

ACCOUNTING SERVICES

Human Resources and Payroll

Human Resources and the Office of Accounting Services are in the process of evaluating ideas for future enhancements and improvements to the human resources and payroll areas. We are working with a volunteer focus group that is representative of each type of parish, school, and agency in the Archdiocese. We appreciate the collaborative effort during this review. Please stay tuned for future announcements as we make progress in these areas.

Please read the following message; this change will affect your bank account in January:

Employer H.S.A. Contributions

Beginning January 31, 2015 employer health savings account distributions will be direct deposited to each personal account through Paycor payroll. This means the Archdiocese will need to provide each location a direct deposit to cover the amount that Paycor will withdraw from the location for the employer H.S.A. contribution. The central office will prefund each location's bank account with the appropriate sum of employer H.S.A. cash requirements two days prior to the end of month payroll pay date.

In January the central office will activate the health savings accounts for direct deposit with the January 30, 2015 payroll distribution. **On January 28, 2015 the Archdiocese will prefund location's operating bank accounts with the cash required for employer H.S.A. funding prior to Paycor withdrawing the funds due for payroll.** This process should not require the locations to make a journal entry. It is merely a cash transfer and not a revenue or expense of the location. The exact amount deposited by the Archdiocese will be withdrawn one day later on January 29th by Paycor to fund the participants' health savings accounts. Please contact Accounting Services with any questions regarding this change.

Annual Tax Forms

Churches and religious organizations must provide Form 1099-MISC to report payments of \$600 or more to persons not treated as employees for services performed. This form is required if your church pays an unincorporated individual or an entity \$600 or more in a calendar year for one of the following payments: gross rents, commissions, fees, or other compensations paid to non-employees like prizes and awards, or other fixed and determinable income. The **Form 1099-MISC must be provided to the payee by January 31** and Copy A to the IRS by February 28th. For more information on filing requirements for the 1099-MISC, please visit the IRS website at www.irs.gov.

Mileage Reimbursement Rate

The IRS released standard mileage rates for use in 2015 on December 10th. (Notice 2014-114). Taxpayers can use the optional standard mileage rates to calculate the deductible costs of operating an automobile. **The rate for business use of an automobile was increased to 57.5 cents per mile.**

The Archdiocese reimburses employees for 75% of the IRS issued standard mileage rate. Effective for miles driven on or after January 1, 2015, the Archdiocese mileage reimbursement rate will be 43 cents per business mile incurred. Questions can be directed to accountingservices@archindy.org.

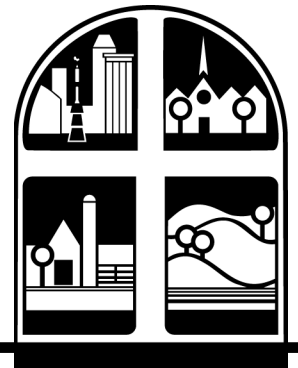
Monthly Assessments

January assessments will be distributed to locations by January 26, 2015. Assessments will be withdrawn on Friday January 30, 2015. Requests for adjustments to withdrawals must be sent to Carey Kendall by noon on Wednesday January 28th: ckendall@archindy.org

ADLF Rates for Jan-Mar 2015

Loans 3.75% Deposits 0.75%

The next ADLF committee meeting will be held on Thursday February 19, 2015. If your parish would like to be placed on the agenda for the next meeting, please contact Carey Kendall at (317)236-1519 or ckendall@archindy.org.



ACCOUNTING SERVICES

There is action required on your behalf from the State Board of Accounts (SBOA).

If your parish, school, or agency receives financial assistance from governmental sources in the form of grants, subsidies or contributions, you are required by Indiana Code (IC) 5-11-1-4 to file an Entity Annual Report (Form E-1) with the State Board of Accounts. Examples of governmental assistance include state voucher funds and governmental lunch program assistance. The information you report on Form E-1 enables the SBOA to assist you in correctly determining your auditing and reporting requirements. Therefore, it is extremely important that you exercise care in the preparation of this report.

The E-1 Entity Annual Report should not be confused with the annual Secretary of State's Business Entity Report that the Archdiocese of Indianapolis files on behalf of each parish, school, and agency. The Archdiocese will continue to file the Business Entity Report.

The State Board of Accounts provided the Archdiocese of Indianapolis with the notice below that relays the E-1 will now be due through their electronic Gateway; the agency will not accept the report by any other means. In order to update their current electronic contact data, you are required to respond to the request below if your parish or agency receives funding from government sources.

Please contact us at: accountingservices@archindy.org with any questions about this notice.

Action Required to the State Board of Accounts:

The State Board of Accounts is pleased to announce that the development of a new electronic submission process for the E-1 Entity Annual Report is nearing completion. The Indiana Gateway for Government Units ("Gateway") was developed as a collaborative project between the Department of Local Government Finance (DLFG), the State Board of Accounts (SBoA), and the Indiana Business Research Center (IBRC) at the Kelley School of Business through the Information for Indiana (IFI) initiative. Gateway provides a central portal for local governments to submit data online modernizing the way we collect and publish local government financial information.

Beginning in 2015, not-for-profit entities will join local units of governments in submitting their statutorily required annual reporting to the State Board of Accounts through the Gateway. Once complete, this process will be the only means of submitting your E-1 Entity Annual Report. **An E-1 Entity Annual Report submitted by any other means or in any other format WILL NOT BE ACCEPTED.**

In the coming weeks we will be sending information regarding this new submission process. It will be very important that we have an up-to-date email address for your entity in order to keep you informed during this transition. This email is being sent to the email address that we have on file for your entity. **In order to validate that we have a current email address on file for your entity we are asking that you respond confirming receipt of this email and include the below requested information in your response.**

Additionally, your email address will be used to create your entity's login to Gateway. If the official's whose responsibility it will be to prepare and submit the E-1 Entity Annual Report is different from the address we have on file, please notify us of the address that should be used for the creation of the Gateway login. **Please provide the following information via email within the next five business days:**

Entity's Legal Name

DBA name

Address

Responsible Submitters name and title

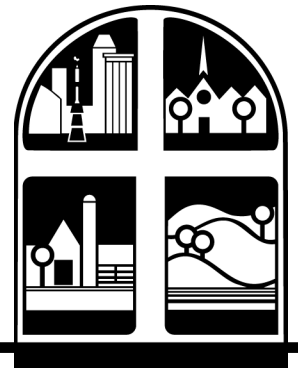
Responsible Submitters email address

Federal ID Number

SBA File Number: The SBA File Number is printed on any correspondence (E-1, audit letter, waiver letter, or delinquent notice) that you have previously received from our agency. Please locate that number from previous correspondence or call to request if unable to locate.

Should you have any questions you may contact us by email at notforprofit@sboa.in.gov or at (317) 234-8812. Thank you for your cooperation and assistance.

Please share these newsletters with your fellow co-workers who normally would not receive Accounting Service News.
There is always valuable information that can be shared throughout your parish, school or agency.



CENTRAL PAYROLL

5/3rd PayCard

Reminder for employees that use the 5/3rd PayCard: The last day for deposits to the PayCard is Friday, February 13, 2015. Please advise employees to update their direct deposit information for payroll.

W-2 Information

All locations will receive W-2s for all of their employees. W-2 forms must be handed out or postmarked by Saturday January 31st. Please report any needed corrections to centralpayroll@archindy.org.

2015 Payroll Calendar

The 2015 Payroll Calendar is published online at: <http://www.archindy.org/finance/payroll.html>.

Please ensure your pay periods reflect correctly in Paycor.

After opening each pay run, ensure the pay periods reflect correctly. If you do not do this, the pay periods on pay stubs will not reflect correctly. Instructions to update the pay calendar each pay cycle have been added to the Finance-Payroll web page on the Archdiocesan web-site: <http://www.archindy.org/finance/files/parish/payroll/Edit%20Payroll%20Calendar%20Dates%20in%20Perform.pdf>.

Please note the following as it relates to the Payroll Calendar:

◆ Anthem Enrollment and Change form Due Dates

Please note the Anthem New Hire Enrollment and Anthem Change forms must be sent to human resources before the due date noted on the Payroll Calendar. This allows Human Resources and Central Payroll sufficient time to process the required paperwork and ensures the required deductions are being modified appropriately. Forms received after the due date noted in "Benefit Changes Due to HR by Noon" on the Payroll Calendar will be processed during the next pay cycle.

◆ Do not reset your Pay run when opening Payroll

Resetting your pay run when opening payroll removes any benefit related changes that were processed by Central Payroll. This will cause issues with employees net pay and warrant back deductions. Please do not reset your pay run when opening payroll. If you do inadvertently reset your pay run, contact Central Payroll to notify the office that this has occurred.

◆ Do not submit payroll before the submission date noted on the payroll calendar.

Processing payroll before the required approval date may disrupt benefit related changes to employee benefits for new, shared, transferred, or terminated employees.

Please ensure Paycor data is complete and accurate:

◆ Hours Worked

A recent audit revealed several locations do not have hours associated with compensation for salaried employees. Hours worked are required to be recorded each pay period. Please ensure there are hours associated with compensation for both hourly and salaried employees. If you have a question on how to ensure hours are associated with compensation, please contact Melinda Buckler at: mbuckler@archindy.org.

◆ Full Time Part-time Employee Status Type

Beginning January 1, 2015 a full time employee is defined as one who works at least 30 hours in the work week. This includes both nine and twelve month employees. Please review all employee's Status Type in Paycor against scheduled hours for 2015 and ensure the appropriate full time or part time designation is assigned to each employee.

◆ Workers Compensation Codes in Paycor

Please ensure all workers compensation codes are assigned appropriately in Paycor. The codes should be assigned as follows: Bus Drivers (WC-7380) / Administration (WC-8868) / Maintenance & Kitchen (WC-9101) / Cemetery (WC-9220)



PARISH INTERNAL CONTROLS

Exemption from Indiana Utility Sales Tax

One of the benefits of being a tax exempt organization is the ability to be exempt from sales tax under state law, including sales taxes on utilities, if applicable. Utilities (telephone, gas, electric, steam and water) used to further an organization's exempt purpose are exempt from sales tax in Indiana. An organization must apply to receive the exemption by completing Indiana Form ST-200, Utility Sales Tax Exemption Application. Form ST-200, Form No. 48843, can be found by visiting in.gov at: <http://www.in.gov/icpr/webfile/formsdiv/index.html>. A separate form must be completed for each utility account. In addition to general information about the organization and utility company, the organization must also provide a copy of a utility bill with the application. Nonprofits are also required to explain how the utility is used to further the exempt purpose of the organization.

To claim a refund for Indiana sales tax paid on previous utilities, a nonprofit must complete Form GA-110L, Claim for Refund. The organization must provide an explanation as to why the refund is due along with documentary evidence to support the claim. Documentary evidence usually consists of copies of bills or a "billing history" from the utility service. The bill history must have a column showing the amount of sales tax paid for each period and must be presented on the letterhead, or the like, of the utility company. Refunds for Indiana sales tax paid on previous utilities may only be claimed for the current year and the three previous years. For example, if an organization completes Form GA-110L and it is postmarked on or before December 31, 2015, it could claim a refund for sales taxes paid in all of 2012, 2013, 2014 and 2015.

Contribution Statements

The Archdiocesan Internal Control Policy outlines under Cash Receipts (15) that "Periodic contribution statements should be sent to all parishioners, even those who give nothing, (preferably quarterly, but at least annually)."

Contributions to non-profits are only tax deductible if the contribution statement includes a note asserting there were no goods or services in exchange for the donation. Donors will only receive a tax deduction if a note like the following example appears on the contribution statement:

Beyond intangible religious benefits, <<Name of Parish>> did not provide goods or services in exchange for your gift. Therefore, under the Internal Revenue Service guidelines, your contribution is fully deductible to the extent allowed by law. Please keep this acknowledgment letter for tax purposes.

Please contact accountingservices@archindy.org with any questions about utility tax exemptions, contribution statements or content.

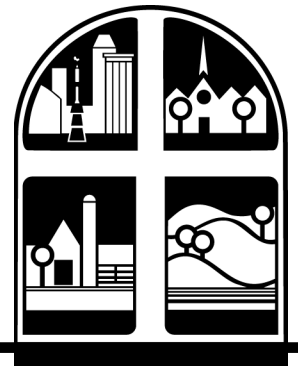
STEWARDSHIP & DEVELOPMENT

Last minute legislation passed the last few weeks of 2014 allowed donors age 70 ½ and older to make tax-free gifts to charity from an IRA. Up to \$100,000 (\$100,000 from each spouse, in the case of a married couple) could be transferred from an IRA directly to charity. If your parish, school or agency received a gift of IRA assets, please keep in mind the following:

1. *There is no charitable tax deduction provided for this type of gift. The benefit is the individual does not count the distribution as income for tax purposes.*
2. *The gift to your ministry must have come directly from the IRA custodian and not from the donor.*
3. *The acknowledgement letter should recognize the gift as an IRA rollover and that the gift was received directly from the IRA custodian. No mention of a tax deduction should be made. A sample acknowledgement letter is available from the foundation office.*

Please contact Ellen Brunner, Director, Catholic Community Foundation at ebrunner@archindy.org or 800-382-9836, Ext. 1427 with any questions.

Please share these newsletters with your fellow co-workers who normally would not receive Accounting Service News. There is always valuable information that can be shared throughout your parish, school or agency.



HUMAN RESOURCES

In January, we will begin a series of brief, informative e-mail messages called HR Hints for directors, business managers, principals, office managers, and other staff members with supervisory responsibility. Each HR Hint will address one topic of interest and offer information and tips that may be useful for you and your co-workers. We hope that our new HR Hints will be helpful to you in 2015. Please let us know if you have any suggestions or ideas for how we can improve our service.

2015 HSA Contributions

No H.S.A. Bonus contributions will be made to employees HSAs for the 2015 plan year. These bonuses are not guaranteed and are paid based on health plan savings from year to year. Employees who want their contributions in 2015 do not have to complete a new form. Current savings deductions will continue in 2015 unless a new form is filled out to change or stop the deduction. The IRS has increased the annual limits for health savings account contributions in 2015 to \$3350 for those with single coverage and \$6650 for those with family coverage. There is still a \$1,000 allowable catch-up contribution for people ages 55 and over.

Newly hired employees are no longer required to open their health savings account (HSA) before being enrolled in health insurance. Eligible, completed health applications are processed upon receipt by human resources. Please note, in order for the employee to receive the monthly employer HSA contributions, they still must open an account. Back contributions will not be given to anyone whose "account opened date" is beyond their first month of health insurance eligibility.

2015 Retirement Savings Plan Limits

The IRS has increased the allowable annual contribution limit for 403(b) retirement savings plans in 2015 from \$17,500 to \$18,000. The maximum catch-up contribution allowed for participants who are age 50 or older increased from \$5,500 to \$6,000.

Benefit Communication Training

The Human Resources Department is offering Employee Benefits Communications Training to any interested Parish or School. Contact Kristen Leffler at (317) 236-1594 or Christa Bunch at (317) 236-7314 for more information or to schedule your on-site Benefits Communications training session.

Voluntary Life and Short-term Disability Deductions

Premium deductions for voluntary life and short-term disability historically have been noted as ARHCUDIOESE, beginning in November, the premium deductions will state AUL. Please share this information with employees who are participating in these plans.

Safe and Sacred Program

All **NEW** clergy, religious, employees and volunteers must complete the Safe and Sacred Program **BEFORE their first day of ministry, work or volunteer service.** Integrated in the training is the background check release form which is also required. Every **CURRENT** priest, deacon, and employee of the Archdiocese of Indianapolis is asked to complete our online Safe and Sacred training program as soon as possible, if he or she has not already done so. Volunteers who have contact with children should complete the training as well, if they have not already done so. The course is available in English and Spanish 24 hours per day, 7 days per week at www.safeandsacred-archindy.org. It takes about 45 minutes to complete and can be done in parts over a series of days. Thank you in advance for your participation in this training and your commitment to the protection of children. Please contact Human Resources at hr@archindy.org if you have any questions.

I-9 Forms

Please ensure I-9 forms are on file for all employees. Form I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the United States. All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment in the United States. **I-9 forms must be completed within 3 day of employment.** You can access a link to the I-9 form on the Human Resources website under Forms or at this link: <http://www.uscis.gov/sites/default/files/files/form/i-9.pdf>.



RISK MANAGEMENT

Helen Baar retired after more than 25 years in Property Management. Many of you have worked with her on property value, insurance, and claims. Your future calls should be directed to Mike Witka, Director of Risk Management at mwitka@archindy.org, 317-236-1558 office or 317-997-3561 cell.

Tenant User Liability Insurance Program

Formally known as Special Events Insurance Program is now known as Tenant User Liability Insurance Program or TULIP. The program is now a computer based application and you no longer have to mail in forms. You should have received a folder in the mail about the new program.

Parish Self Inspection Program—Due December 1st

We have finally undertaken the parish self-inspection program as outlined in previous issues of this newsletter. After many months of testing the system, writing and re-writing the recommendations, we are now implementing the inspection program. Each parish/school has already received an email invitation to start the inspection process. The forms are written in an easy check off system that can be input through the computer generated email or sent in by mail. **This must be completed by December 1, 2014.** If you have any questions or did not receive the inspection invite you can contact me at mwitka@archindy.org.

Safety and Loss Control News

Please check out the following link which features Smoke Detector Safety Tips, Maintenance of Battery Operated Emergency Lights, and Proper Snow Removal. <http://www.archindy.org/insurance/documents/Newsletter%2012-13.pdf>

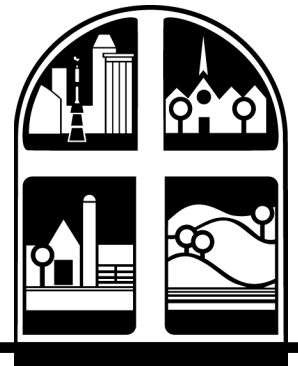
Proactive Security Guidelines for Religious Education Activities

Learn more about taking proactive security measures during Religious Education activities, including choosing an appropriate building, controlling access to the facility, and establishing an Emergency plan. <http://www.archindy.org/insurance/documents/Proactive%20Security%20CCD%20November%202013.pdf>

Boiler Inspections

Here is contact information for Jim Law
Office phone, 317-203-5176
Cell phone, 317-987-6573
Email address, jim.law@bpcllca.com

Feel free to contact Mike Witka at mwitka@archindy.org or (317)236-1558.



OAS STAFF

Tracy Lockwood – Controller

email: tlockwood@archindy.org

Julie Laughlin – Director of Agency Reporting – Julie is currently training to take over agency financial reporting. This will include financial reporting for Catholic Charities, Fatima Retreat House, Bishop Simon Brute College Seminary, CYO and others.

email: jlaughlin@archindy.org

Carey Kendall – Supervisor of Parish and Agency Services – Carey supervises payroll, parish and agency billing, and the administration of the Deposit and Loan Fund. She monitors the accounting services email box, coordinates and manages the parish internal control assessments and the parish annual financial reporting process.

email: ckendall@archindy.org

St. Dina Bato – Accountant – Sr. Dina handles the day to day accounting for Catholic Cemeteries and the Deposit and Loan Fund.

email: dbato@archindy.org

Melinda Buckler – Payroll Specialist – Melinda processes payroll and assists diocese locations wide with any payroll related questions.

email: mbuckler@archindy.org

Nancy Hildwein – Catholic Charities Accounting Supervisor – Nancy is responsible for accounting and reporting for several Catholic Charities agencies.

email: nhildwein@archindy.org

Chris Bramble – Accountant – Chris is responsible for investment accounting and accounting support for Fatima Retreat House and several Catholic Charities agencies.

email: cbramble@archindy.org

Lori Erickson – Accounting Clerk – Lori is responsible for daily cash transactions and fixed asset accounting.

email: lerickson@archindy.org

Sandi Jackson – Accounts Payable Specialist – Sandi is responsible for accounts payable and employee expense reimbursements.

email: sjackson@archindy.org

Patty Gotway – Billing Specialist – Patty prepares the monthly parish and agency assessments.

email: pgotway@archindy.org