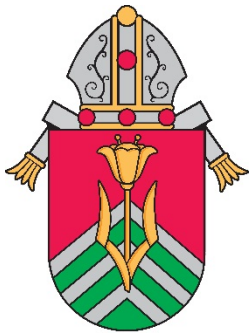

DIOCESE OF WHEELING-CHARLESTON

TEMPORALITIES

In order for the Church to carry out its mission effectively, the administrators of its temporal goods are called to serve as good stewards of the gifts God has made available for the service of his people. As chief administrator for the local Church, the Diocesan Bishop is responsible for the administration of ecclesiastical goods in his Diocese. For this purpose, he must provide directives and guidelines for the orderly administration of ecclesiastical goods under his supervision.

To assist pastors and other persons responsible for the administration of parishes and missions in the Diocese of Wheeling-Charleston, a compilation of regulations, directives, and guidelines has been prepared. We trust this compilation will be of assistance in ministering as good stewards.

While this compilation is prepared primarily for the use of pastors and administrators of parishes and missions, many directives also apply to schools and other institutions of the Diocese, with due regard for particular regulations and guidelines that affect their administration.

DIOCESE OF WHEELING-CHARLESTON

TEMPORALITIES

TABLE OF CONTENTS

Section 1:	Parish Finance Council	2
Section 2:	Parish Funds	4
Section 3:	Parish Loans/Debts	6
Section 4:	Contracts/Legal Documents/Agreements/Leases	6
Section 5:	Wills, Bequests, & Contributions/Gifts	7
Section 6:	Building Programs/Maintenance/Repairs	7
Section 7:	Insurance (Property/Liability/Workers' Compensation)	8
Section 8:	Purchase of Real Estate	8
Section 9:	Financial Reports	9
Section 10:	Remittances to Diocesan Finance Office	10
Section 11:	Records Retention Guidelines	11
Section 12:	Tax-Related Issues	15
Section 13:	Salaries & Benefits	16
Section 14:	Accounting & Internal Controls	16
Section 15:	Management of Collections	17
Section 16:	Description of Accounts	23
	Receipts	23
	Disbursements	26
Appendix A:	Priests' Compensation & Reimbursement Guidelines	30

Section 1: Parish Finance Council

1.1 "Each parish is to have a Finance Council which is regulated by universal law as well as by norms issued by the Diocesan Bishop; in this Council the Christian faithful, selected according to the same norms, aid the pastor in the administration of the parish goods with due regard for the prescription of Canon 532." (Canon 537) (Canon 532 pertains to the juridic role of the pastor.)

1.2 As required by Canon 537, a Finance Council is to be established in every parish. This requirement applies also to every mission that has its own administrator or director, separate bank account, or makes a separate financial report.

1.3 The Council will consist of at least three members, Catholics in good standing, truly skilled at financial affairs as well as in civil law, of outstanding integrity, and appointed by the pastor or administrator for a three-year term. Having completed this term, members may be named to other three-year terms. Those persons are excluded from the Finance Council who are related to the pastor up to the fourth degree of consanguinity or affinity, or who are first-degree relatives of parish or diocesan staff. Finance Council members may not be members of the parish staff (staff is understood in the ordinary sense of secretary, DRE, maintenance person, etc., whether paid or volunteer). They may not be on both the Pastoral and Finance Councils (committees excepted). Where arranged or invited, members of the Finance Council may attend meetings of the Pastoral Council with voice but no vote. A member may not be removed without consulting the membership of the Finance Council.

1.4 The pastor or administrator will preside over the Finance Council. After consulting with the members of the Council, the pastor or administrator will appoint a chairperson of the Council who will preside as may be convenient or necessary.

1.5 The members of the Finance Council are to have access to all parish financial records. Meetings are to be held in confidence, with information issued only by the pastor or administrator or with the pastor's approval. Only the pastor, administrator, or the official head of the parish community appointed by the Diocesan Bishop may sign checks. (Exceptions must be approved in writing by the Diocesan Finance Office.) Meetings are to be held at least quarterly, and more often if needed. Minutes of the meetings must be held available for parish visits by the following appointed Diocesan officials: Vicar Forane, Vicar General, members of the Diocesan Finance Council, Diocesan Finance Department staff, and approved auditors.

1.6 The role of the Finance Council is to assist the pastor:

1. In preparing a budget of parish income and expenses for the coming year, and in monitoring the budget during the year. The budget should be coordinated with objectives set by the pastor and Pastoral Council; the pastor is the principal liaison with the Pastoral Council;

2. In balancing books monthly via the Diocesan-approved method (Quickbooks online);

3. In preparing financial reports to be sent to the Diocesan Finance Office and the Diocesan Bishop, according to Diocesan regulations;

4. In preserving financial records according to Diocesan guidelines. These are not private records, but are the property of the Diocese, for which the Diocesan Bishop has final authority;

5. In presenting parishioners at least an annual report of the financial state of the parish;

6. In coordinating all fundraising programs of the parish, making recommendations for improving income, and meeting Diocesan assessments and appeals;

7. In inspecting all parish properties to see that they remain in proper repair, and in recommending purchase or sale of property while observing Diocesan regulations regarding same;

8. In reviewing parish employees, assuring them of equitable pay, observing all government regulations regarding withholdings and social security, and considering Diocesan pension plans, etc.;

9. In educating parishioners on stewardship;

10. In all that pertains to the parish's financial and physical condition. (A subcommittee or an individual not on the Parish Finance Council may attend to a specific area or item.)

1.7 In small parishes, all requirements may be difficult to meet; however, even where church communities meet as a whole, individuals must be assigned particular responsibilities for communication outside parish meetings, etc. Where this is not done, a review will be necessary as to the right to be called a "parish," "mission," or separate "parochial unit."

1.8 Parishes are subject to audit or compliance review by Diocesan Finance Office staff and/or by an accounting firm of the Diocese's choosing. Parishes will be scheduled for review, at the expense of the parish, on a cyclical basis or as needed.

Section 2: Parish Funds

2.1 All bank accounts must be in federally insured banks (FDIC) or savings-and-loan institutions (FSLIC). The total amount on deposit in any one bank is not to exceed the federally insured amount.

2.2. Checks on parish accounts must be signed by the pastor or administrator. Any exceptions must be approved in writing by the Diocesan Finance Office. **The practice of signing blank checks is expressly prohibited.**

2.3 The amount on deposit in checking accounts normally should not exceed one average month's expenses.

2.4 All receipts are to be deposited intact. Cash is not to be retained on the premises, unless kept in a locked safe until it can be counted.

2.5 All money not needed for immediate use by the parish should be deposited with the Finance Office in the Diocesan Loans-in-Aid Account. The Loans-in-Aid Account is a fund through which parishes and other institutions can help other parishes through a program of low-interest loans.

2.6 Funds on deposit in the Loans-in-Aid Account earn interest, which is payable semi-annually. Funds may be withdrawn as needed by the parish. Withdrawal requests should be submitted on the appropriate form, available on the Diocesan website at dwc.org, specifying the requested amount and intended use of funds. This safeguards against use of funds for unauthorized major renovations or construction. (Please see Section 6: Building Programs/Maintenance/Repairs.)

2.7 Fifty percent (50%) of a parish's reserves must be held in Diocesan certificates of deposit or in the West Virginia Catholic Foundation.

2.8 No investment decisions of any kind, including government bonds, money market funds, etc., are permitted without written permission from the Diocesan Bishop. Proposed purchases and sales of investments are to be reviewed and approved by the Diocesan Finance Council before action is taken.

2.9 All securities purchased for a parish, school, or cemetery must be approved by the Diocesan Bishop and bear the following owner designation: **"The Roman Catholic Bishop of the Diocese of Wheeling-Charleston, for the benefit of…"** Any pastor who fails to follow this regulation will be held personally and financially responsible.

2.10 If a parish receives stocks, bonds, property, or other assets by gift or bequest, full information concerning the amount and the term(s) under which the gift was received is to be sent to the Diocesan Finance Office for study and recommendation. All such gifts should bear the following owner designation: **"The Roman Catholic Bishop of the Diocese of Wheeling-Charleston, for the benefit of…"**

2.11 Endowment funds and foundations may be established only with the West Virginia Catholic Foundation, in accordance with guidelines approved by the Diocesan Bishop.

2.12 **Parish and personal funds may not be mingled under any circumstances.** No pastor, administrator, principal, or other representative of a parish may loan money to or borrow money from the parish, or use personal funds to purchase items, pay bills for a parish, or forego salary or allowances as a loan to the parish. Cash-flow problems should be addressed by an arm's length transaction between the Diocese and

the parish or entity. The Diocese will not reimburse anyone for this type of advance. It is unauthorized and imprudent to operate in this manner.

2.13 It is essential that bank reconciliations are not delegated to employees who handle cash receipts or cash disbursements, or to those who have access to blank checks. This control precludes the possibility of employees attempting to conceal theft by manipulating figures on the bank reconciliation. If staffing is so limited as to prevent segregation of duties, the parish should consider adding staff or hiring an independent contractor/accounting firm to prepare the reconciliation. The benefit of a proper reconciliation process far outweighs the cost.

When reconciling checking accounts:

1. Be sure to account for all check numbers on the statement;

2. Verify that outstanding checks cleared from previous reconciliations were actually made payable to the recorded payee (vendor);

3. Inspect all voided checks;

4. Compare paid checks with cash disbursements records as to number, date, payee (vendor), and amount;

5. List outstanding checks;

6. Verify that all checks are properly endorsed on the back and have only justifiable additional endorsements;

7. Verify that signatures are those of authorized signers. If unsure of the signature, verify with the authorized signer promptly, and, if the signature is unauthorized, notify the bank immediately by phone or facsimile and follow up in writing, retaining a copy for parish records. Request that the bank return a receipted copy;

8. Refer stale-dated checks to a designated person for proper disposition;

9. Compare deposits per records to the bank statement as to amount and date, investigate any unreasonable delays or missing deposits, and make a list of deposits in transit;

10. Verify that any deposits in transit from the previous month were posted to the account in a timely fashion;

11. Reconcile all bank transfers, determining dates and amounts are the same in both funds.

2.14 All bank accounts that use the parish's EIN are the property of the parish. These accounts are to be maintained on the parish's QuickBooks Online account, and the pastor or administrator must be a signer on all such accounts.

Section 3: Parish Loans/Debts

3.1 Loans are available to parishes from the Diocesan Loans-in-Aid Account, in accordance with Diocesan guidelines, for projects approved by the Diocese.

3.2 Interest on Diocesan loans may vary. An amortization schedule is established that provides for regular monthly payments including both principal and interest. The term of the loan is determined by the amount borrowed, the financial capacity of the parish or school, and the availability of Diocesan funds. Loan interest rates are reviewed annually and are set at the three-year Treasury rate plus one.

3.3 If a parish needs to borrow funds outside the Diocesan Loans-in-Aid program, the Diocese may arrange terms with an approved bank.

3.4 All notes covering parish loans from banks or from agencies other than the Diocese must be signed by the Bishop as well as the pastor.

Section 4: Contracts/Legal Documents/Agreements

4.1 All legal documents pertaining to the parish must be signed by the Diocesan Bishop or his Attorney-in-Fact.

4.2 No financial obligations or legal involvements with professional people (architects, lawyers, etc.) are to be made without consultation with the appropriate Diocesan office. (This does not derogate from the authorization given in the procedures for maintenance and repairs, concerning routine repairs and maintenance, as specified in Section 6.2.)

4.3 Building or improvement fund-raising campaigns require written permission from the Diocesan Bishop.

4.4 No pastor or parish is to assume obligations for any long-term programs or financial obligations, in connection with housing or similar projects, without written Diocesan approval.

4.5 It is the responsibility of the pastor to keep certificates of ownership and other legal papers pertaining to the parish in either a safety deposit box at a reliable bank, or in a fireproof safe at the rectory. These documents, as well as parish funds, are to be placed in the name of the parish and kept completely separate from the personal money and belongings of the pastor.

4.6 All leases and real estate agreements require review and approval at the Chancery level, as well as the Bishop’s signature.

4.7 All mineral and timber rights, road and pipeline rights of way, easements, leases, or any other arrangements require review and approval at the Chancery level, as well as the Bishop’s signature.

Section 5: Wills, Bequests, & Contributions/Gifts

5.1 Those wishing to leave bequests in their Wills, or gifts to the Diocese or to parishes, need simply to make the following designation: **"The Roman Catholic Bishop of the Diocese of Wheeling-Charleston, for the benefit of…,"** indicating the purpose for which they wish the gift to be used.

5.2 The net amount of bequests or gifts designated for local use will be forwarded to parishes or schools after internal debt has been satisfied. No fees are charged by the Diocese for the administration of such bequests, as would be charged if the Estate were administered by a trust department, trustee, etc.; however, bequests over the threshold for standard exemptions may subject to Cathedraticum and PHRA assessments.

5.3 Under no circumstances may gifts or bequests of real estate, timeshares, or personal property be accepted without review and approval at the Chancery level.

Section 6: Building Programs/Maintenance/Repairs

6.1 Guidelines issued by the Bishop are to be followed carefully, in collaboration with the Diocesan Director of Buildings & Properties, who can provide parishes with advice and guidance on appropriate procedures. The document entitled "Guidelines for Major Renovation & Construction" is available through the Office of Buildings & Properties, P.O. Box 230, Wheeling, WV 26003-0010, or on the Diocesan website at dwc.org. The following items touch on only the main points, and do not substitute for the details of those guidelines.

6.2 The pastor, assisted by the Parish Pastoral Council, Parish Finance Council, and/or the School Board responsible for such matters, is authorized to contract for routine maintenance—such as painting, roof repair, heating, plumbing, and electrical work—when the total cost of the work does not exceed $15,000.

6.3 All contracts for projects, repairs, or equipment costing $15,000 or more must be forwarded to the Bishop for approval before work is started.

6.4 For all new building projects and major improvements to existing facilities, where the cost may exceed $15,000, the preliminary evaluation and step-by-step procedures detailed in the Guidelines for Major Renovations & Construction in the Diocese of Wheeling-Charleston are to be observed.

6.5 The Guidelines for Major Renovation & Construction mentioned above summarize the various steps to be followed, under the following headings.

Approvals & Costs	Construction Phase
Finances	Project Finalization
Procedures	Insurance Requirements
Bid Process	

6.6 All contracts for work for the Diocese of Wheeling-Charleston will be of the standard form between owner and contractor. Agreements must indicate that the contractor is fully covered by Workers' Compensation insurance, public liability insurance, and property damage insurance.

6.7 The Vicar Forane, Director of Buildings & Properties, and/or the Supervisor of Buildings & Properties is entitled to visit and inspect the condition of all parish/school properties and buildings at any time, particularly during times of administrative transition.

Section 7: Insurance (Property/Liability/Workers' Compensation)

7.1 All parishes, schools, and agencies of the Diocese of Wheeling-Charleston are required to participate in the insurance program administered by the Catholic Mutual Group. No other insurance carrier is authorized.

7.2 A handbook containing a summary of coverages provided under this Diocesan insurance program has been mailed to every location. Additional copies are available from the Catholic Mutual Group, P.O. Box 230, Wheeling, WV 26003-0010.

7.3 Each location is billed annually for property/liability and Worker's Compensation insurance provided through this program.

7.4 If a location is current in its payment of insurance premiums, claims will be paid in full to that location. "Current" is defined as having no past-due balance and having paid no less than one-twelfth of the annual premium to the date on which the claim is submitted. If a location is not current in its premium payments or is carrying a past-due balance, the balance will be deducted from the claim and applied to the premium. The remainder will be sent to the location making the claim.

7.5 All parishes and schools with employees and uncovered independent contractors must be covered under the Diocesan Workers' Compensation policy.

7.6 Schools must have unemployment coverage with the state of West Virginia. For assistance in obtaining such coverage, please contact the Diocesan Finance Office.

7.7 Parishes are strongly encouraged to carry unemployment coverage with the State of West Virginia for all employees, as part of a just living wage. For assistance in obtaining such coverage, please contact the Diocesan Finance Office.

Section 8: Purchase of Real Estate

8.1 No real estate is to be purchased or sold without the express written authorization of the Diocesan Bishop.

8.2 In all such transactions, a competent attorney and/or realtor must be consulted, as well as the Diocesan Director of Buildings & Properties.

8.3 All properties are to be held in the name of the Roman Catholic Bishop of the Diocese of Wheeling-Charleston.

8.4 Prior to the closing of a transaction, the proposed deed, certificate of title, and plat of the property must be forwarded to the Diocesan attorney and the Diocesan Director of Buildings & Properties.

8.5 After the closing, all deeds are to be recorded promptly at the County Clerk's Office, and the original recorded deed forwarded to the Diocesan Office of Buildings & Properties.

8.6 Under no circumstances may gifts or bequests of real estate be accepted without review and approval at the Chancery level.

Section 9: Financial Reports

9.1 Parishes and missions are required to submit an Annual Financial Report electronically to the Diocesan Finance Office, no later than February 28 of the following year. The report, in the form of an Excel workbook, is distributed near the beginning of January each year, and is available on the Diocesan website at dwc.org.

9.2 A separate annual financial report for each parish organization is to be submitted at the time of the Annual Financial Report. The blank form is available on the Diocesan website at dwc.org.

9.3 Separate reports, on separate forms, are required for cemeteries. The blank form is available at the Diocesan website at dwc.org.

9.4 Parishes and missions must submit a Semi-Annual Financial Report to the Diocesan Finance Office each July. The report, in the form of an Excel workbook, is distributed near the beginning of July each year, and is available on the Diocesan website at dwc.org.

9.5 Planning for the Diocese depends upon information from the Annual Financial and Pastoral Reports. It is imperative that these reports be complete and accurate. Locations whose financial, pastoral, or school reporting is not completed in a timely fashion may be ineligible for Diocesan grants and other assistance/support; they are subject to review by the Diocese and/or by outside auditors, at additional expense to the location.

9.6 In Diocesan and Vicariate planning, all information must be available. The information on annual parish reports is not confidential and should be available as an aid in planning. Pastors are reminded that all pastoral and financial reports for parishes, missions, organizations, and cemeteries must be kept permanently in the parish files.

9.7 The Annual Financial Report must include all receipts and expenditures of the parish. If you do not feel there is an appropriate place on the report for a particular item, please contact the Diocesan Finance Office for assistance.

9.8 In the section of the report where the Reserve Fund is detailed, all parish assets in savings accounts, investments, etc., are to be listed. Full information must be included when the report is submitted.

9.9 All parish books must be kept up to date and balanced monthly. Financial records for mission churches must be retained separately.

9.10 Parish income is subject to assessments unless it qualifies under the standard exemptions initiated in 2018. The standard exemptions should eliminate or strictly limit the need for parishes to request specific exemptions. Since 2018, the Diocese has offered a series of standard exemptions from Cathedraticum and PHRA assessments. This is intended to help parishes keep funds local, and to eliminate the need for exemptions on individual gifts and campaigns. Funds deposited into the WV Catholic Foundation are exempt from assessment.

Section 10: Remittances to the Diocesan Finance Office

10.1 Remittances of Diocesan collections must reach the Diocesan Finance Office no later than six weeks after the date assigned for the collection.

10.2 To facilitate deposit to the proper Diocesan accounts, make all checks remitted for Diocesan collections, loan payments, assessments, etc., payable to "Diocese of Wheeling-Charleston." The purpose of each payment (e.g., loan with parish number, CD deposit with parish number, or specific name of collection) should be clearly indicated in the check memo. Payments for the PHRA assessment, clergy health benefits, and the Diocesan Priests' Health Retirement Fund collection should be drawn in favor of the Priests' Health & Retirement Association.

10.3 Please do not include more than one item of remittance on one check. Issue separate checks for each distinct item, e.g., various Diocesan collections, even though they may be paid at the same time.

10.4 No fees are charged by the Tribunal for marriage dispensations; however, a schedule of fees is in effect for cases handled by the Tribunal.

10.5 All collections taken for any purpose other than the parish, school, Diocesan mission, or pre-approved Diocesan collection must have the written approval of the Bishop, for example: foreign missions, Habitat for Humanity, etc.

Section 11: Records Retention Guidelines

11.1 Records retention guidelines for Diocesan/parish records have been prepared to assist the Diocese and parishes in establishing control over routine records, and to preserve records of permanent value. The list of records included is lengthy, but not definitive, and some locations may have records not mentioned here. Retention periods have been devised based on Canon Law, state and federal statutes, and practical Diocesan/parish realities. If questions arise regarding records-related issues, please contact the Diocesan Archivist for additional information.

11.2 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 types of Diocesan/parish records: administrative, personnel, cemetery, publications, financial, sacramental, and property. Within each group, different series are listed, followed by a retention period. Records older than required retention should be destroyed. Records of permanent retention should be stored appropriately or transferred to the Diocesan archives. This list includes the majority of records that the Diocese/parishes produce, though it is not definitive. Please contact the Diocesan Archivist with any questions.

i. Administrative Records

Type	*Retention Period*
Abstracts, deeds (property)	Permanent
Annual reports to Diocesan Finance Office (Status Animarum)	Permanent
Annual reports to the Diocese/parish	Permanent
Articles of Incorporation/By-Laws	Permanent
Bequest & Estate papers (Wills)	Permanent
Census records	Permanent
Contracts (inactive)	7 years after contract's end
Legal correspondence	Permanent
Official Diocesan correspondence (policies, directives, etc.)	Permanent
Routine correspondence	Review/discard biannually
Donor lists	Permanent
Endowment decrees	Permanent
Finance Council Minutes	Permanent
Historical items (newspaper clippings, photos, etc.)	Permanent
Insurance policies	Permanent
Inventories of property and equipment	Permanent
Leases	7 years after lease's end
Liturgical ministers' schedules (altar servers, ushers, lectors, etc.)	Retain until superseded
Mass intention books	2 years
Office files (correspondence, memos, regulations, schedules, etc.)	Selective retention (retain items that document Diocesan/parish administration and activities)
Parish Council Constitutions	Retain until superseded
Parish Council Minutes	Permanent
Parish organization records (minutes, correspondence, publications, etc.)	Permanent
Photographs (relating to Diocesan/parish history, clergy, parishioners)	Permanent
Policy statements	Permanent
Religious education reports (for Diocesan offices)	Permanent
Rosters of parishioners	Permanent
Wills, testaments, codicils	Permanent

ii. Personnel Records

A personnel file should be maintained for each active Diocesan/parish employee. The file should contain the following: employee's application and resume, sick leave accrued and taken, vacation record, eligibility verification form (I9), performance evaluations, salary information, and W4 form. These records are confidential and should be made available only to Diocesan/parish representatives with a legitimate right to know, unless disclosure is compelled by legal action. In many states, employees and former employees have the right to inspect their own personnel files. The employer has the right to require such requests to be submitted 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, and records pertaining to a pending legal claim that would be discoverable in court.

Type	*Retention Period*
Benefits	
Disability records	Permanent
Pension vesting file	Permanent
Retirement benefits	Permanent
Service records	Permanent
General	
Permanent earnings and records	7 years after benefit termination
Attendance records	7 years after termination
Employee contracts	7 years after termination
Employee salary schedules	7 years after termination
Health & Safety	
Accident/injury reports	7 years
Employee medical complaints	7 years
Employee medical records	30 years after termination
Environmental test records/reports	Permanent
Hazardous exposure records	Permanent
Toxic substance explore reports	Permanent
Workers' Compensation records	7 years after filing/death/last payment
Personnel Actions	
Rejected applications	1 year
Employee evaluations	2 years after termination
Personnel files (terminated)	7 years
Termination records	7 years
Salary Administration	
W2 forms	7 years after filing
W4 forms	7 years after filing
Timesheets/timecards	3 years after filing
I9 form	7 years

iii. Financial & Accounting Records

Type	*Retention Period*
Banking	
Bank deposits	3 years
Bank statements	3 years
Cancelled checks/check stubs/check registers	3 years
General	
Audit reports	Permanent
Investment/Insurance	
Bonds (cancelled)	7 years after cancellation
Certificates of deposit (redeemed)	3 years after redemption
Insurance policies (active)	Permanent
Insurance policies (cancelled)	Permanent
Letters of credit	3 years
Mortgage records	Permanent
Securities (sales)	7 years
Stock investments	7 years after sale
Accounting	
Accounts payable invoices	7 years
Credit card statements/receipts	7 years
Paid invoices (major building projects)	Permanent
Paid invoices (general)	7 years
Cash journal/offerings/pledges	Permanent
Receipts	3 years
Mortgage payments	7 years
Other Records	
Payroll journals	7 years
Payroll registers/summary schedule of earnings/deductions/accrued leave	7 years
Pension records	Permanent
Pledge registers/ledgers	Permanent
Tax Records	
Employment taxes/contributions/payments (including taxes/FICA)	7 years from filing date
W2/W4 forms	7 years from filing date
IRS exemptions (organizations not listed in Official Catholic Directory)	Permanent
Form 990	Permanent
State tax exemption certificates (income/excise/property/sales, etc.)	Permanent

It is not necessary to print and retain hard copies of items that are maintained online, including: balance sheets (annual), balance sheets (monthly/quarterly), budgets (revised/approved), financial report (annual), financial reports (monthly), financial statements, accounts payable/receivable ledgers, cash books/cash journals, general ledger (annual), journals (general and specific funds), journal entry sheets, and ledgers (subsidiary).

If the parish has access to items such as bank statements, investment statements, invoices, etc. online, it also is unnecessary to retain those in printed form.

iv. Property Records

Type	*Retention Period*
Architectural records/blueprints/building designs/specifications	Permanent
Architectural drawings	Permanent
Deeds	Permanent
Mortgage documents	Permanent
Property appraisals	Permanent
Real estate surveys/plots/plans	Permanent
Title search papers/certificates	Permanent
Blueprints/building-design documents	Permanent

v. Cemetery Records

Type	*Retention Period*
Account cards (record of lot ownership/payments)	Permanent
Annual report	Permanent
Bank statements	3 years
Board minutes	Permanent
Burial cards/burial records (record of interred name/date of burial, etc.)	Permanent
Contracts documenting lot ownership	Permanent
Correspondence	Selective retention (retain items of historical/legal/fiscal value)
General ledger	Permanent
Lot maps	Permanent

vi. Publications

Type	*Retention Period*
Anniversary books	Permanent
Annual reports to Diocese/parish	Permanent
Newsletters of the Diocese, parish, or affiliated organizations	Permanent
Other Diocese/parish-related publications	Permanent
Parish bulletins	Permanent

vii. Sacramental Records

Type	*Retention Period*
Baptism register	Permanent
Confirmation register	Permanent
First Communion register	Permanent
Death register	Permanent
Marriage register	Permanent
Marriage case files	Permanent
Register of anointings/sick calls	Permanent
Register of Catechumens	Permanent

11.3 All original deeds and titles for property must be on file with the Diocesan Office of Buildings & Properties.

11.4 Blueprints must be on file with the Diocesan Office of Buildings & Properties.

Section 12: Tax-Related Issues

12.1 The Internal Revenue Service issues a Group Ruling letter each year, confirming tax-exempt status for all parishes and institutions listed in P.J. Kennedy & Sons' *Official Catholic Directory*. A copy of this letter is available from the Diocesan Finance Office, or on the USCCB's website at: http://www.usccb.org/about/general-counsel/tax-and-group-ruling.cfm.

12.2 All parishes and schools are required to register with the West Virginia Department of Tax & Revenue in order to qualify for exemption from West Virginia sales tax. Detailed information and the required forms are available from the Diocesan Finance Office.

12.3 By federal law, all lay employees must be covered by Social Security, with their pay subject to withholding for the employee share of FICA (Social Security/Medicare tax), to be matched by the employer. The employer is required to make the appropriate withholdings, reports (IRS Form 941), and payments. Forms and information can be obtained from your local Social Security office. To ensure compliance with these regulations, all payroll must be processed through the Diocesan-approved payroll service.

12.4 Diocesan priests:

1. Will receive IRS Form W2 to report earnings, and have the option of requesting payroll tax withholding;
2. Must participate in Social Security;
3. Are treated by the Internal Revenue Service as dual-status taxpayers.

The Diocesan Finance Office recommends the publication *Income Taxes for Priests Only* as a comprehensive guide to assist with the preparation of priests' federal income taxes.

12.5 Specific rules govern payments to and tax reporting for order clergy and religious, typically based on whether the order is recognized in the U.S. Please consult the Diocesan Human Resources and Payroll offices to ensure correct setup and payment of such individuals.

12.6 IRS Form 1099 must be issued to all persons or non-incorporated businesses to whom $600 or more is paid for services in any one calendar year.

12.7 A parish, school, or organization that has unrelated business income is required to obtain a CPA firm, in consultation with the Diocesan Finance Office, to file IRS Form 990T. While not all unrelated income is taxable, it still may have to be reported. Examples of unrelated business income are parking lot income, rental income on debt-financed buildings, advertising, and income from other business unrelated to the church mission.

12.8 In order to take a deduction for a charitable contribution of $250 or more, a donor must substantiate the donation with a written acknowledgement from the charitable/religious organization. For specific information on such acknowledgements, please contact the Diocesan Office of Stewardship & Development.

12.9 Under no circumstances will gifts or bequests of real estate, timeshares, vehicles, or closely-held stock be accepted without prior review and written approval at the Chancery level.

Section 13: Salaries & Benefits

13.1 Compensation and benefits for clergy and religious (priests, sisters, and brothers) are determined by the Diocesan Bishop. Information about current compensation and benefits is updated annually by the Diocese. A copy of current compensation information for priests is available from the Office of the Episcopal Vicar for Clergy. A copy of current compensation information for Religious sisters and brothers is available from the Office of the Delegate for Consecrated Life.

13.2 Pastors are reminded that all employees are entitled to a just living wage (at least minimum wage). Please see Appendix A for information regarding priests' compensation and reimbursements. A pastor who has accepted retirement or a new assignment may not promise or authorize pay increases for staff.

13.3 All payroll must be processed through the Diocesan payroll provider, under the Diocesan multi-client arrangement, to ensure proper processing of taxes, withholdings, etc.

13.4 A personnel file should be maintained for each employee. This file should contain at least: tax withholding forms, Form I9, sexual misconduct policy acknowledgement form, and any personal emergency information. A sample form for recording essential employee information is available from the Diocesan Office of Human Resources.

13.5 All clergy, religious, and lay employees are to be covered by the West Virginia State Workers' Compensation program, under the Diocesan policy with the Catholic Mutual Group.

13.6 Retirement Benefit Plans for clergy, religious, or laity, supported by parish funds, must be held in either the Diocesan 403(b) Plan or in the Priests' Health & Retirement Association.

13.7 An Employee Handbook, for lay employees working in Diocesan administrative offices and certain other Diocesan agencies, has been in effect since 1968. All parishes and related entities are encouraged to have a written personnel handbook applicable to their own lay employees. Such policies must be submitted for Diocesan approval before they are effective. A copy of the current Diocesan Employee Handbook is available, upon request, from the Diocesan Office of Human Resources, P.O. Box 230, Wheeling, WV 26003-0010. If a parish does not have its own Employee Handbook, the Diocesan Handbook may be used for guidance, minus sections relating to benefits and other Chancery-specific policies.

13.8 A group health benefits program for lay employees is available through the Diocese. A parish may be established as a sub-group even if there is only one employee to participate. Information and application forms are available through the Diocesan Office of Human Resources, P.O. Box 230, Wheeling, WV 26003-0010.

Section 14: Accounting & Internal Control Procedures

The Diocese requires that all parishes contact Diocesan administrative offices for the following:

1. Accounting software selection (Diocesan-licensed Quickbooks Online);
2. Uniform parish chart of accounts;
3. Payroll services;
4. Diocesan pension plan;
5. Diocesan health insurance; and
6. Centralized purchasing.

Section 15: Management of Collections

The following guidelines are meant to promote the integrity of the parish and its employees and volunteers, and to instill confidence within the parish community through a well-controlled collection process.

15.1 Guarantee that all donations collected by ushers are delivered intact (as collected) to the count team by supplying serially numbered, tamper-resistant bags. Donations are consolidated into one sealed bag and secured, without any strays, prior to collection count. These collection controls also apply to poor boxes, candle offerings, and other like donations.

1. Before Mass, inform ushers of the number of collections. Assign serially numbered, tamper-resistant bags or locking bank bags for regular and special collections, plus a spare bag in case of a defective bag seal or error made in closing bag. If a bag is spoiled, retain and submit it with collections.

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

3. Ushers consolidate individual collection baskets to a serially numbered and sealed, tamper-resistant bag, lining the main collection basket, assigned to that Mass. This is always done in the presence of witnessing usher.

4. The collection is maintained in its original form; that is, no change is given from collected funds nor checks cashed from collected funds.

5. If there is a second collection, do not delay in consolidating and sealing the tamper-resistant bag with the first collection. Always consolidate and seal the tamper-resistant bag for the first collection before taking the second collection.

6. Repeat steps two and three above for the second collection.

7. If tamper-resistant plastic bags are used, on the front of each bag, write the Mass, collection (first or second), and the date. Use ink. If locking bank bags are used, the bags should be pre-numbered and marked for collections (by manufacturer).

8. The bag(s) for regular, and, if applicable, second collections are transported to a secure area for safekeeping until they can be delivered to the count team.

9. If someone misses the basket and wishes to add an envelope to the collection, place any lose envelopes in the pocket on the front of the sealed bag, or add a smaller sealed bag, and transport to a secure area for safekeeping until it can be delivered to the count team. If this is a regular occurrence, review the ushers' procedures.

10. Document procedures for ushers to follow, especially how to seal the bags properly. Post and communicate such procedures to all ushers. Let ushers know how much their cooperation in successfully implementing these procedures is appreciated.

15.2 Ensure the proper use of security devices, such as safes, to protect funds.

1. A limited number of people should have combinations or custody of keys for parish safes. Combinations and keys should never be stored in unlocked desk drawers, hung on wall pegs or on the backs of doors, or kept in unsupervised areas where anyone could gain access to them.

2. Keep the amount of funds in a safe to a minimum, with any excess deposited in a bank or night depository. Deposits should be made immediately following the count. If there is a delay before pickup, secure the stored collections. If possible, avoid storing cash receipts overnight. Whenever possible, deposits should be made daily.

15.3 Make a secure area available for counting and provide supplies to aid the count process.

1. The count area should be free of distractions and through traffic. Limit the number of people, other than the counters, in the room. Only the counters, priest overseeing the count, and/or someone from the parish staff should be in the room. The priest or member of staff should not participate in counting the collection.

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

15.4 Tamper-resistant bags are to be delivered unopened to the count team, preserving the chain of custody from ushers. No one should handle, sort, or organize money prior to the arrival of the count team.

1. Once the counters (three or more unrelated individuals) are assembled, the pastor or his designee will deliver the serially numbered, tamper-resistant bags containing Mass collections. Other revenue received by mail or in person at the parish office should be deposited immediately or locked in the safe until it can be deposited. Undeposited funds from the week may be delivered to the counters for handling.

2. The counters will examine all bags to note that the condition is good (secure), that there are no breaches of the seal, or if the condition of the bag is irregular. Condition of bags and bag numbers should be recorded on the Bag Tracking Form. If the integrity of a bag is compromised (torn or not properly sealed), the irregularity should be documented on the Bag Tracking Form, and the pastor notified immediately.

3. Serially numbered, tamper-resistant bags are to be opened using scissors. Envelopes, checks, cash, and coin may be separated for ease of counting.

15.5 Collections are counted, classified, and recorded by alternating count teams, or duties are rotated among count-team members. The complete collection is deposited. None of the collection is to be kept at the parish for “convenience” cash.

1. Donation envelopes are opened, and the amounts verified to the figures indicated on the front of the envelopes. Notate this review by check-marking the amount on the envelope. Donation envelopes are set aside and saved.

2. Checks are restrictively endorsed by stamping “For Deposit Only” to the parish account.

3. Photocopies of loose checks (those not in envelopes) are made and retained along with the donation envelopes. If a copier is not readily available, list the names and dollar amounts of such checks.

4. Currency is separated by denomination, counted, and banded. The amount and counter's initials are recorded on the band. The banded currency is then given to a second counter, who opens the band, recounts, and records his or her initials. The band should now have the amount counted and two sets of initials. When collections normally include large amounts of cash, coin sorters and bill counters can improve accuracy.

5. Counters add cash twice and checks twice, using an adding machine or spreadsheet.

6. Counters complete the count sheet by documenting currency, coin, and checks. Support of addition (adding machine tape or spreadsheet) should be identified as cash or check, initialed, and dated. One copy is attached to the collection worksheet. Each counter signs or initials the collection worksheet to provide accountability for the totals.

7. Counters will record currency and checks on a duplicate bank deposit ticket. All information is to be included on the deposit ticket. The collection is placed in a serially numbered, tamper-resistant bag, ready for transport, along with the original deposit ticket and second copy of the adding machine tape or spreadsheet listing check amounts. (The parish should retain a copy.) The collection is then transported for deposit to the bank.

8. If collections are transported to the bank via armored-courier service, the deposit ticket is to be sealed in the bag with the collection. The bag is then sealed and placed in the safe to await pickup. If collections are delivered to the bank by a parish employee or representative, the bag is sealed and the deposit ticket retained outside the bag and delivered to the bank.

9. Count sheets are retained, along with duplicate deposit tickets and Bag Tracking Forms. Compare the deposit receipt to the amount on the count sheet to verify and attach for the file. Such documents should be readily available for audit or internal review. Records should provide clear documentation of cash receipts from the time of collection to the time of deposit.

15.6 Confirm the amount of deposits credited to the parish account and add transactions to the general ledger.

1. Deposit advice received from the bank is compared to the balance on the count sheet. The deposit advice is retained, along with the count sheet.

2. The deposit is coded by the type of revenue and entered into the parish's accounting system.

15.7 The pastor or a member of parish staff should oversee the performance of the count team and the processing of funds.

1. Overages and shortages between count worksheets and bank deposits should be reviewed to determine whether additional count team members are necessary, or if count duties should be changed. The pastor should be notified immediately.

2. The actual collection should be compared weekly to the budgeted collection, to the previous week's collection, and, periodically, to the previous year's collection.

3. Document evidence of weekly/periodic supervisory reviews of collection worksheets, journal entries, and deposit tickets.

4. The collection should be published weekly in the church bulletin, for regular and special collections.

5. The Parish Finance Council should periodically review the collection process for lapses in procedures and to refresh the process.

15.8 To the extent that staffing levels permit, the duties of collecting, recording, depositing, and reconciling cash receipts should be divided among different individuals. If a parish does not have sufficient staff to segregate responsibilities for cash handling, record keeping, and reconciliation in the most-preferable manner, closer day-to-day supervision by the pastor or other authorized individual is necessary.

1. An individual independent of the cash receipts function should summarize cash receipts, and this cash summary should be compared to the validated bank deposit to ensure that all collections were deposited intact.

2. All cash receipts accounting entries should be supported by validated bank deposit tickets and other documentation, to ensure independent verification of deposits.

3. Different individuals should be responsible for handling each aspect of the cash receipts process. For example, the person who receives cash must not prepare deposits. The person who prepares deposits must not handle bank reconciliations.

4. If a donor makes an individual contribution of $250 or more, the donor must be sent a timely, written tax acknowledgement, stating the amount and date of the contribution.

5. A system to provide year-end contribution statements to parishioners using envelopes, checks, or automatic bank transactions must be in place.

6. Only the counters, priest, and/or other authorized parish staff member should be in the count room.

7. Checks must be restrictively endorsed.

8. Records should provide clear documentation of cash receipts from the time of collection to the time of deposit.

15.9 Parishioners' contributions from envelopes, checks, and automatic bank transactions must be tracked, reviewed, and reported to parishioners.

1. Develop written instructions for the person completing such data entry. Do not back-date envelopes to the Sunday-date printed on the envelope; use the date of the collection. For instance, contributions from families submitting multiple envelopes for previous weeks' collections on the same day should be entered with the actual date the envelopes were received, not the date printed on the envelope, nor the date the data was entered.

2. Each week, print the Contribution Summary Report and compare it to the envelope total for both number and dollar amounts recorded on the collection worksheets. Depending on the percentage of envelope usage, you can verify if the deposit is reasonable. The amount noted on the Contribution Summary Report should be lower by the amount of cash on the Sunday collection worksheet.

3. Someone independent of those responsible for counting, depositing, and recording collections should prepare year-end statements to parishioners.

4. All donors should receive, at least annually, a statement of their donations (not just those who request statements).

5. If there is any discrepancy, resolve it immediately by reviewing contribution records.

The importance of adhering to these collection procedures cannot be overstated. Adequate internal controls must be in place to ensure persons handling cash are being afforded the protection to which they are entitled, should allegations of impropriety be made. Please contact the Office of Stewardship & Development for guidance on encouraging and supporting online giving, and the Finance Office for direction on recording such donations.

Collection Counters' Form

Rev 08 22 2013

Parish (City): **Date:**

		Cash	Checks	Total
Contribution Envelopes	**A**	$	$	$
Loose Contributions	**B**	$	$	$
Other Collections				
Votive candles		$	$	$
Poor box		$	$	$
Other collections for parish use (listed below)				
		$	$	$
		$	$	$
		$	$	$
Diocesan Collections (listed below)				
Church in the Developing World (Latin America/Central & Eastern Europe/Africa)				
Church Missions within the United States (Black & Indian/Home Missions)				
Diocesan Priests' Retirement Fund				
Pontifical Good Friday Collection for the Holy Land				
Catholic Relief Services				
Catholic Communications Campaign /Campaign for Human Development				
Peter's Pence				
Education of Seminarians				
Catholic University of America				
World Mission Sunday				
Archdiocese for the Military Services				
Retirement Fund for Religious				
Catholic Charities West Virginia				
Other Diocesan Collections (specify)				
		$	$	$
		$	$	$
Total Other Collections	**C**	$	$	$
Grand Total of Deposits	**A+B+C=D**	$	$	$
				Deposit Total

Denomination	**Count**	
$1		$
$5		$
$10		$
$20		$
$50		$
$100		$
Coins		$
Total must equal total of Cash column		$

Counted by: _____

Verified by: _____

Pastor's approval: _____

Section 16: Description of Accounts

16.1 The following Description of Accounts is an attempt to clarify and standardize the meaning of each line item appearing on the Annual Financial Report form. The account numbers refer to the line numbers on the report form.

16.2.1 *Receipts*

1. Envelopes: Includes all money received in envelopes in the Offertory collection.

2. Loose Offertory: Includes all money received in the collection, excluding Offertory envelopes.

3. Special Holy Day Envelopes: Includes proceeds from envelopes collected at Holy Day services.

4. Holiday Flower Collection: The entire income (gross) received as offerings for holiday flowers is recorded here. The full cost (gross) of holiday flowers is entered on Disbursements line 135. The lesser of line 3 or line 135 can be entered on line 49 to reduce Net Assessable Income.

5. DWC Finance Use.

6. Fundraising Benefits: Includes income received from parish fundraising events, such as card parties, dinners, fish fries, etc. The entire income (gross) from such benefits is entered here. The entire cost (gross) of such benefits is entered on Disbursements line 139. The lesser of line 6 or line 139 can be entered on line 46 to reduce Net Assessable Income.

7a/b. Bequests & Donations: Includes all money or other assets received by bequest or donation from individuals, Estates, foundations, or organizations, whether parochial or extra-parochial.

8. Diocesan Certificate Interest: Only interest from Diocesan certificates of deposit is included here. Interest earned by and credited to such accounts is included, even if such interest remains in the account and does not go into the parish checking account when earned and credited.

9. Bank Interest: Includes interest from NOW, money market, and savings accounts, and certificates of deposit issued by banks and savings-and-loan associations. Interest earned and credited to such accounts is included, even if such interest remains in the account and does not go into the parish checking account when earned and credited.

10. Royalty Income: Royalties and income from mineral properties, including signing bonuses.

11. Investment Income: Dividends, interest, and capital gains distributions.

12. Rental Income: Includes the entire income (gross) from parish-owned property for which rent is received. Expenses, including maintenance and repairs on the rental property, should be entered on Disbursements line 140 and 141. The lesser of line 12 or lines 140/141 can be entered on line 47 to reduce Net Assessable Income.

13. Sale of Property or Investments (Gross): Includes total receipts from sale of property or securities, such as stocks or bonds. The original cost to the parish (which must be verifiable) can be entered on line 42 to reduce Net Assessable Income, up to the amount of income.

14. Campus Ministry Support: If the parish provides support to a campus community, any income from that campus program, such as collections at campus liturgies, etc., is entered here.

15. Votive Candles (Gross): The entire income (gross) received as offerings for candles at votive shrines is recorded here. The cost of votive candles is entered on Disbursements line 138. The lesser of line 15 or line 138 can be entered on line 45 to reduce Net Assessable Income.

16a. Bingo & Street Fair Fundraisers (Gross): The entire income (gross) from fundraisers is entered here. The entire cost (gross) of fundraisers is entered on Disbursements line 137a.

16b. Books & Religious Items (Gross): The entire income (gross) from the sale of books and religious items is entered here. The entire cost (gross) is entered on Disbursements line 137c.

16c. Other Fundraising Income (Gross): The entire income (gross) from other fundraising efforts is entered here. The entire cost (gross) of such events is entered on Disbursements line 137a.

16d/e. Capital Campaign/Debt Reduction Donations: The entire income (gross) from other fundraising efforts is entered here.

18. Stipends & Stole Fees: These items are designated as income to the parish. Mass stipends are initially deposited into a Mass Stipend checking account. They are to be segregated from other funds until the Mass intentions have been satisfied. Once an eligible stipend intention is satisfied, payment is made to the priest. (Payment should be made monthly.) If the stipend is ineligible to be collected by the priest, or if the priest declines to accept the stipend, then the stipend is transferred to the parish's operating account once the intention is satisfied. At year end, the parish is responsible for providing the priest a 1099 form reflecting total stipends paid for the calendar year.

19. DWC Finance Use.

20. DWC Finance Use.

21. DWC Finance Use.

22. Grade School Tuition: Grade school tuition authorized by the Department of Catholic Schools and received for students attending the parish school is exempted from Cathedraticum and PHRA assessments. Monies so received are recorded on line 22.

23a. DWC Finance Use.

23b. Catholic Sharing Appeal: The amount the parish actually received from the Diocese during the report period (calendar year) for the Catholic Sharing Appeal (CSA).

23c. DWC Finance Use.

23d. West Virginia Catholic Foundation Distributions: Includes only monies received from endowment accounts held by the parish in the West Virginia Catholic Foundation (WVCF). Distributions from other foundations or endowments are entered on line 7. Funds used to establish endowments in the WVCF also are not included here.

23e. CCD Registration.

23f. Social Concerns/Non-Diocesan Collections (Missions/Emergency Assistance): Includes proceeds of special collections, such as missions and emergency assistance. Proceeds of such collections must be disbursed within one year, with disbursements entered on line 119. All collections taken for any purpose other than the parish, school, Diocesan mission, or pre-approved Diocesan collection must have the Bishop's written approval, for example: foreign missions, Habitat for Humanity, etc.

23g. Memorial Contributions: Donations to the parish in memory of the deceased. This line is not used for money or other assets received by bequest (Will or Estate).

23h. DWC Finance Use.

23i. Paycheck Protection Program Proceeds. Funds received from Covid-era plan.

23j. Giving Tuesday. Proceeds from Giving Tuesday campaign.

24. Diocesan Subsidy: Financial support from the Diocese.

25-40. Diocesan Collections: The amount collected for each Diocesan collection is entered on the proper line. Line 40d is used in the event there are Diocesan collections outside those listed.

TOTAL RECEIPTS: This total should be identical with deposits made during the report period.

41. Capital Campaign Approved Exemption Number and Amount. Individual exemption issued for a specific campaign. (Such exemptions are rare since standard exemptions were initiated in 2018.)

42. Cost of Property Sold for Revenue Reflected on Line 13: Purchase price of such property.

43/44. First-half payments made on PHRA and Cathedraticum assessments.

45. Total Principal and Interest Paid on DWC and Bank Loans: Total payments on all loans for the report year.

46. Less Second Collections (Lines 25-40): Subtract collection totals.

47. Less Revenue (Lines 18-23): Subtract this income.

48. Less Diocesan Subsidy/PPP Proceeds/WVCF Deposits: Subtract these totals.

49-84. Calculates assessable income.

16.3 *Disbursements*

101-5. These lines are used to record the gross salary or wages of parish clergy and other employees before any withholdings. Space is provided for the various categories of employee, so that a separate listing is not needed elsewhere on the report. Teachers' and other school employees' salaries should not be included on these lines, but are to be included on line 114, School Expenses. If an employee serves both the parish and school, e.g., a janitor, only the parish portion of the salary is listed here; the school portion is included on line 114.

106. DWC Finance Use.

107. Employer's Share-Social Security: The amount of Social Security tax paid by the parish. This does not include withholdings from employees' salaries for income tax, Social Security, etc., which are the employees' share. The employer's share of Social Security tax for school employees is included in School Expenses, line 114.

108. Employer's Share-Pension & Hospitalization: The amount contributed as the parish's payment to the Diocesan lay employees' pension plan for non-school employees and/or for any medical insurance provided for employees. The costs of medical insurance and retirement payments for religious are also included in line 108.

109. Workers' Compensation Premium: Any amount paid by the parish for Workers' Compensation coverage. Costs for school employees are included on line 114, School Expenses.

110. Rectory Food & Supplies: Includes rectory table expenses and other consumable household goods. Items such as clothing, health and beauty products, and automobile supplies are considered personal.

111. Lay Transportation: Parish-related transportation costs paid to or for non-clergy.

112. Office Expenses: Includes parish bulletins, stationery, stamps, books for parish records, printed certificate blanks, checkbooks, copier supplies, etc.

113. Liturgical Expenses (Except Salaries): In general, expenses connected with the parish liturgical program (except salaries) are listed here, including those formerly designated as "Sanctuary/Choir Expenses." Relatively permanent liturgical furnishings, equipment, and renovations are to be entered on line 125 or 126.

114. Grade School Expenses (Including Salaries): Includes any parish money spent for a central grade school. Teachers' salaries, taxes, and insurance are included here if they are paid from the parish account. A set of accounting records, separate from the parish accounts, must be kept for the school. The total of school-related parish expenses only for the calendar year (not the fiscal year) is entered here from such records. It is advisable to set up a separate checking account for the grade school. Parish funds may be deposited in the account as required to cover checks written for school expenses. Separate checking accounts and accounting records will simplify bookkeeping, and will make compilation of the required Annual Parish and School Financial Reports much easier.

115. High School Expenses: Includes assessments and other expenses incurred by the parish in connection with a high school.

116a. CCD Expenses (Except Salaries): All expenses, except salaries, connected with the parish CCD program are entered here.

116b. Adult Religious Education Expenses (Except Salaries): All expenses, except salaries, connected with the parish adult religious education program are entered here. Many parishes consider pamphlets, books, religious magazines, and newspapers to be adult education expenses.

117. Youth Ministry Expenses: Youth programs, other than school and religious education, are entered here.

118. Evangelization & Ecumenism: Expenses arising from parish involvement in evangelization and ecumenical activities are entered here.

119. Social Concerns: Programs devoted to social needs are included here (for example, emergency food and clothing services, assistance to the elderly, etc.).

120. Parish Picnics/Sunday Socials/Other Programs (retreats, men's/women's groups, etc.).

121. Utilities: Includes electricity, gas, heating oil, water, sewage, telephone, and Internet service.

122. Property Taxes & Fire Service Fees: The total of taxes and fire service fees levied by local, state, and federal governments is entered here. In light of questions that have arisen regarding church/state relationships, it is essential that such detailed information be available. Rental property taxes and fees are listed separately, on line 140.

123. Property & Liability Insurance Premiums: Includes any insurance expense other than Social Security, Workers' Compensation, and pension contributions.

124. Ordinary Maintenance & Repairs: Includes routine expenses for maintenance and repairs to church or rectory buildings, furnishings, or equipment, even in cases where the expense is reimbursed by insurance.

125. Equipment & Furnishings (New & Replacement): Includes the purchase of furniture, equipment, etc. for the church, office, rectory, or other parish facilities (under the capital limit of $5,000).

126. Major Improvements & Construction: Includes any major parish improvement. Please note: "The amount of expenditure requiring the Bishop's approval is now increased to $15,000, with two exceptions: Any proposed structural changes to Diocesan buildings, regardless of cost, must be referred to the Bishop and the Office of Buildings & Properties for review before any approval is given, and any proposed liturgical changes, regardless of cost, must be referred to the Diocesan Liturgical Art & Architecture Committee for review before any approval is given." (*Bishop's letter, 12/29/1981*) Even if the cost is less than $15,000, improvements other than routine repairs and maintenance are to be included on line 126. If there is substantial expense involved, a detailed accounting must be included in the "Questions" section of the Annual Report Form (question 12).

127. Deposits to West Virginia Catholic Foundation.

128. Interest on Debt: Interest paid on parish debt during the report period.

129. DWC Finance Use.

130. DWC Finance Use.

131. Diocesan Collections Sent to Chancery: Total amount remitted to the Diocesan Finance Office for special collections during the report period.

132. Cathedraticum Paid During Year: The total amount of Cathedraticum paid during the report period is entered here. This may include payments for prior years. Space is provided on line 52 to deduct semi-annual payment(s) made for the first half of the current report year. Final payment for the report period (calendar year) is sent to the Diocese upon submission of the Annual Report.

133. PHRA Paid During Year: The total amount of PHRA assessments paid during the report period is entered here. This may include payment for prior years. Space is provided on line 53 to deduct semi-annual payment(s) made for the first half of the current report year. Final payment for the report period (calendar year) is sent to the Diocese upon submission of the report.

134. Priests' Auto Replacement Grant Fund: The total amount remitted by the parish during the report period for the Priests' Auto Replacement Grant Fund.

135. Holiday Flower Cost: The full cost of holiday flowers is entered here. The lesser of line 3 and line 135 can also be entered on line 49 to reduce Net Assessable Income.

136. Substitute Clergy Stipend.

137a. Fundraising Expenses: The entire cost related to Receipts line 16a, Bingo & Street Fair Fundraising, and/or line 16c, Other Fundraising Income is entered here. The lesser of line 16a/16b or line 137 can be entered on line 50b to reduce Net Assessable Income.

137b. DWC Finance Use.

137c. Books & Religious Items: Includes the entire cost related to Receipts line 16b, Books & Religious Items. The lesser of line 16b or 137c can be entered on line 50c to reduce Net Assessable Income.

137d. Other Expenses.

137e. Rental Expense: Rent paid by parish for use of property.

138. Votive Candles: ONLY the cost of votive candles is entered here. The lesser of line 15 or line 138 can be entered on line 45 to reduce Net Assessable Income. The cost of altar candles, sanctuary lamps, and other candles for liturgical use is included on line 113, Liturgical Expenses.

139. Cost of Fundraising Benefits: The cost involved in fundraising events for which income is shown on Receipts line 6. This does not include the cost of merely social events or meetings in the parish. The lesser of line 6 or line 139 can be entered on line 46 to reduce Net Assessable Income. In the event that the cost of an event exceeds the income, the excess cost is not deductible, but is treated as a regular parish expense.

140. Rental Property Taxes: Property owned by the church, but not used for religious purposes, is subject to taxation. The lesser of line 12 or line 140 can be entered on line 47 to reduce Net Assessable Income.

141. Other Costs of Rental Property: Costs arising in connection with rental properties, including repairs and maintenance, insurance, etc. are entered here. The lesser of line 12 and line 141 can be entered on line 47 to reduce Net Assessable Income.

TOTAL DISBURSEMENTS: All expenses for the report period (lines 101-141) are totaled here.

Net Profit or Loss (Per Parish Financial Statement on Cash Basis): Difference between income total and expense total.

PRIESTS' COMPENSATION AND REIMBURSEMENT GUIDELINES

Compensation

All compensation for priests ***must*** be processed through the Diocesan centralized payroll system.

The pastor, administrator, Finance Council, or Pastoral Council are **not** authorized to provide additional compensation or to give bonuses to priests, including salaries paid to religious orders. Order priests with no valid "United States Affiliated Order to Pay" will be treated as taxable individuals.

Priests may receive personal gifts from parishioners, but checks must be written to a priest, personally, and may not pass through parish accounts. IRS gifting rules apply to such gifts.

Priests may not have another job (Canon 285-286) without permission of the Bishop (Canon 285§4).

Priests may not act as Executor or administrator of another's assets or Estate without permission of the Bishop (Canon 285§4).

Priests may not act as surety for the debts of another (Canon 285§4).

Mass Stipends

Priests may elect to take Mass stipends as income, or they may allow the parish to retain such stipends. The maximum stipend for daily Mass is $10; the maximum stipend for a Sunday or Holy Day Mass is $20. Priests may take no more than one stipend per day, except for Christmas Day. A list of Masses said should be retained for parish records. A check is written directly to the priest. The maximum weekly amount is $80 for a week without a Holy Day, or $90 for a week with a Holy Day. It is important that Mass stipends be paid in a timely fashion, ideally, once a month.

Food & Rectory Expenses

All food and rectory purchases must be supported by receipts. We often receive inquiries from concerned bookkeepers and Parish Finance Council members regarding spending practices and/or reimbursements for rectory food and supplies or out-of-pocket costs for clergy. We have calculated high-end average food costs to be about $750 per month; however, even costs at or below this amount must be supported by receipts. Grocery costs exceeding $750 per month are to be paid personally. Alcoholic beverages and pet food and supplies are not to be reimbursed by the parish; they are considered a priest's personal expense. Priests are responsible for submitting receipts for reimbursement monthly.

Transportation

Priests receive a monthly auto allowance as part of their compensation. Outside of specifically approved exceptions for supply ministry (retired clergy only) and campus ministry, neither the Diocese nor any parish is to reimburse a priest for maintenance costs or mileage (using the standard mileage rate or actual fuel costs) in addition to the auto allowance. Clergy should not request reimbursement for such travel costs.

Please keep in mind, priests are personally responsible for adhering to IRS reporting requirements, including W2 Income, 1099 Income, and housing and food allowances. The Diocese recommends priests consult reputable tax preparers who understand clergy compensation rules.

Credit/Debit Cards

Parishes may not have debit cards under any circumstances.

Parishes may have credit cards, but all receipts ***must*** be kept with monthly statements. The practice of using parish cards for personal expenses, then reimbursing the parish, is expressly prohibited. Parish credit cards are for parish-related expenses only.