub accounts for different assessment years | Other Current Asset | D |
| 1360 | Other Pre-Paid Accounts | Other Current Asset | D |
| Fixed Assets | | | |
| 1400 | Land - The cost of the land on which the parish is located. | Fixed Asset | D |
| 1410 | Church Building - The cost of church building. | Fixed Asset | D |
| 1419 | Church Building - Accumulated Depreciation | Contra Asset | C |
| 1420 | Church Furniture & Equipment - The cost of the church furnishings and equipment. | Fixed Asset | D |
| 1429 | Church Furniture & Equipment - Accumulated Depreciation | Contra Asset | C |
| 1430 | Rectory Building | Fixed Asset | D |
| 1439 | Rectory Building - Accumulated Depreciation | Contra Asset | C |
| 1440 | Rectory Furniture & Equipment | Fixed Asset | D |
| 1449 | Rectory Furniture & Equipment - Accumulated Depreciation | Contra Asset | C |
| 1450 | Other Building | Fixed Asset | D |
| 1459 | Other Building - Accumulated Depreciation | Contra Asset | C |
| 1460 | Other Furniture & Equipment | Fixed Asset | D |
| 1469 | Other Furniture & Equipment - Accumulated Depreciation | Contra Asset | C |
| 1800 | Other Assets | Fixed Asset | D |
| 1809 | Other Assets - Accumulated Depreciation | Contra Asset | C |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|--------|-------------|-----------|------------------|
|--------|-------------|-----------|------------------|

LIABILITIES

| Accounts Payable | | | |
|-------------------|---|-----------|---|
| 2010 | Accounts Payable -Used to record balances owed to vendors. | Liability | C |
| Credit Cards | | | |
| 2015 | Credit Card Account - Use sub accounts if more than one account exists | Liability | C |
| Other Liabilities | | | |
| 2022 | Health and Welfare Withheld from employee pay | Liability | C |
| 2040 | Unsaid Masses - \$10.00 Mass Intentions received for masses to be said in the future. Once fulfilled stipends can be paid to the priest. | Liability | C |
| 2100 | Notes & Mortgages - Diocesan Savings & Loan Trust Fund | Liability | C |
| 2105 | Notes & Mortgages - Diocesan Savings & Loan Trust Fund- Accrued Interest | Liability | C |
| 2150 | Notes Due Parishioners- Requires Approval from the Diocesan Finance Department | Liability | C |
| 2200 | Notes & Mortgages Due Others- Approval from the Diocesan Finance Department | Liability | C |
| 2500 | Other Liabilities | Liability | C |

NET ASSETS

| Net Assets | | | |
|------------|--|------------|---|
| 3010 | Unrestricted Net Assets - Assets with no donor imposed restrictions. | Net Assets | C |
| 3011 | Temporarily Restricted Net Assets - Contributions whose use is limited by stipulations that expire in time or can be fulfilled and removed. | Net Assets | C |
| 3012 | Permanently Restricted Net Assets -Contributions whose use is limited by stipulations that neither expire in time nor can be fulfilled and removed. | Net Assets | C |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|--------|-------------|-----------|------------------|
|--------|-------------|-----------|------------------|

INCOME

| Assessable Income | | | |
|--------------------------|---|--------|---|
| 4010 | Offertory Collections -Daily and weekly offerings from parishioners and visitors including all currency, coins, and personal checks. | Income | C |
| 4020 | Debt Reduction Collections - Special parish collections for the purpose of reducing parish loan balances and other debt. | Income | C |
| 4040 | Non-Approved Building Fund Collection - Collections for building expenses other than those covered in account #4020 or #4560 | Income | C |
| 4060 | Special Parish Collections - Special collections taken to be used for a particular purpose as requested by the pastor (e.g., collections for St. Vincent de Paul Society, Poor Box, etc.). | Income | C |
| 4080 | Gifts & Donations -Cash or non-cash donations or gifts which may or may not be restricted. The donation of property, stock etc. should be included at it's current market value. If the gift is restricted, you must use the funds to meet the restriction. If the restriction relates to a future event, it should be deposited in the Diocesan Savings & Loan TrustFund until the restriction is met. | Income | C |
| 4120 | Church Societies - Amounts received from church societies such as Women's Guild, Knights of Columbus, etc. | Income | C |
| 4140 | Rentals - Amounts received for rental of church hall and facilities for social and educational functions. | Income | C |
| 4180 | Interest Non-Diocesan Savings & Loan Trust Fund - Interest earned on outside commercial accounts that have been preapproved by the Diocesan Director of Finance. Provide the account name in your description | Income | C |
| 4200 | Advertising - Proceeds from the sale of advertising in the parish bulletin. | Income | C |
| 4240 | Miscellaneous Income - Revenue for which there is no specific income account. Please provide a detailed description of the nature of the item. | Income | C |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|------------------------------|---|-----------|------------------|
| Non-Assessable Income | | | |
| 4510 | Non-Parochial Collections - Non-parochial collections taken up at all Masses in all parish and mission churches of the Diocese as mandated by the Bishop. The amount reported should agree with monies forwarded to the Diocesan Finance Office (see account #8020). | Income | C |
| 4515 | Bequests - A cash or non-cash inheritance which may or may not be restricted. Acceptance requires Bishop approval | Income | C |
| 4520 | Mission Church Collections (Mission Co-op) - Collections taken on behalf of a mission church and forwarded to the Mission Co-Operative Office or to Diocese of Venice. | Income | C |
| 4530 | Donations of Fixed Assets - Donation of items being capitalized at their fair market value in accounts 1420, 1440, and 1460, etc. Call IFS with questions regarding donations appropriately recorded in this account. | Income | C |
| 4540 | CFA Income -Donations received at DOV during the CFA campaign and CFA pledge payments received by the Diocesan Development Office, reported on your CFA statement | Income | C |
| 4560 | Building Collections Income - received for a parish construction project which has been authorized and approved by the Diocesan Finance Office. (NOTE: The amount reported here must agree with account #1024 Approved Building Savings - amounts deposited into the Diocesan Savings & Loan Trust Fund) | Income | C |
| 4580 | Diocesan Subsidies - Financial support received from the Diocese of Venice. | Income | C |
| 4600 | Parish Subsidies - Financial support received from other parishes. See account #8060 for the related payment of subsidies to other churches. | Income | C |
| 4620 | Catholic Publications - Receipts from the sale of Catholic literature, publications, etc. | Income | C |
| 4630 | Pastoral Income | Income | C |
| 4640 | Religious Education - Fees received for religious education functions | Income | C |
| 4650 | Youth Ministry - Fees received for youth ministry functions | Income | C |
| 4680 | Interest Income - Interest earned on all savings accounts in the Diocesan Savings & Loan Trust Fund. | Income | C |
| 4685 | Investment Gains (Losses) - Diocesan Savings and Loan Trust investment savings account gains and losses. | Income | C |
| 4690 | Respect Life - Fees received for Respect Life functions | Income | C |
| 4740 | Refunds & Reimbursements - Recovery of funds expended like long distance telephone charges, health and welfare premiums, etc. Returned checks (NSF) should be charged to the appropriate revenue account, not charged here. | Income | C |
| 4760 | Stole Fees - All stole fees received are considered parish income and should be reported in this account. | | |
| 4790 | Poor Box Income | Income | C |
| 9040 | Prior Year Income - This account may only be used under the direction of Internal Financial Services | Income | C |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|--------|-------------|-----------|------------------|
|--------|-------------|-----------|------------------|

EXPENSES

| Personnel | | | |
|------------------|--|---------|---|
| 5010 | Salaries - Monthly salaries paid to resident pastor and assistants. Also includes wages paid to all lay employees, such as: office staff, housekeepers, maintenance staff, janitors, organists, choir directors, and others who perform a function for the church. Includes any overtime pay, holiday bonuses, etc. | Expense | D |
| 5020 | Stipends - Religious - Amounts paid to religious priests, brothers, or sisters of a religious order whereby payments are made out to the order and the order pays their stipends. | Expense | D |
| 5030 | Extra Clergy - Amounts paid for extra clergy who help at the parish periodically during vacations, illness, retreats, and other absences. | Expense | D |
| 5100 | Employee Benefits - Employer portion of Premiums paid to the Diocese for employee health & welfare, life and long-term disability coverage. | Expense | D |
| 5120 | Retirement Benefits - Pension payments remitted to Diocesan Plan Administrator, Gabriel, Roeder, Smith, & Company. | Expense | D |
| 5140 | Employers Portion of FICA - Employer's portion ONLY of social security taxes (FICA), Medicare and the annual Social Security contribution for sisters. This account <u>does not include</u> the employee's portion of FICA withholding. | Expense | D |
| 5160 | Unemployment Tax remitted to the Catholic Center quarterly based on 1% of taxable wages | Expense | D |
| 5200 | Priests Continuing Education & Retreats - Reimbursements to priests for attendance at retreats and educational seminars (maximum reimbursement per year is \$1,000 per priest). | Expense | D |
| 6010 | Table Expense - Amounts paid to purchase groceries for the rectory, for priests meals, and for food allowances paid to priests. | Expense | D |
| 6020 | Household Expense - Amounts expended for household supplies at the rectory. | Expense | D |
| 6090 | Miscellaneous Rectory Expense - Amounts expended for other rectory costs which do not have a specific account. Please provide a detailed description of the nature of the item. | Expense | D |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|---|--|-----------|------------------|
| Building & Grounds Maintenance | | | |
| 6110 | Building Repairs, Maintenance & Cleaning - Minor repairs and maintenance as required in the church, rectory, parish hall, parking lots, etc. Includes cleaning supplies, lawn service, etc. | Expense | D |
| 6120 | Utilities - Electricity, water, trash collection, cable TV, etc. for all parish buildings. | Expense | D |
| 6140 | Telephone - Telephone charges for local and long-distance services, pagers, and cellular phones. | Expense | D |
| 6160 | Self Insurance Expense - Property/Liability Insurance Premiums on all buildings and contents, Workman's Compensation Premiums and general liability insurance paid to the Diocese. | Expense | D |
| 6180 | Rent - Rental fees paid, including other expenses to house religious personnel. | Expense | D |
| 6190 | Miscellaneous Building & Grounds - Amounts expended for other building and grounds related costs which do not have a specific account. Please provide a detailed description of the nature of the item. | Expense | D |
| Vehicles | | | |
| 6210 | Vehicle Repairs & Maintenance - Operating and maintenance costs of parish vehicles including repairs, auto tags, gas, oil, etc. Auto insurance should be coded to account #6260. | Expense | D |
| 6220 | Mileage Reimbursement - Reimbursement of mileage on personal or Diocesan vehicles used for parish business. | Expense | D |
| 6260 | Vehicle Insurance - Auto insurance premiums and vehicle tag. (NOTE: Reimbursement for annual auto premium limited to \$800 per priest. | Expense | D |
| 6290 | Miscellaneous Vehicle Expense - Other vehicle costs for Parish vehicles which do not have a specific account number. Provide a detailed description of any amounts charged to this account. | Expense | D |
| Other | | | |
| 6360 | Real Estate Taxes - Annual payment of Real Estate taxes on property not used for church purposes and user fees | Expense | D |
| 6400 | Interest Expense - The interest portion of Loan payments to Diocesan Savings & Loan Trust Fund | Expense | D |
| 6490 | Miscellaneous Other Facility Expense - Amounts expended for other facility costs which do not have a specific account. Please provide a detailed description of all amounts charged to this account. | Expense | D |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|-----------------|---|------------------|--------------------------|
| Ministry | | | |
| 7010 | Religious Education - Functions, supplies, aids, and other expenses associated with the Religious Education program. | Expense | D |
| 7020 | Music - Expenses associated with church music programs. | Expense | D |
| 7030 | Pastoral | Expense | D |
| 7040 | Evangelization - Costs associated with evangelization. | Expense | D |
| 7050 | Homebound | Expense | D |
| 7060 | Family Life - Costs associated with the Family Life Ministry. | Expense | D |
| 7070 | Social | Expense | D |
| 7080 | Respect Life - Costs associated with the Respect Life program. | Expense | D |
| 7090 | Library | Expense | D |
| 7100 | Liturgy - Purchase of books, missalettes, vestments, candles, and other items which are essential to church activities. | Expense | D |
| 7110 | Spiritual Life - Expenses related to Spiritual Life functions. | Expense | D |
| 7120 | Hospitality - Expenses related to parish social functions. | Expense | D |
| 7140 | Senior Citizens - Expenses related to Senior Citizens group. | Expense | D |
| 7150 | Scholarship | Expense | D |
| 7170 | Adult Education | Expense | D |
| 7180 | Religious Publications | Expense | D |
| 7190 | Stephen Ministry | Expense | D |
| 7200 | Living Nativity | Expense | D |
| 7210 | Justice & Peace | Expense | D |
| 7220 | Our Mother's House | Expense | D |
| 7230 | Legion of Mary | Expense | D |
| 7240 | Youth Expenses | Expense | D |
| 7270 | Parish Retreats & Missions - Cost of retreats and missions conducted at the parish. | Expense | D |
| 7300 | Charity/Caritas - Amount of contributions or gifts given to qualified charitable organizations or needy individuals. | Expense | D |
| 7310 | Miscellaneous Ministry Expense - Amounts associated with various ministries which do not have a specific account. Provide detail in the description. | Expense | D |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|-------------------------------|---|------------------|--------------------------|
| General Administrative | | | |
| 8010 | Diocesan Assessments - Record payments on assessment to this account. | Expense | D |
| 8020 | Diocesan Non-Parochial Collections - Amount of non-parochial collections forwarded to the Diocese. The total of this account should agree with account #4510. | Expense | D |
| 8040 | Mission Co-op Payments - Payments made to the Mission Co-op Office. (The total of this account should agree with account #4520) | Expense | D |
| 8050 | Support to Catholic Entities Outside the Diocese | Expense | D |
| 8060 | Support Paid to Diocesan Parishes/Missions - Financial support given to other parishes (see related account #4600 for subsidies received from other parishes). | Expense | D |
| 8100 | Support to Diocese of Venice Catholic Elementary Schools - to assist students who cannot afford all or part of their tuition and also to help the school with operating costs. | Expense | D |
| 8120 | Support to Diocese of Venice Catholic High Schools - to assist students who cannot afford all or part of their tuition and also to help the school with operating costs. | Expense | D |
| 8200 | Office Expense - Cost of operating the parish office - supplies, copy paper, postage, printing, bank service charges, wire transfer fees, etc. | Expense | D |
| 8220 | Contracted Services - Cost of outside professional services, such as legal and accounting. Includes payments made to Law Enforcement Officers for traffic control services. Review for appropriate classification and for compensation reporting at calendar year end. | Expense | D |
| 8240 | Stewardship Fund Raising - Costs associated with stewardship and fundraising. | Expense | D |
| 8260 | Advertising - All parish advertising costs - newspaper, radio, television, etc. | Expense | D |
| 8300 | Continuing Education-Admin - Costs for employee continuing education classes. | Expense | D |
| 8990 | Miscellaneous General & Administrative - Amounts paid for other general and administrative expenses which do not have a specific account. Please provide a detailed description of any amount coded to this account. | Expense | D |
| 9140 | Prior Year Expenses | Expense | D |
| 9200 | Depreciation Expense | Expense | D |



DIOCESE OF VENICE IN FLORIDA
Uniform Chart of Accounts for Parishes

| Acct # | Description | Acct Type | Debit/ Credit |
|------------------------------------|--|------------|------------------|
| OTHER INCOME & EXPENSES | | | |
| 9010 | Women's Guild Income | Other inc. | C |
| 9012 | Men's Club Income | Other inc. | C |
| 9014 | Food Pantry Income | Other inc. | C |
| 9016 | Bazaars, Bingo & Raffle Income - Receipts from annual parish bazaars, festivals, bingo, raffles, etc. | Other inc. | C |
| 9022 | Religious Store Income | Other inc. | C |
| 9024 | Memorial Garden Income | Other inc. | C |
| 9026 | Thrift Store Income | Other inc. | C |
| 9028 | Other Church Society or Group Income | Other inc. | C |
| 9030 | CFA Fundraiser Income | Other inc. | C |
| 9110 | Women's Guild Expenses | Other exp. | D |
| 9112 | Men's Club Expenses | Other exp. | D |
| 9114 | Food Pantry Expenses | Other exp. | D |
| 9116 | Bazaars, Bingo & Raffle Expenses | Other exp. | D |
| 9122 | Religious Store Expenses | Other exp. | D |
| 9124 | Memorial Garden Expenses | Other exp. | D |
| 9126 | Thrift Store Expenses | Other exp. | D |
| 9128 | Other Church Society or Group Expenses | Other exp. | D |
| 9130 | CFA Fundraiser Expense | Other exp. | D |

APPENDIX B

Parish Finance Council Charter

DIOCESE OF VENICE IN FLORIDA
PARISH FINANCE COUNCIL CHARTER

(Parish)

(City)

- ARTICLE I: Name and Purpose**
- ARTICLE II: Structure, Membership, and Officers**
- ARTICLE III: Voting**
- ARTICLE IV: Meetings**
- ARTICLE V: Duties/Responsibilities**
- A. Budgets**
 - B. Financial Records and Reporting**
 - C. Strategic Planning**
 - D. Internal Controls**
 - E. Insurance Issues**
 - F. Other Considerations**
- ARTICLE VI: Communication**
- ARTICLE VII: Confidentiality**
- ARTICLE VIII: Charter Review and Change**

ARTICLE I: Name and Purpose

The Parish Finance Council (hereinafter referred to as “Finance Council”) is established pursuant to the requirements of Canon 537 of the 1983 Code of Canon Law for the Roman Catholic Church, and is subject to the provisions of Canon Law. The Finance Council exists to assist the Pastor by providing advice in regards to financial matters of the parish. The Finance Council is accountable to the Pastor/Administrator.

The Finance Council is envisioned as a select group of parishioners known for their spiritual maturity and love of Christ and the Church, endowed with special competence in financial matters and of prudent judgment, who offer their time and talents in Christian service to assist the Pastor/Administrator with the development and management of the parish’s financial resources so that the parish may effectively pursue its proper mission of spreading Christ’s Gospel and love.

The Finance Council must serve in accord with the Gospel, over any secular business philosophy. Efficient use of resources and money management, in the context of the Catholic Church, must be measured primarily by the ability to nurture and foster the Christian mission and ministry of the parish community and diocese. A truly Catholic understanding of the mission of the Church assures “good business practice”.

ARTICLE II: Structure, Membership, and Officers.

- A. Finance Council members shall be appointed by the Pastor/Administrator in writing. Members must be active parishioners in good standing with the Church. When a pastorate changes, the new Pastor/Administrator is to meet with the current Finance Council. Within ninety (90) days, the Pastor/Administrator is to decide whether to reappoint the Finance Council’s current membership to complete the balance of the respective term of office or to appoint new members to complete the respective term of office of each replaced Council member.

Members should be skilled in business and have some expertise in management, financial, accounting, legal, fundraising, or related fields. Examples of professions with such background/skills include, but are not limited to: accountants, bankers, business owners, computers/systems managers, construction project managers, engineers, financial managers, fundraisers, lawyers, marketing personnel, human resources and property managers. The membership of the Finance Council is not to include anyone who could have a conflict of interest from a business relationship or from such affiliation including a parish staff member or any relative of the Pastor/Administrator up to the fourth degree of consanguinity (related by blood) or affinity (related by marriage) (Canon 492 §3, *by extension*). The names of the members are to be communicated to the parishioners (e.g. listed in the parish bulletin) at least annually.

- B. There shall be at least three (3) appointed members (Canon 492 §1, *by extension*). More members may be added, up to eight (8). Appointed members shall serve for three (3) years, and have the right to consultative vote. The terms of the Finance Council will be staggered to ensure continuity. Upon initial formation of the Finance Council, the Pastor/Administrator shall designate either a one, two, or three year term, in succession, for each appointed member. Thereafter, members who are appointed or re-appointed shall serve for three (3) years. Within three months of taking possession of the parish, a new Pastor/Administrator must confirm the existing appointments or make new appointments of the Parish Finance Council. Generally, and where practical, no member should serve for more than two (2) consecutive three (3) year terms without a one (1) year break; also, no member may serve on the Council simultaneously with another closely related person by consanguinity or affinity. Pastors/Administrator's should include staff resource persons, such as the parish business manager/bookkeeper, the school principal, etc. in meetings, who are responsible for supplying information needed by the Council to perform its tasks. When present at a session of these meetings, staff resource persons do not vote. The Parochial Vicar(s) should be present at all Finance Council meetings.
- C. The Pastor/Administrator may remove a member from the Finance Council prior to the expiration of his/her term of office, with or without cause. Cause is defined here as no longer being a member of the parish, physical or mental incapacitation, public non-support of Church teaching or participation in public scandal, or acting contrary to the Code of Canon Law of the Catholic Church and/or rules and regulations of the Diocese of Venice.
- D. An appointed member who misses more than three (3) regularly scheduled Council meetings in any given year, without giving prior notice to the Pastor/Administrator or Chairperson, shall be removed from Finance Council membership.
- E. The Pastor/Administrator shall preside at all meetings. Any meeting held when the Pastor/Administrator is not present is to be considered null and void.

- F. The Council should have the following officers: Chairperson, Vice Chairperson, and Secretary. Officers may be re-appointed by January 1st of each year.
1. The Pastor/Administrator is the President of the Council, and according to Canon 532, represents the Parish in all financial matters. The Chairperson assists the Pastor/Administrator, who presides at all meetings, and in consultation with the Pastor/Administrator, is responsible for selecting the hour and location of meetings, preparing the meeting agenda and effecting any other duties assigned by the Pastor/Administrator. The Chairperson serves as an *ex officio* member of the Parish Pastoral Council, if one exists (Canon 536).
 2. The Vice Chairperson, in the absence of the Chairperson, assists the Pastor/Administrator, who presides at all meetings and performs any other duties assigned by the Chairperson or the Pastor/Administrator.
 3. The Secretary is responsible for the recording and distribution of council meeting minutes, notifying members of upcoming meetings, maintaining a permanent record of business conducted by the Finance Council and each member's tenure, and any other duties assigned by the Chairperson or the Pastor/Administrator. The Secretary serves as an *ex officio* member of the Parish Pastoral Council, if one exists.
- G. The Council may establish committees, either standing, such as budget, maintenance, civil issues, inventory, school, parish organization, or ad hoc, such as building and renovation, to assist in carrying out its responsibilities.

ARTICLE III: Voting

- A. Consultative voting may be necessary for the Pastor/Administrator to get the sense of the Council. If the advice of the voting members of the Finance Council is unanimous on a given matter, the Pastor/Administrator will give serious consideration to the recommendation and not lightly reject it.
- B. Although the Pastor/Administrator is not obliged to follow the recommendations of the Council, the Pastor/Administrator should not act against such advice, unless there is an overriding reason, and then he should clearly communicate the reason to the Council (Canon 127, 2.2).

ARTICLE IV: Meetings

- A. Regular meetings shall be held at least quarterly, and more frequently if necessary, at a time and place established by the Pastor/Administrator. Special meetings may be called by the Pastor/Administrator. The presence of a majority of the members shall constitute a quorum.

- B. An annual calendar of meetings and an outline of major action items should be proposed and agreed upon at the first meeting of each fiscal year.
- C. The agenda and study material should be communicated to the members prior to the regular meetings.
- D. The Secretary is responsible for taking minutes at each Finance Council meeting. The minutes should be kept as a permanent record.

ARTICLE V: Duties/Responsibilities

A. Budgets

1. Assist in establishing timelines for development and implementation of the annual capital and operating budget for parish, school, and any parish organizations. The Pastor/Administrator is responsible for the actual coordination/preparation of all parish budgets, but is to seek the advice of the Finance Council. The Pastor/Administrator is to elicit the assistance of the parish business manager, bookkeeper and/or Parish Finance Council Chairperson to prepare the parish budget.

Parish organizations include those with bank accounts and all those in the general operating budget (i.e., Men's Club, Women's Club, Altar Society, Bingo, Scrip, Boosters, etc.) should submit the organization's budget to the Bookkeeper. Each organization should present its plans and a summary of expected cash receipts and disbursements to the Council during the budget cycle. All are an integral part of parish life and provide services to parishioners and/or general operations/special funding. Financial statements shall be submitted to the Parish Finance Council at least quarterly.

2. Determine if the parish and/or school budgets are prepared in accordance with the uniform chart of accounts and reporting formats required by the Diocese of Venice.
3. Review the proposed annual parish, school, and organizations' capital and operating budgets and make recommendations to the Pastor/Administrator for changes as appropriate.
4. Assist in presenting an annual budget report to the parish.

B. Financial Records and Reporting

1. Review financial statements, including annual reports, to help determine that Diocesan policies regarding fiscal and accounting procedures are being followed.

2. Review monthly and/or quarterly income and expense reports for the parish and/or school. Regularly compare actual results to budget and prior year numbers. All significant variances should be explained with particular attention given to expenditures not included in the capital or operating budget. The Finance Council should recommend budget amendments to bring revenues and expenditures into balance or propose a plan to correct the problem(s).
3. Assist with recording detailed inventory of Parish/Mission/Chapel assets annually and update the inventory prepared in accordance with Canon 1283, 2.
4. Review the quarterly financial statements, prior to submission to the Diocesan Director of Internal Financial Services, to help determine the accuracy and completeness; ensure that it is submitted by the prescribed due date.
5. Annually, after the end of the fiscal year, each Pastor/Administrator is asked to send a letter, together with the financial report, to the Bishop containing:
 - a. the names and professional titles of the members of his Parish Finance Council;
 - b. the dates on which the Parish Finance Council has met during the preceding fiscal year and since the end of that fiscal year;
 - c. a statement signed by the Parish Finance Council members and the Pastor/Administrator stating that they have met, reviewed, and discussed the financial report of the parish, and that it includes all parish related matters, and is accurate and complete.
6. Review, at least annually, the financial statements and verify the cash balances of all parish organizations with cash accounts. Make sure all accounts open under the parish Federal Employer Identification Number (for the parish and for each parish organization) are included on the annual financial report.
 - a. Memorial garden/columbarium perpetual care and operating monies must be properly accounted for and cannot be used for any other purpose. Written permission of the Bishop is required for use of earnings other than for the specific memorial garden/columbarium.
7. As required by canon 1287 paragraph 2 and Particular law of the Diocese, assist in preparing/presenting/communicating an annual financial report (assets, liabilities, net assets, revenues and expenses) to all parishioners published in the parish bulletin by September 30 of each year. Specific information should be included on the parish, school, parish organizations, and memorial garden/columbarium.

8. Monitor accuracy and timeliness of payments for all parish bills and/or obligations including debt service payments on parish loans.
9. Monitor parish contribution trends by studying sources of parish revenue: make recommendations for maintaining and enhancing parish revenue, assist in the development of programs and processes to that end, and coordinate fundraising programs.
 - a. Oversee and review fundraising programs and expenditures for the parish, school, affiliated groups/organizations.
 - b. In conjunction with the Parish Pastoral Council, if one exists, educate parishioners with regards to stewardship and consider periodic increased stewardship programs.

C. Strategic Planning

1. Assist the Pastor/Administrator in developing a long-term parish capital improvement plan, including implementation and funding sources.
2. Assist the Pastor/Administrator in developing a program for the care and maintenance of all parish facilities.
3. Assist in the development and maintenance of position descriptions for the parish business manager/bookkeeper and other staff/personnel engaged in the management, operation or administration of the parish. Consultation with the Diocesan Human Resource Coordinator is highly recommended.
4. Serve as a resource to advise the Pastor/Administrator on significant expenditures before making a purchase or lease commitment in accordance with Financial Policies & Procedures for Parishes.

D. Internal Controls

1. Assist in developing a system of internal controls in accordance with Diocesan policy.
2. Review the financial reports for parish general operations, school and other organizations with bank accounts, to determine that proper accounting practices and internal control procedures have been implemented and are being followed. Every three (3) years, each parish/mission/chapel or other diocesan entities are required to have parish financial reviews approved by the diocese' outside CPA firm. Parish/Mission/Chapel may choose to have financial reviews as overseen by the Director of Internal Financial Services more often than three (3) years.

3. When a change of Pastor or Parish Administrator occurs, assist with providing a complete report of the parish's financial condition and inventory of parish assets for the new Pastor or Administrator (in accordance with Canon 1283, 2).
4. When a change of Pastor or Parish Administrator occurs, assist and cooperate with an operational review of the parish, school, organizations and memorial gardens/columbarium by the Diocesan Director of Internal Financial Services.

E. Insurance Issues

1. Review property valuations of furnishings/contents to be sure that all parish/mission/chapel buildings are included with the insurance invoices.
2. Assist in completing Self-Inspection Reports or assist with on-site inspection by a loss control representative, and assist with follow-up times.
3. Ascertain that required policies are implemented and enforced.
4. Assist with reporting claims that may arise.
5. Ascertain that background checks are completed for all church workers, as defined by *The Diocese of Venice and Its Affiliates' Code of Conduct*, and also for those with access to parish funds.
6. Assist with proper planning of parish events requiring an insurance liability certificate.

F. Other Considerations

1. Follow established Diocesan guidelines and participate in Diocesan training sessions and/or workshops.
2. Ascertain that all employees have been offered the opportunity to participate with their own contributions in the Diocesan coordinated retirement program, and that all employees meeting eligibility receive the appropriate employer (parish or entity) contribution to the Diocesan defined benefit (pension) program, to ensure proper benefits and guarantee compliance with tax and employee benefit laws.
3. Ascertain that independent contractors comply with Internal Revenue Service regulations; retain a copy of a signed statement stating they are independent contractors as defined by the IRS.

4. Review parish, school, parish organizations, banking and financial institution arrangements, including signature cards (Pastor must be one of the signatories on all accounts as the primary authorized signatory. The Bishop must also be a signatory on the account.) Make recommendations for improvement or changes to align practices with Diocesan Policies and Procedures.
5. The Parish Finance Council must review all authorized accounts and signers on the accounts annually.
6. Members of the Finance Council must be given access to quarterly financial statements.
7. The Pastor/Administrator must consult the Finance Council concerning any major commitment of parish funds in excess of \$30,000 for all construction, renovation, additions and/or building type projects or property transactions, or a series of small amounts for a single purpose that will exceed \$30,000. A project cannot be broken down to smaller components to avoid this requirement. The Finance Council shall assist, if needed, with obtaining the required authorization from the Bishop for amounts exceeding \$15,000 and with adherence to the Diocesan Financial Policy and Procedures.
8. Review the status of parish borrowing obligations.

ARTICLE VI: Communication

Recognizing that the Parish Finance Council and the Parish Pastoral Council are distinct consultative bodies, good communication between both entities is important for the well-being of the parish. It is to the Pastor/Administrator's benefit that the Chairperson and Secretary are ex-officio members of the Parish Pastoral Council, if one exists, to assist the Pastor/Administrator with communications between them.

If concerns exist within the parish, they should be resolved by contacting in this order: 1) Pastor/Administrator; 2) Dean; 3) Vicar General and/or Diocesan Finance Director, if finance related. All attempts to resolve an issue should be taken at the lowest level possible under the principle of subsidiary.

ARTICLE VII: Confidentiality

Members of the Parish Finance Council must observe strict confidentiality concerning all matters discussed at Finance Council meetings and provided to them in confidence. Finance Council members generally should not have access to the records of individual parishioners which pertain to their financial contributions or other confidential information.

ARTICLE VIII: Charter Review and Change

This charter is to be reviewed annually by the Finance Council. Recommendations for changes may be submitted to the Diocesan Bishop for his review and written approval. Since this charter is particular law of the Diocese of Venice, the Diocesan Bishop may amend it from time to time, as conditions warrant.

APPENDIX C
Collection Sheet Sample

APPENDIX D

Catholic Faith Appeal Parish Fundraiser Form



Diocese of Venice in Florida

CATHOLIC FAITH APPEAL PARISH FUNDRAISER FORM

PARISH INFORMATION

Parish Name: _____

Requestor Name: _____

Job Title: _____

Signed: _____

Email: _____

Today's Date: _____

FORM INSTRUCTIONS

CFA Fundraisers should always be: Specific, Measurable, Achievable, Realistic, Time Bound

1. **Description.** Briefly describe each Catholic Faith Appeal Fundraising Event and when the goal/objective should be met or accomplished. Please include, dates, name of fundraiser, and indicate if it is a new fundraising idea or an annual event.
2. **Measurement.** How will your Catholic Faith Appeal Fundraiser be evaluated? How will you determine if your fundraiser was a success? Does your parish council or finance council make the determination?
3. **Importance.** Please rank your Catholic Faith Appeal Fundraising Event as it relates to achieving your Catholic Faith Appeal goal.

Remember to follow all State and Diocesan requirements

CFA FUNDRAISER GOAL/OBJECTIVE

Brief Description:

Measurement:

Importance: Essential Important Desirable

APPENDIX E

Record Retention Schedule



DIOCESE OF VENICE IN FLORIDA

Finance Department

TO: All Parish, School and Diocesan Administrative Employees
FROM: Peter McPartland, Director
DATE: May 14, 2013
SUBJECT: Record Retention Policy

This records retention policy for the Diocese is provided to assist in establishing control over routine records and to preserve records of permanent value. The list of records included is lengthy but not all inclusive. Each entity may have a series of records not mentioned here. Do check with the retention requirements applicable to your jurisdiction and nature of your documents.

Records Retention Schedules

Records retention schedules represent the period of time that records must be kept according to legal and/or organizational requirements.

This document covers retention schedules for seven different groups of diocesan/parish records:

- A. Administrative
- B. Personnel
- C. Financial
- D. Property
- E. Cemetery
- F. Publications
- G. Sacramental

Within each group, different series are listed followed by a retention period. Records older than the retention period should be destroyed. Those of permanent value should be stored appropriately.

A. Administrative Records

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

| Records Type | Retention Period |
|---|-------------------------|
| Abstracts, deeds (property) | Permanent |
| Annual reports to Chancery (<i>Status Animarum</i>) | Permanent |
| Annual reports to the diocese/parish | Permanent |
| Articles of incorporation and bylaws | Permanent |
| Bequest and estate papers (<i>wills</i>) | Permanent |

SUBJECT: Record Retention Policy
DATE: May 14, 2013

| | |
|---|---|
| <i>Diocesan Financial Reporting Resolution: reports from dioceses</i> | 7 Years |
| Census records | Permanent |
| Contracts, inactive | 7 years after end of contract |
| Correspondence, legal | Permanent |
| Correspondence, official (<i>regarding diocesan/parish policies, diocesan/parish directive, etc.</i>) | Permanent |
| Correspondence, routine | Review/discard biannually |
| Donor lists | Permanent |
| Endowment decrees | Permanent |
| Finance Committee minutes | Permanent |
| Historical file (<i>newspaper clippings, photos, etc., related to diocese/parish</i>) | Permanent |
| Insurance policies | Permanent |
| Inventories of property and equipment | Permanent |
| Leases | Destroy 7 years after expiration. |
| Liturgical minister's schedules (<i>altar servers, ushers, lectors, etc.</i>) | Retain until superseded |
| Mass intention books | 2 years |
| Office files, subject | Selective retention: retain those that document diocesan/parish administration and activities |
| Parish council constitutions | Retain until superseded |
| Parish council minutes | Permanent |
| Diocese/parish organization records (<i>minutes, correspondence, publications, etc.</i>) | Permanent |
| Photographs (<i>relating to diocesan/parish history, clergy, parishioners</i>) | Permanent |
| Policy statements | Permanent |
| Religious education reports (<i>for the diocesan offices</i>) | Permanent |
| Rosters of parishioners | Permanent |
| Subject files (<i>correspondence, memos, rules, schedules, etc.</i>) | Annual review; destroy superseded files biannually |
| Will, testaments, codicils | Permanent |

SUBJECT: Record Retention Policy
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B. Personnel Records

A personnel file should be maintained for each active diocesan/parish employee. That file should contain the following:

- Employee application
- Resume
- Salary information
- Sick leave taken and accrued
- Vacation record
- Performance evaluations
- W-4 form and state withholding forms
- Results of background checks

A completed Eligibility Verification form (I-9) must be on file for each employee. It is recommended that these forms be maintained in a file separate from the employee's personnel file.

These records are *confidential* and should be made available only to diocesan/parish representatives with a legitimate right to know, unless their disclosure is compelled by some legal action. In many states, employees and former employees have the right to inspect their own personnel files. The diocese/parish/organization/employer has the right to require that the request be in writing and has a stated number of working days to comply with the request.

Several items likely to be in a personnel file are specifically excluded from mandatory inspection in many states:

- investigation of criminal offenses
- reference letters
- test documents
- materials dealing with staff management planning
- personal information concerning another employee that could, if released, be an invasion of privacy
- records relating to a pending legal claim that would be discoverable in court

| Records Type | Retention Period |
|-----------------------|-------------------------|
| Benefits | |
| Disability records | Permanent |
| Pension vesting files | Permanent |
| Retirement benefits | Permanent |
| Service records | Permanent |

SUBJECT: Record Retention Policy
DATE: May 14, 2013

General

| | |
|----------------------------------|---------------------------|
| Permanent earnings and records | Permanent |
| Attendance records | 7 years after termination |
| Employee contracts | 7 years after termination |
| Employee deduction authorization | 7 years after termination |
| Employee salary schedules | 7 years after termination |
| FMLA Reports | 7 years after termination |
| Labor Contracts | Permanent |

Health and safety

| | |
|------------------------------------|---|
| Accident/injury reports | 7 years |
| Employee medical complaints | 7 years |
| Employee medical records | 30 years from termination |
| Environmental test records/reports | Permanent |
| Hazardous exposure records | Permanent |
| Toxic substance exposure reports | Permanent |
| Workers' compensation records | 12 years after injury (filing), death, or last compensation payment |

Lay Personnel actions

| | |
|-----------------------------|---------------------------|
| Applications rejected | 1 year |
| Employee evaluations | 2 years after termination |
| Personnel files, terminated | 10 years |
| Termination records | 7 years |

Salary administration

| | |
|-------------|-----------------------------|
| W-2 forms | Permanent |
| W-4 forms | 7 years from date of filing |
| Time cards | 3 years from date of filing |
| Time sheets | 3 years from date of filing |
| I-9 form | 7 years after termination |

C. Financial and Accounting Records

| Records Type | Retention Period |
|--|-----------------------------------|
| Financial | |
| <i>Banking</i> | |
| Bank deposits | 7 years |
| Bank statements | 7 years |
| Cancelled checks | 7 years |
| Check registers/stubs | 7 years |
| <i>General</i> | |
| Audit reports | Permanent |
| Balance sheets, annual | Permanent |
| Balance sheets, monthly/quarterly | Destroy after 1 year |
| Budgets, approved, revised | 7 years |
| Financial reports, annual | Permanent |
| Financial reports, monthly | Destroy after 1 year |
| Financial statements | Permanent |
| <i>Investment/Insurance</i> | |
| Bonds, cancelled | 7 years from date of cancellation |
| Certificates of deposit, cancelled | 3 years after redemption |
| Insurance policies/active | Permanent |
| Insurance policies/cancelled | Permanent |
| Letters of credit | 7 years |
| Mortgage records | Permanent |
| Securities sales | 7 years |
| Stock investment | 7 years after sale |
| Accounting | |
| Accounts payable invoices | 7 years |
| Accounts payable ledgers | 7 years |
| Accounts receivable ledgers | 7 years |
| Credit card statements/charge slips | 7 years |
| Invoices and paid bills, major building construction | Permanent |
| Invoices and paid bills, general accts | 7 years |

SUBJECT: Record Retention Policy
 DATE: May 14, 2013

| | |
|--|------------------------------------|
| Cash books | 7 years |
| Cash journals | 7 years |
| Cash journal, receipts on offerings and pledges | 7 years |
| Receipts | 7 years |
| Mortgage payments | 7 years |
| Chart of Accounts | Permanent |
| <i>Other Records</i> | |
| General ledger/annual | Permanent |
| Journals, general and specific funds | Permanent |
| Journal entry sheets | 7 years |
| Ledgers, subsidiary | 7 years |
| Payroll journals | 7 years |
| Payroll registers, summary schedule of earnings, deductions and accrued leave | 7 years |
| Pension records | Permanent |
| Pledge registers/ledgers | 7 years |
| Permanently restricted gift documents | Permanent |
| Temporarily restricted gift documents | 7 years after meeting restrictions |
| <i>Tax Records</i> | |
| Employment taxes, contributions, and payments, including taxes withheld, FICA | 7 years from date of filing |
| W-2 forms | Permanent |
| W-4 forms | 7 years from date of filing |
| IRS exemption determination letters, for organizations other than those listed in <i>The Official Catholic Directory</i> | Permanent |
| Form 990 | Permanent |
| State tax exemption certificates (<i>income, excise, property, sales/use, etc.</i>) | Permanent |

D. Property Records

| Records Type | Retention Period |
|--|-------------------------|
| Architectural records, blueprints, building designs, specification | Permanent |
| Architectural drawings | Permanent |
| Deeds files | Permanent |
| Mortgage documents | Permanent |

SUBJECT: Record Retention Policy
DATE: May 14, 2013

| | |
|--------------------------------------|-----------|
| Property appraisals | Permanent |
| Real estate surveys/plots, plans | Permanent |
| Title search papers and certificates | Permanent |

E. Cemetery Records

| Records Type | Retention Period |
|---|---|
| Account cards (<i>record of lot ownership and payments</i>) | Permanent |
| Annual report | Permanent |
| Bank statements | 7 years |
| Board minutes | Permanent |
| Burial cards (<i>record of interred's name, date of burial, etc., alphabetically</i>) | Permanent |
| Burial record (<i>record of interred's name, date of burial, etc.</i>) | Permanent |
| Contracts documenting lot ownership | Permanent |
| Correspondence | Selective retention: keep if item has historical, legal, fiscal value |
| General ledger | Permanent |
| Lot maps | Permanent |

F. Publications

| Records Type | Retention Period |
|---|------------------|
| Anniversary books | Permanent |
| Annual reports to the diocese/parish | Permanent |
| Newsletters of the diocese/parish or affiliated organizations | Permanent |
| Other diocese/parish-related publications | Permanent |
| Parish bulletins | Permanent |

G. Sacramental Records

| Records Type | Retention Period |
|--------------------------|------------------|
| Baptism register | Permanent |
| Confirmation register | Permanent |
| First Communion register | Permanent |
| Death register | Permanent |

SUBJECT: Record Retention Policy
DATE: May 14, 2013

| | |
|---------------------|-----------|
| Marriage register | Permanent |
| Marriage case files | Permanent |

APPENDIX F

Credit Card Usage Policy

Credit Card Usage Policy

All credit cards are to be authorized and approved by the Pastor. Upon issuance of a card, the card holder (user) agrees to the following provisions:

1. The card is for church business only and should not be utilized for other purposes.
2. Cardholder should protect and safeguard from unauthorized use.
3. Detailed store/service receipts are to be provided for all credit card purchases. Details should include: date, item description, unit and total cost, business purpose with attendee names, and any other source of information to support expenditure.
4. All undocumented expenses will be considered 'personal' and deducted from employee's paycheck.
5. Purchases over \$ _____ require prior approval from the Pastor.
6. Monthly spending dollar limit of \$ _____ (optional by Pastor as needed)
7. Any misuse of the credit card may result in revocation of card privileges, or disciplinary action, up to and including termination of employment.
8. In the event of lost or stolen credit card, it is the card user's responsibility to call and cancel the card immediately and contact the Parish or Office Manager/Bookkeeper.
9. Upon termination or leave of absence, all credit cards are to be surrendered immediately to the Pastor or Office Manager/Bookkeeper who will acknowledge the card was returned. Cancellation date should be effective on discharge date.

I, _____, as an employee of Parish, have read and understand the Parish policy for credit card usage. By signing this form, I agree to all of the provisions of the above Parish Credit Card Policy and give permission to withhold from my paycheck for non-business determined expenses and unsupported expenditures.

I have received the following Parish credit card: _____
(card)# _____ on this date _____

Signed: _____ Date: _____

Name: _____

Witnessed by: _____

Credit Card Usage Policy, page 2

Credit Card Return:

I, _____, Parish employee, have returned the above credit card,
_____ on this date _____.

Employee signature: _____

Employee name-print: _____

Returned card received by: Parish Pastor or Office Manager/Bookkeeper

Name: _____ Title: _____

Signature _____

Date of return: _____

APPENDIX G

Sample Parish Finance Council Meeting Agenda

Sample Parish Finance Council Meeting Agenda

(Parish Name) Finance Council

**Meeting on (Date)
(Location / Time)**

| TIME | TOPIC | PERSON |
|-------------|---|--------------------------------------|
| | Call meeting to Order | Pastor/Chairperson |
| 7:00 – 7:05 | Opening Prayer | Pastor |
| 7:05 – 7:10 | Review & Approve Minutes of Prior Meeting | Secretary |
| 7:10 – 7:15 | Review Meeting Agenda, Change as Agreed, Old Business Updates (Parish website, accounts, authorizations, stewardship, etc.) | Council Members |
| 7:15 – 7:45 | Committee Reports (examples) <ul style="list-style-type: none"> • Policy Review • Stewardship/Revenue enhancement • Buildings & Grounds (painting, roof repair, new sign) • Capital Fund Drive/Collections (build new parish center) • Endowment (diocese, parish) | Committee Chairs |
| 7:45 – 8:00 | Financial Reports (by major fund: parish, school, etc.) <ul style="list-style-type: none"> • Income Statement • Balance Sheet • Cash Flow Statement • Budget Analysis/Variance Report | Business Manager, Bookkeeper, Pastor |
| 8:00 – 8:15 | New Business (Fundraiser, Deposits, Loans, etc.) | Council Members |
| 8:15 – 8:20 | Pastor’s Comments | Pastor |
| 8:20 – 8:25 | Schedule of Future Meetings | Pastor/Chairperson |
| 8:25 – 8:30 | Closing Prayer & Adjournment | Pastor/Chairperson |

Parish Organizations (of sufficient size & with bank accounts) – Should be required to update the Parish Finance Council about their activities, revenues, expenses, needs, etc. at least annually during the budget cycle. Their reports could be made after the opening prayer and then the organization(s) representative(s) excused. Alternately, these reviews could be done at a separate meeting devoted solely to budgets.

Parish School – Some parishes may desire the school principal to make a report at each meeting. If so, the principal report could be made after the opening prayer with the principal then excused if it is felt that attendance at the total meeting was not appropriate.

Parish Business Manager/Bookkeeper – Financial reports should always be provided to Council members prior to each meeting. The Council meeting time allotted for the financial review should be to answer questions and/or clarify points. The major portion of the meeting should address projects/sub-committee reports.

Meeting Length – Should generally be 90 minutes or less.

APPENDIX H

Sample Parish Finance Council

Member Appointment Letter

(DATE)

Name

Address

City, State, Zip

Dear (*Name*):

I appoint you to a (*one, two or three*) year term as a member of the (*Name of Church and City*) Parish Finance Council, beginning (*date*) and ending (*date*).

Canon 537 indicates that members of the Parish Finance Council are to be Christian faithful, selected to assist the pastor in the administration of the goods of the parish. The enclosed Parish Finance Council Charter, which is particular law of the Diocese of Venice, sets forth the framework for this appointment. I look forward to receiving your consultation and expertise in the coming years.

Thank you for the work you have already accomplished within the parish, and thank you for your future service as a member of the Parish Finance Council.

May God continue to abundantly bless you and your family.

Sincerely yours in Christ,

Reverend (Name)

Pastor / Administrator

Enclosure

APPENDIX I

Sample Parish Finance Council Calendar

