

Parish Finances Index

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PARISH FINANCES - POLICIES AND REGULATIONS SUMMARY

The following summarizes financial policies and regulations to be followed by all parishes in the diocese.

This is only a summary. Please refer to the detailed policies on pages 7-4 and thereafter for a full description.

Detailed explanations including references to Canon Law are covered in the Pastoral Manual.

ORGANIZATION & REPORTS

- A Parish Finance Council is required.
- An Annual Budget and an Annual Report for total parish operations, approved by the Finance Council, reviewed by the Pastoral Council, and approved by the Pastor are required.
- A plan for overcoming budgeted or actual deficits submitted to the diocese with the parish budget or annual report.
- Parishioners informed of parish financial status as promptly as practicable after the close of the fiscal year.
- Parish finances reviewed in writing with the Pastoral Council at least quarterly.
- Organizations that are considered part of the parish are to be centralized in the parish accounting system and accounts.
- High school may, if approved by the Pastor, maintain its own day-to-day bookkeeping and the high school administrator sign checks.
- Organizations that are separately incorporated and funded in major part by other than the parish are to submit at least annually a financial report to the Pastor and Finance Council.

ACCOUNTING

- All financial transactions properly and promptly recorded in the parish accounting system in accordance with Parish Accounting Manual instructions.
- Parish must have an appropriately qualified bookkeeper.
- An accountant (either paid or voluntary) or qualified- member of the Finance Council must review the accuracy and appropriateness of the parish accounting records.
- All financial records and checkbooks kept on parish premises .

PARISH FUNDS & INVESTMENTS

- A parish priest must be the only signatory on all parish accounts. In an emergency, the diocesan Chief Financial Officer may be petitioned to authorize another signatory for a temporary period.
- All bank accounts, certificates, and other instruments registered only in the parish name and not in the name of a school or other parish organization. The exception may be a small petty cash fund and high school operating funds.
- Funds raised by any parish organization are always to be handled through the parish accounting system.
- Multiplicity of accounts to be avoided; normally the parish should have only an operating checking account and a payroll checking account.
- Monies in excess of day-to-day needs to be invested in government insured investments. Exceptions should be reviewed with the diocesan Chief Financial Officer.
- Funds are not to be loaned to individuals, groups, or other parishes.
- Parish is not to borrow funds without the approval of the Bishop.
- Capital expenditures over \$25,000 must have advance permission of the Bishop.

COLLECTIONS

- All collections kept in view of the celebrant or at least two other responsible persons until placed in a parish safe.
- Collection counting to be in accordance with the Parish Accounting Manual procedure.

OTHER POLICIES

- All fund raising activities by any organization in the parish must have permission of the Pastor.
- Diocesan assessments and other similar obligations to the diocese must be paid promptly.
- Regular employees, including clergy (except Religious), and all substitute teachers are to be issued a W-2 form annually.
- All employees are to be paid by check and appropriate taxes withheld. A 1099 form must be issued to any company/contractor receiving a total of \$600 or more for services from a parish during a calendar year.
- Insurance is arranged through diocesan administered policies. Premiums are billed directly to each parish and are to be paid promptly.
- No legal suit may be started without review and permission by diocesan authorities.
- Any legal suit filed against a parish or any parish organization should be promptly reviewed with diocesan authorities.

**PARISH FINANCES - SPECIFIC POLICIES AND
REGULATIONS**

The Pastor, assisted and advised by the Parish Finance Council (hereafter referred to as Finance Council), is responsible for the financial affairs and the fiscal management of the parish. This responsibility is clearly stated in canons 532 and 537 of the Revised Code of Canon Law and further defined in canons 1280-1288.

The following are the specific policies and regulations governing custody and administration of temporal goods of parishes of the Diocese of Wilmington:

ORGANIZATION & REPORTS

1. Parish Corporation - Every parish in the Diocese of Wilmington is incorporated under Title 287 of the Delaware Code. Maryland has a similar statute. Under this code each parish was recorded as a corporation with the Recorder of Deeds Office in the county where it is located; at time of its foundation. No annual fee or filing is required.
2. Each Parish Corporation has five (5) trustees which include the Pastor, the Bishop, a designee of the Bishop (usually the Chancellor) and two lay persons.

Each year on the first Sunday in January (or soon thereafter), in accordance with state law, an open meeting of the parish is held to elect two (2) lay trustees. The proceedings of this meeting and the results of the election are to be recorded in the parish Trustees' Minute Book.

3. The officers of the parish corporation are: President, Secretary, and Treasurer. The Pastor is both President and Treasurer and one lay trustee is designated Secretary.
4. Parish Finance Council (also see section 6 for full detail) - Canon 537 requires that "each parish is to have a Finance Council which is regulated by the universal law as well as by the diocesan Bishop".

The full description of the function, purpose, structure, and competency of the Finance Council is covered in the Diocesan "Parish Finance Council" guidelines included in the Pastoral Manual. All parishes are required to have a Finance Council structured and functioning according to those guidelines.

While the Finance Council is separate and distinct from the Parish Pastoral Council, it is important for the good and welfare of the parish community that the two councils collaborate closely and develop a working relationship characterized by cooperation, frequent exchange, and Christian charity. Together the two councils are concerned for the life and ministry of the total parish. The Finance Council guidelines address this most important matter of cooperation and mutual assistance.

5. The Finance Council shall meet monthly. Minutes should be taken, approved, and retained.

ANNUAL PARISH BUDGET

1. An annual budget, in the form prescribed by the diocesan Finance Office, is to be completed before the beginning of the new fiscal year.
2. The Finance Council should establish and publish a budget calendar so each major component and organization of the parish will have adequate time to analyze and itemize their anticipated income and expense for submission to the Finance Council.
3. The Pastor and Finance Council should closely examine all budget requests and have dialog with appropriate parish components and organizations prior to consolidating the data into a total parish budget.
4. Parishes should always strive to have a balanced (break-even) or better budget. If the approved budget is not in balance, a plan to make up the deficit must be prepared in written form and filed with the budget when sent to the diocesan Finance Office.
5. The Finance Council must approve the completed annual budget. It must then be reviewed with the Pastoral Council and approved by the Pastor. After these reviews and approvals, a copy is to be forwarded to the diocesan Finance Office by the date set by the diocesan Chief Financial Officer, usually in mid-June.

ANNUAL PARISH FINANCIAL REPORT

1. An Annual Parish Financial Report ("Annual Report") is to be prepared in the form prescribed by the diocesan Finance Office. All applicable sections of the Annual Report must be completed including comparison with the previous year.
2. Pastors are required to make a full disclosure of all assets of the parish, including those of all parish "umbrella" organizations, to the Bishop; this is accomplished through the filing of an accurate Annual Report to the diocesan Finance Office.
3. The Annual Report is due to the diocesan Finance Office by the date set by the diocesan Chief Financial Officer, usually August 31st.
4. Canon Law (c. 1287.2) and the regulations of the Diocese of Wilmington require that the Pastor and Finance Council provide the parish community with an annual financial accounting. A clear and adequate summary of the operating results of the parish for the preceding fiscal year, together with previous and new-year budget comparisons, should be published for the information of all parishioners. This should be done as soon as practicable after the close of the fiscal year (normally not more than 90 days).

OTHER FINANCIAL REPORTING

1. The Finance Council shall require the preparation of adequate and timely internal reports on the financial status of the entire parish. The reports should be prepared at least quarterly, but monthly is desirable.
2. At least quarterly, the Finance Council must inform the Parish Pastoral Council in writing of the overall financial status of the parish.
3. Organizations which are considered part of the parish (e.g., under the "parish umbrella") and share in the rights of the parish under Canon and Civil Law (e.g., in the matter of tax exemption) are subject to the direction of the Pastor and the Finance Council in all financial matters including raising of income, custody of funds, making expenditures, and financial reporting.

Parish-related organizations such as schools, associations, societies, Sodalties, etc. should recognize that they exist for the good of the total Parish community and, therefore, cannot view themselves as separate or independent from the parish.

An exception to incorporation of a parish organization's daily transactions in the parish accounting system may be made to recognize the complexity of school operations in a parish where there is both an elementary school and a secondary school. The Pastor may wish to permit the high school a degree of independence by allowing the high school to maintain its own day-to-day bookkeeping rather than have all transactions handled in the parish accounting system. Furthermore, the high school Administrator may be given permission to sign checks for the daily operation of the high school.

If this exception is granted to a high school by the Pastor, the high school is required to submit monthly financial reports using the diocesan chart of accounts and in sufficient detail so the school's numbers may be easily incorporated into total parish reports.

It will still be required under this exception that high school fund-raising events and capital expenditures be approved in advance by the Pastor and Finance Council. Also, all funds in excess of the high school's normal, daily operating needs are to be promptly forwarded to the parish for investment.

To implement this exception to the diocesan Policy, the Pastor will submit to the diocesan Finance Office a brief written description of the need, the starting date, and any unusual aspects of the planned granting of this exception.

4. Organizations which are separately incorporated and/or funded at least in significant part by means other than the parish, but which bear the name of the parish or are sponsored by the parish (e.g., a senior center, a scholarship foundation, etc.), shall provide the Pastor and Finance Council at least annually a full report of its financial condition. Should these groups or organizations be subject to audit by government or other funding sources, a copy of these audits shall be filed with the Pastor and Finance Council.

ACCOUNTING POLICIES

1. It is the responsibility of the Pastor and Finance Council to ensure that all financial transactions of the parish are properly and promptly (same month) recorded according to the Parish Accounting Manual.
2. It is the responsibility of the Pastor and Finance Council to ensure that the parish bookkeeper is appropriately qualified and follows the Parish Accounting Manual and other diocesan Finance Office instructions.
3. An accountant (paid or voluntary) or a qualified member of the Finance Council shall at least quarterly review the accuracy and appropriateness of the work and records of the parish bookkeeper and parish accounting records.
4. For the purpose of budget monitoring and financial planning, the parish accountant, bookkeeper, or business manager should prepare a monthly or at least quarterly summary of income and expense for review by the Pastor and Finance Council.
5. For proper internal control, the handling of parish funds (receipt, custody, and disbursement), shall be performed by a person different from the person who performs accounting and check issuance for those funds.

Where the proper separation of duties is not possible due to staff size, the following compensating control is to be used. The Pastor should receive all of the bank and investment statements directly and unopened. The Pastor (or Associate, if so delegated) should review the paid/cancelled checks. The statement(s) and checks should then be forwarded to the bookkeeper for reconciliation. If the parish elected on-line statements, the Pastor must be given access to the banking system.

6. A parish priest(s) is the only authorized signatory for checks, CD's, and other financial instruments; an exception may be the High School Administrator.

In emergencies involving a parish with only one priest, the Pastor, of if he is incapacitated, the Dean, may petition the diocesan Chief Financial Officer to authorize someone other than the priest in charge to temporarily sign checks for a specific period of time such as 30 to 90 days.

Checking, other accounts, certificates of deposit, stocks, bonds, or other negotiable instruments are to be registered only in the name of the parish. Such accounts and endowments even if for special purposes, should never be registered in the name of an individual whether clerical, religious, or lay, nor in the name of a specific parish organization or activity. A parish organization can have their name on the second name line, for example:

Parish legal name
Parish "umbrella" organization name

The only exception to this regulation is that a parish organization may have a small checking account in its own name to be used only to disburse funds from a parish-authorized petty cash fund. (See page 7-10)

7. With the possible exception of a high school, a parochial school is considered an integral part of the parish and therefore, is to be incorporated into the parish accounting system. Separate checking and savings accounts operated by the school's administration are not permitted. Funds are to be deposited in the parish accounts and invoices paid by the parish.

A petty cash fund may be established for use by a school's administration for payment of purchases of a smaller nature. Separate, in-school records may be established for school projects (e.g., money for class trips, candy and pretzel funds, milk money, etc.), however, these funds must be accounted for through the parish accounting system and are subject to review by the Finance Council.

8. All parish financial records, including checkbooks, journals, ledgers, etc., must be kept on parish premises and never removed by accountants, bookkeepers, or others.
9. All bank and investment accounts are to be reconciled to the parish general ledger on a monthly basis. This reconciliation should be performed timely, and should be documented and be initialed and dated by the preparer of the account reconciliation.
10. Petty Cash Fund Policy - Refer to page 7-10.
11. Parish Inventory Record Policy - Refer to page 7-13.
12. Fixed Asset Accounting Policy - Refer to page 7 - 14.
13. Capital Projects Policy - Refer to page 7 - 15.
14. Cemetery Funds Policy - Refer to page 7 - 16.
15. Designated and Restricted Funds Policy - Refer to pages 7 - 17 to 7 - 19.

10. Petty Cash Funds Policy and Procedure

- Essentially all parish transactions just as with any well-run business should be handled through the parish accounting system and payments made by check or electronic funds transfer. A principal exception is relatively small funds maintained by an activity, organization, or group within the parish that have the need to make small cash payments for supplies and other purposes. Examples are bingo committees, athletic associations, sodalities, carnival groups, etc.
- For these organizations, it may be impractical for the parish bookkeeper to draw checks on short notice. In such cases, it is permissible to establish a petty cash fund in the range of \$50 to \$500. A petty cash fund should be in the sole custody of a single person.
- The petty cash fund is established by drawing a check on the operating bank account of the parish. Once established, the fund is to be used by the petty cash fund custodian for payment of supplies, etc.
- Reimbursement of funds paid out of the petty cash fund is to be made only as frequently as required and by a check drawn on the operating bank account of the parish for the exact amount of the petty cash that had been disbursed for which the petty cash custodian has presented receipts.
- At the time of reimbursement, the parish bookkeeper will enter into the parish accounting system the total amount of the reimbursement as an accounts payable to the custodian of the fund in the same manner as an invoice by an outside supplier would be recorded. The accounting distribution of the various charges would then be made.
- Control of petty cash funds requires that an irregular but reasonable frequent surprise count of the petty cash funds be made by the parish bookkeeper, pastor, or finance council member to assure that the total of cash and receipts held by the petty cash custodian equals the exact amount of the authorized petty cash fund.
- Income or other incoming funds to the group or activity should not be held in the petty cash fund, but rather deposited by the bookkeeper into the parish's operating account with the appropriate credit to the sub-organization or activity.
- Property administered periodically checked, and an appropriate amount of petty cash fund provides a satisfactorily controlled method for parish organizations to retain a reasonable amount of cash for small purchases. **Subsidiary organizations within the parish should never retain monies other than through authorized petty cash funds.**

11. Parish Inventory Record Policy

Each parish should maintain an up-to-date inventory listing of its principal assets (those in excess of \$2,500 each).

The purpose of maintaining an inventory of assets is threefold.

The first purpose is loss related. In case of a loss due to either fire or theft, being able to produce a listing that described the lost article and its location will make estimating the loss easier and reimbursement faster.

The second purpose is control. Records of assets including location will facilitate knowing when an item is missing and when to file a claim and to establish better security measures.

And third, an inventory record will be especially helpful for reviews of insurance coverages by the insurance broker or a review of the parish financial status by an auditor.

The inventory listing should include:

1. *Description of the asset* - The description should include serial numbers if available, location of the asset, and other information to enable identification.
2. *Cost or value* - The purchase price or, if the asset is a gift, the estimated value at the time the asset is acquired.
3. *Date it was acquired* -

The inventory record can be a manual list or a computer record and should be updated at least semi-annually. Assets can be grouped in obvious categories rather than listing individual items. For example, parish office furniture could be listed as "two desks, two 5-drawer file cabinets, and two swivel chairs", and assigned a total value, a location, and an acquired date.

12. Fixed Asset Accounting Policy

The following three ranges represent how the diocese wants the parishes to account for expenditures of a "capital nature". In general, capital expenditures usually represent a long term "investment" (i.e. they have future value). They are not of a one year "operating" nature. The easy examples are land and buildings. The policy of the diocese is for the parishes to capitalize all additions to land and buildings. The policy is **not to depreciate** and not to **mark-up** or increase the value of the land, building, furniture & fixtures, or any other fixed asset by an annual percentage, or by the increased insurance value.

The following three ranges are to be used to account for expenditures of a **capital nature**:

1) **\$0 to \$2,499 - "NORMAL EXPENSE"**

Expenditures in this range are charged to their usual general ledger account number.

2) **\$2,500 to \$24,999 - "CAPITAL EXPENSE"**
(Aka "extraordinary expense")

\$2,500 to \$ unlimited - All repairs & replacements

\$2,500 to \$24,999 - Building improvements

Expenditures in this range are still expensed. However, they are segregated out of the normal operating expenses and are classified under general ledger account number 3920 to 3990 as extraordinary (or capital). Items in this range still get added to the parish inventory list even though they are expensed.

3) **All land "CAPITAL ASSETS"**
All buildings
(Some, but not all building improvements)
All building improvements - \$25,000 and up
All other fixed assets - \$25,000 and up

Expenditures in this range are not expensed, either in the general ledger or in the Annual Report. They are **capitalized** in the true accounting sense. They are debited to a general ledger asset account number (1205 to 1290) when paid. They are disclosed on the balance sheet of the Annual Report, and not the operating statement. They are added to the parish inventory list. They are still not depreciated. The fixed asset accounting policy for all 3 ranges above is per item. For example, if the parish purchases three computers at \$2,000 each (total \$6,000), they would get accounted for under range 1.

Project Accounting

An exception to this is for large scale projects. A parish might install a new HVAC system where the individual components cost less than \$25,000, but the total cost is \$30,000. That would probably fall under range 3, and not 2. The same is true of large scale building improvement projects.

Please contact the Finance Office whenever clarification is needed on accounting for projects.

13. Capital Projects Policy

A parish desiring to undertake a capital expansion program (project) on which a debt will be incurred will:

- A. Barring other major considerations, have 40% of the total projected cost of the project on hand (cash) **BEFORE** construction begins, and
- B. Provide clear evidence that the remaining total projected cost is obtainable through pledges or through pledges and borrowing, and
- C. Provide evidence that the projected debt service can be sustained.

14. Cemetery Funds Policy

This policy addresses the management of funds associated with the care of a Parish cemetery.

Cemetery funds are normally derived from the sales of lots, fees, interest income, and bequests. Income as well as all expenses for the cemetery should be recorded in the parish accounting system.

Cemetery funds are to be maintained as follows:

- *Restricted Funds* - are those required by law to be held in trust for perpetual care purposes. In Delaware, 10% of all cemetery sales are to be held in trust. In Maryland, cemeteries up to 10 acres in size and those over 10 acres must have established an irrevocable trust fund of \$10,000 and \$25,000 respectively. In addition, 10% of annual sales must be paid into the fund.
- Interest income generated by the restricted fund must be used for cemetery maintenance; the principal of the fund should not be touched.
- *General Funds* - are those funds acquired by the cemetery or earned that are in excess of the restricted funds described above.

General funds can be further designated as either maintenance or development funds. Maintenance funds are used to pay expenses such as fees to outside contractors for grass cutting and snow removal or to maintain cemetery equipment, etc. Development funds are used for improvements such as fencing, sidewalks, roads, shrines, etc.

Management of cemetery funds is under the jurisdiction of the Pastor with the assistance of the Parish Council, the Finance Council, and the Cemetery Committee (if any). The principles that govern the designation of funds as restricted or general, future improvements, etc., are that cemetery funds must be managed according to legal requirements, to respect the deceased and consistent with goals and objectives of the total parish.

One approach might be that 10% of income could be used for maintenance and 20% of income for development. Amounts will, of course, depend on the present size of the fund, other parish needs, and other local considerations. However, excess cemetery funds should be available for other parish needs and should not be held for indefinite future cemetery enhancements while serious parish needs such as asbestos removal, leaking roofs, no heat, etc., are not addressed.

15. Designated and Restricted Funds Policy

Parishes and its organizations frequently raise or receive moneys to be used for specific purposes. It is important a clear understanding be reached at time of receipt among the giver, the recipient, and those administering the funds exactly how the funds should be used. The following guidelines and procedures are given to assist parishes in the handling of what can be a sensitive area.

Restricted Funds

Funds from External Sources

Fund bequeathed by a parishioner, received from a grant, loaned by the Diocese or Foundation, etc. for specific purposes take the nature of contractual agreements. These are considered restricted fiduciary funds to be held in trust and morally, ethically, and often legally, the funds must not be used for any other purpose. Even the Pastor does not have the authority to unilaterally change the restriction. Only the Donor can change the restriction.

Insurance Settlements are usually reimbursement of monies already spent to replace or restore damaged property. Monies received in excess of amounts spent are considered unrestricted, general purpose funds.

(Also see "Temporary Use" exception discussed below).

Designated Funds

Funds from Internal Sources

Funds raised by parish events such as carnivals, bazaars, pot luck dinners, bingo, raffles, contests, car washes, etc., are considered unrestricted, general-use funds unless specifically designated otherwise by the Pastor. A restricted use designation is made at the time the Pastor gives his required advance approval for a parish organization to hold the fund raiser.

Since the Pastor must give his approval to designate these funds, he may also change the designation. For example, events or passage of time may have eliminated or made the original purpose of the funds unrealistic. It is important, however, that any change in restriction be fully discussed with those involved in the raising of the funds and/or with those who have a valid continuing interest in the handling of the funds.

(See also "Review of Fund Records" below.)

Regardless of the source, two basic requirements for designated and restricted funds must always be met:

1. A record is to be created immediately upon receipt of the funds to describe the exact nature of the restriction.

For example, what is the correct name of the fund? Are only interest earnings allowed to be used? Is there any restriction on how the funds can be invested? Exactly how and when can the principal be drawn?

2. The parish books must record the title and designated and restricted fund amounts in a separate account number in the Parish accounting system.

Accounting Treatment

Accounting treatment for restricted funds requires establishing a separate balance sheet, fund account. It can be any unused account number between 1900 and 1999. The related income and expense transactions of designated and restricted funds should be reflected in the Income Statement of the Annual Parish Financial Report.

With proper entries and documentation, activity can be readily reviewed and the remaining fund balance easily determined.

Co-mingling and Investment of Funds

Actual moneys, even if restricted, can be co-mingled with other funds in the parish operating bank account or in investment accounts provided separate accounting records are maintained. For example, \$50,000 of restricted funds could be combined with another \$50,000 of general parish funds and invested in a single certificate of deposit. Interest income should be allocated proportionately to the respective accounts.

Temporary use of Designated and Restricted Funds

Temporary use of designated and restricted funds in emergency situations is permissible. For example, a furnace may give out during the winter and require \$10,000 to immediately replace it. Available general parish funds may total only \$5,000, but there could be another \$5,000 in a restricted fund.

Temporary use of designated and restricted funds may be made provided (a) the records clearly reflect appropriate accounting entries and (b) the use of the funds is limited to a definite, reasonable period of time.

In essence, the parish "borrows" money from a designated or restricted fund to avoid the alternative of using more expensive bank or other borrowings. Provision must be made to repay the fund from a special collection, a grant, or other sources. To allow funds to remain unpaid violates the restriction and could create a "political" problem within the parish.

Review of Fund Records

Newly assigned pastors and administrators should give a high priority to an initial review of the total financial status of the parish and its organizations including any designated and restricted funds.

Continuing service Pastors should also review designated and restricted funds periodically to make sure restrictions are still appropriate.

The Pastor's review of designated and restricted funds should conclude with a notation reaffirming the restriction, a change, or elimination of the restriction.

If a change or elimination of the designation and restriction is made, the Pastor should consult and reach agreement on the change with any persons involved in the original setting of the restriction or with those who might have a valid continuing interest in the funds.

Parish organizations that raise funds which a Pastor agrees to designate restricted may, as appropriate, review parish accounting records that show the status of the funds in which they have a bona fide interest.

Diocesan internal and/or external auditors are instructed to inspect parish accounting records during the course of their financial reviews to confirm proper accounting treatment of designated and restricted funds.

16. CREDIT CARD POLICY

Parish issued credit card

The purpose of this policy and procedure is to ensure that the Parish issued credit cards are used for appropriate business purposes and that adequate controls are in place to ensure compliance. This policy applies to all employees who maintain a parish credit card.

- Parish credit cards are to be used for the purchase of parish-related expenses.
- Personal purchases (including alcohol) of any type is strictly prohibited.
- Cash advances are prohibited.
- The employee must obtain a receipt (or invoice) for each purchase.
- When the credit card is used for meals, the employee must obtain a detailed receipt showing the number of people present, what was purchased and the tip amount. The employee must note on the receipt the names of people present and the nature of the business.
- The receipts must be turned in to the bookkeeper (business manager) within 48 hours of the purchase.
- The bookkeeper (business manager) will maintain a receipt file for each employee who uses a parish issued credit card.
- Upon receipt of the credit card statement, the bookkeeper (business manager) will match the receipts to the statement and will assign the appropriate general ledger account to be charged.
- The statement along with the receipts should be submitted to the pastor for approval. In the case of a pastor's credit card statement that exceeds \$1,000 in a month, the approval (pre or post payment) should be obtained by a member of finance council.
- On occasion there may be a situation where a receipt is missing. In these rare instances the employee must submit to the bookkeeper (business manager) an explanation to support the purchase. However, if missing receipts becomes abusive the items not supported can be considered taxable income to the employee under the IRS ruling of an unaccountable plan.
- The bookkeeper (business manager) will ensure timely payment to the credit card company to avoid late fees and interest.

Personal credit card

The purpose of this section is to ensure proper accountability when reimbursing an employee or volunteer for purchases made on their personal credit card for parish-related expenses.

- In the rare situation where an employee or volunteer uses their personal credit card for parish-related items they are entitled to a timely reimbursement.
- The employee or volunteer will fill out a request for check voucher, attach the receipt to the voucher, note on the voucher or receipt the nature of the purchase and will submit the documents to the bookkeeper (business manager).
- The bookkeeper (business manager) will assign a general ledger number to be charged and obtains the pastor's approval. In the case of a pastor's personal credit card purchase to be reimbursed that exceeds \$200, a member of finance council should initial the check request voucher.
- The bookkeeper (business manager) will ensure that the employee or volunteer is reimbursed with the next check run.
- The bookkeeper (business manager) will file the documents under the last name or first letter of the last name of the person reimbursed.

17. BUSINESS ALLOWANCE

This section does not supersede information contained in the "Compensation and Benefits for Priests" package issued by the Vicar General each year. This section is intended to be used as an additional guide for the parish and parish business office as it relates to the priest's business allowance.

- Each priest is allowed the opportunity to substantiate their business expenses near the end of each calendar year.
- They are asked to provide sufficient documentation substantiating otherwise unreimbursed business expenses in order to support the monthly allowance.
- The most significant expenses are typically automobile related, but can also include business meals, clerical clothing, equipment, dues, subscription, books and other unreimbursed business costs.
- At least two weeks prior to the last payroll run of the calendar year, the priest must turn in to the business office all documentation that will support the business allowance.
- The business office will determine if the substantiated documentation is equal to or exceeds the business allowance. If so, the business allowance is not taxable income to the priest.
- If the business allowance is only partially supported, the amount not supported becomes taxable income to the priest. However, if the priest returns the unused portion of the business allowance in to the parish business office, there is no taxable income to the priest.
- Substantiated documentation includes but is not limited to:
 - Mileage log(s)
 - Receipts clearly showing the purchased item along with a noted business need
 - Detailed restaurant receipts indicating who attended and the business nature for the meal/meeting
 - Other business related items such as auto insurance, auto lease payments or auto depreciation, as well as auto repairs
- Credit card statements cannot be used to substantiate the business allowance unless it is supported with valid receipts.

18. CONTINUING EDUCATION AND RETREAT ALLOWANCE POLICY

This section does not supersede information contained in the "Compensation and Benefits for Priests" package issued by the Vicar General each year. This section is intended to be used as an additional guide for the parish and parish business office as it relates to continuing education and retreat allowances.

- The allowances noted in the compensation package are not automatically paid to the priest. The amounts indicated in the package are to be used for budget purposes.
- These allowances are non-taxable if the priest provides the parish business office with receipts to support the expenses. Reimbursement to the priest will be made up to the budget amount. Any expense over the budget amount is the responsibility of the priest.
- If the priest draws an advance (no more than 30 days prior to the event) for continuing education or a retreat, the priest must turn in the receipts supporting the expense and unused funds (if any) to the business office within 60 days after the event.
- The business office must reconcile the receipts to the advance.
- In the event unused funds from the advance are not turned in to the business office or expenses claimed that are not supported with receipts, the entire amount of the advance becomes taxable income to the priest. This amount must be applied to his W-2.

Please refer to the compensation package as it relates to the approved allowance amount.

If questions arise regarding these allowances, contact the Diocese finance office.

FUNDS AND INVESTMENT POLICIES

1. A multiplicity of checking accounts should be avoided. The typical parish should have one checking account for normal operating purposes and a separate checking account for payroll purposes. Other checking accounts should be avoided, although on occasion may be needed to receive funds and pay bills for new construction or renovation, etc.
2. The Finance Council should develop an investment policy and plan for funds in excess of daily operating needs. The plan should include both long and short-term investment objectives and may include government bonds, certificates of deposit, insured cash management accounts, etc. Unless an exception is reviewed with and approved by the diocesan Chief Financial Officer, investments are to be in U.S. Government insured instruments.
3. A parish is not to lend funds to another parish, or to an individual, corporation or group, or purchase real estate, without prior written approval of the Bishop.
4. No parish or parish organization is to borrow funds under any circumstances without prior written approval of the Bishop.
5. No real property of the parish may be sold, leased, or otherwise disposed of without prior authorization of the Bishop.

Execution of deeds for sale or acquisition of property, mortgages, loans, and major construction contracts requires the signatures of all five (5) trustees.

6. Parishes, or any other diocesan organization, should not file legal suit until they have reviewed the situation with the diocesan authorities and the diocesan attorney.

Whenever a suit is filed against the parish, diocesan authorities and the diocesan attorney should be advised immediately.

7. Capital expenditures for new construction or renovations shall be made in accordance with the regulations and procedures adopted from time to time by the Bishop and the diocesan Building Committee as outlined in the Pastoral Manual.

Expenditures of \$25,000 or more require advance permission of the Bishop.

COLLECTIONS

1. From the time of collection (offertory or fund raising events) to the time of deposit, all cash receipts are to be kept in tamper-evident plastic bags. The Pastor or two lay persons will place the tamper-evident bags in a locked safe. Only parish clergy, parish business manager, lead ushers and lead counters may have knowledge of a parish safe combination. An individual (except the Pastor or celebrant) should never be left alone with church funds. In **addition, the bags should never be opened by anyone other than the counting team.**
2. Appropriate collection counting procedure should be strictly followed. Refer to pages 7-23 to 7-25 for detail and example.
3. Each year the Chancery publishes a schedule of mandatory diocesan, national and international collections. The proceeds from these collections are not parish funds and are not to be used as such. These collections are to be remitted to the diocesan Finance Office by the second Monday after the collection is taken.

The parish should not hold up remitting the funds to wait for a few more dollars to trickle in. Any funds received after 25 days should be credited to a liability account and held for remittance to the diocese the following year.

The standard Parish Remittance Advice form should be completed (i.e. parish name, parish number, date prepared, dollar amount on appropriate line(s), total dollars, check number, cash amount if any, preparer name, phone number and email address) and mailed with the check as a transmittal. Refer to page 7-26 for an example.

Parish Remittance Advice forms should be used to transmit any payment to the diocesan Finance Office including, but not limited to, payments for assessments, lay medical insurance, priest medical insurance, priest retirement contributions, etc.

4. All fund raising activities must be conducted in strict conformity with federal, state and local laws. No special consideration such as a discount or reduction on school tuition should ever be offered in return for a tax-deductible contribution. Nor should tuitions be made part of offertory contribute ion.
5. Any fund raising activity by any organization associated with the parish must have the advance permission of the Pastor. The regulations of the diocese, as found in the Parish Council Handbook, also provide that all fund raising must be in accord with the procedures and policies adopted by the Pastoral Council and the Finance Council.

COLLECTION HANDLING

The following is a detailed description of the procedure for handling collections.

Prior to each weekend, the business office will control the tamper-evident bags by entering the serial number of each bag for each mass onto an "usher's log". The usher's log will be given to the counting team in order to verify that the proper bags were used for each mass and that no bags are missing.

The ushers collect the offertory from the parishioners.

The head usher or gift bearer will take the collection money up to the altar.

After the Liturgy at least two ushers must take the basket to the Sacristy and wait for the Celebrant.

The offertory must be placed in tamper-evident bags and sealed. The two ushers will then sign and date each bag.

Either the priest or at least two ushers should take the sealed bags to the Rectory where the funds are placed in a locked safe. (Where there is a safe in the Sacristy, the funds can be locked in there.) Knowledge of safe combinations should be limited to the parish clergy, business manager, lead ushers and lead counters only.

The counting of the funds should be done as soon as possible, preferably on Sunday but Monday is acceptable.

Once at least two counting team members are present, the pastor and business manager (or lead counter), or business manager and lead counter will open the safe and retrieve the tamper-evident bags.

Counting must be done in teams of three or more persons; preferable more than three.

Counting teams should rotate from Sunday to Sunday, or Monday to Monday as the case may be. (Three or more counting teams are preferred.) Under no circumstances should the same persons be allowed to count funds week after week.

Prior to opening the tamper-evident bags, the lead counter or designated person must verify the serial number of each bag to the usher's log that was generated by the business office. If there are any discrepancies such as a bag missing or a bag was opened or destroyed, the business office must be notified immediately of the issue.

;;... Each member of the counting team should be given assigned tasks such as:

1. Removing cash or checks from envelopes, noting proper amounts on the envelope face, or entering amounts contained therein on the envelope face
2. Counting notes and coin according to the types of collection
3. Recounting notes and coin
4. Examining the completeness of checks received and recording the amounts received by check
5. Running a calculator tape on the checks received and another person should verify the amounts.
6. Recording the cash count/recap sheet
7. Preparing the deposit slips, etc.

➤ Separate totals must be obtained for loose and for envelope monies for each type of collection, e.g., regular loose, regular envelope, special parish, loose, special parish envelope, Diocesan loose, Diocesan envelope, etc.

;;... One member of the team should record the cash counts in ink on a Cash/Count/Recap Sheet. Separate totals must be obtained for the envelope users. The recorder must not be the same person week after week.

;;... The counters and the recorder should sign and date the count sheet.

;;... The signed count sheet should be turned over to the pastor who should initial the form and place it in the business manager's (or bookkeeper's) mail box. The pastor may retain a photocopy for his file.

;;... The counters should prepare the deposit slips.

;;... All funds to be deposited, deposit slips and tapes of checks should be placed in a locked bank bag.

;;... Two counters or the priest should transport the funds to the bank immediately after the count.

;;... Validated deposit slips, when received from the bank should be turned over to the bookkeeper.

;;... Bookkeeper should compare the deposit slip to the original Cash Count/Recap Sheet, staple them together and then record the amounts per the count sheet into the parish accounting system.

- }]> The bookkeeper, secretary or a volunteer other than the counters must run an adding machine tape of the amounts on the envelopes to tie in the amounts shown on the envelopes with the total recorded as envelope income on the Count/Recap Sheet.
- }]> The secretary, volunteer or bookkeeper will enter the offertory amounts from the envelopes into their parish donation system (most often used is PDS).
- }]> Under no circumstances should the tamper-evident bags be opened by another person other than the counting team members. The tamper-evident bags must be opened when there are at least two counting team members present.
- }]> The business manager, bookkeeper and/or parish staff member should not be present during the counting process.
- }]> The counting process should be held in a locked room.
- }]> At least two counting team members must be in the counting room at all times.
- }]> If questions arise and need to be answered by a staff member, the counting team member should contact the staff member via the phone or should go to the staff member's office.

Catholic Diocese of Wilmington, Inc.

Parish Remittance Advice

Parish Name	Location Code	Date Remitted		
Fund Source	Description of Collection	Payment due by	Amount	
HOLYFA	Works of the Holy Father (Peter's Pence)	September 15		
EUROPE	Aid to Churches in Central/ Eastern Europe	October 31		
CATHUC	Catholic University & Catholic Comm.	April 30		
MISSION	World Mission Sunday	December 31		
CHO	Campaign for Human Development	February 15		
RELRET	Religious Retirement (Retired Sisters)	March 30		
BLCKIN	Black & Indian Missions and Home Missions	May 15		
OVRSEA	Catholic Relief Service & Latin America	June 30		
RICEBO	Operation Rice Bowl	August 15		
HOLYLAND	Holy Land Christians & Shrines	July 15		
SEMEDU	Diocesan Priests Retirement	August 31		
	St. Peter's Cathedral Collections	TBD		
	Emergency/Disaster Relief Collection:	TBD		
300700 55202	SPOF - Mission Cooperative	TBD		
	Mission benefited:			
Account #	Other Diocesan Remittances	Speed Key		
Customer	Parish Assessment	0		
Customer	Lay Health Insurance (Highmark-Delta Dental)	71621		
Customer	Clergy Health Insurance (Highmark-Delta)	71521		
Customer	Retired Clergy Expense - Head Tax	71521		
Customer	Other Invoices:	0		
Participant	Group Accident Insurance	1122		
	Other payment - describe:			
Remitted Via Check #				
Total Cash Remitted				
" , , d 09/14/2b, . -3-- 1--		Prepar(; ? r Nam		1
		Phone number		
		E-Mail		

ASSESSMENTS

In November/December, on the recommendation of the Diocesan Finance Council, the Bishop approves the annual calendar year parish assessments needed to support many diocesan activities. The assessment amount is based largely on the prior year's ordinary income.

Each parish is responsible for the prompt payment of its diocesan assessment and other fees or charges required by the diocese.

Likewise, the timely repayment of funds loaned to parishes by the diocese is required.

Remit using a fully completed Parish Remittance Advice form. Refer to page 7-26 for an example.

FEDERAL, STATE AND LOCAL TAXES

1. Parishes are tax exempt organizations (i.e. federal income tax exempt), but they must pay applicable federal, state, and local payroll taxes and social security/FICA and Medicare withholdings on all employees paycheck as required by law.
2. All employees are to be paid by check, not in cash, and appropriate taxes must be withheld.
3. Parishes are required to provide each employee, including diocesan clergymen (except Religious), an IRS form W-2 annually. Likewise, they are required to file the appropriate wage/tax information according to federal, state, and local laws.
4. In the case of those individuals or companies who are independent contractors, who generally provide service(s) part-time, an IRS form 1099 must be filed with the IRS if they are paid a total of \$600 or more in one calendar year by parishes. In general, corporations are exempt, but not medical corporations. Companies are not exempt unless they are a corporation. An IRS form W-9 Request for Taxpayer Identification Number and Certification must be obtained for each independent contractor (company or person) who provides services to the parish before any payment is made. The W-9 form along with instruction can be found on page 7 - 28.

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

... Go to www.irs.gov/FormW9 for instructions and the latest information.

	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
C - 11 P a. § Q g I : : 15 2 ' : : : E a. li: (J al c)	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ... Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see Instructions) ... Addres (number, street, and apt. or suite no.) See... in instructions ----- Requester's name and address (if any) ----- City, state, and ZIP code -----	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
	7 List account number(s) here (optional)	

EMH Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
OTI-CD-	
or	
Employer identification number	

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person.,	Date.,
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (OBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or OBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or OBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, OBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
<ul style="list-style-type: none"> Corporation 	Corporation
<ul style="list-style-type: none"> Individual Sole proprietorship, or Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes. 	Individual/sole proprietor or single-member LLC
<ul style="list-style-type: none"> LLC treated as a partnership for U.S. federal tax purposes, LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes. 	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
<ul style="list-style-type: none"> Partnership 	Partnership
<ul style="list-style-type: none"> Trust/estate 	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1-An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2- The United States or any of its agencies or instrumentalities
- 3-A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4-A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5-A corporation
- 6-A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7-A futures commission merchant registered with the Commodity Futures Trading Commission
- 8-A real estate investment trust
- 9-An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10-A common trust fund operated by a bank under section 584(a)
- 11-A financial institution
- 12-A middleman known in the investment community as a nominee or custodian
- 13-A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A-An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B-The United States or any of its agencies or instrumentalities

C-A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D-A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E-A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F-A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G-A real estate investment trust

H-A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I-A common trust fund as defined in section 584(a)

J-A bank as defined in section 581

K-A broker

L-A trust exempt from tax under section 664 or described in section 4947(a)(1)

M-A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (granter is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Granter trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁵
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Granter trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 340, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

INSURANCE

1. Insurance coverage for the diocese and parishes is handled through diocesan administered policies.
2. Each year, the insurance agent-broker sends a letter to each parish outlining in detail the specific insurance coverage and premiums required to be paid by the parish. At that time, they may also give specific instructions with regard to certain risk management procedures and requirements when non-parish organizations rent parish facilities. Parishes are required to follow these instructions.

Since the insurance program is for all parishes and diocesan institutions, prompt payment of premiums by each parish is essential.

3. Parishes with new buildings or modifications to be insured, should call the diocesan insurance agent, who will visit or send an agent to the parish to establish the value and coverage, and include it in the diocesan plan.

The insurance agent's office and the Diocesan Finance Office is also to be called as soon as possible in the event of loss or damage.

4. The coverage provided by the diocesan plan include buildings and contents of each parish against ALL risks of loss, i.e., fire, windstorm, vandalism, burglary, and theft, etc. Personal effects of priests and sisters are similarly insured while on the premises. Money of the parish is insured against burglary, robbery, or theft on the premises and in transit to the bank.

Liability coverage is provided for all activities sponsored by the parish whether they take place on the premises or elsewhere.

Boilers and related equipment are insured against accidental loss and will be inspected annually in compliance with state codes.

5. Workers' Compensation benefits required by the compensation laws of Maryland and Delaware are provided under a single policy and cover all employees of the diocese and each parish.

