Charitable Contributions

The Archdiocese recommends that parishes, agencies and schools provide contribution statements to parishioners at least annually even to those who give nothing. For tax deduction purposes, the IRS recommends a written acknowledgement for one-time contributions of $250 or more. For contributions made to the parish directly or contributions collected by the parish (when checks are made out to the parish) for special mission collections and/or relief collections, we encourage written acknowledgements. Checks made out to the Mission Office or a special mission directly do not require a written acknowledgement since this is provided by the receiving organization. Donors making gifts totaling $250 or more to the United Catholic Appeal or Legacy for Our Mission campaigns will receive a tax letter from the Archdiocese of Indianapolis.

An annual summary may be used for several individual contributions. The acknowledgement does not need to provide the donor’s social security number or tax identification number. Written acknowledgements are to be provided to donors by January 31 of the year following the donation. The IRS does not provide forms but the written acknowledgement should provide the following:

♦ The name of the organization
♦ The amount of cash contribution
♦ The description (not value) of a non-cash contribution
♦ A statement that no goods or services were provided by the organization in return for the contribution, as long as that is the case
♦ A description and good faith estimate of the value of goods or services, if any, that the organization provided in return for the contribution
♦ A statement that goods or services, if any, that an organization provided in return for the contribution consisted entirely of intangible religious benefits (See Publication 1771).

See Publication 1771 on Charitable Contributions for examples and further information. This document can be found on the IRS website www.irs.gov/formspubs.

January – March 2007 ADLF Rates

The ADLF interest rates in effect for the quarter ending March 31, 2007 are 5.75% for deposits and 7.75% for loans. ADLF savings accounts accrue interest at the discount rate less 0.5%, and loans are charged interest at prime less 0.5%. Both are adjusted quarterly based on the rates published on the last business day of the previous quarter. If you have any questions regarding ADLF, please contact Michelle Lecher at mlecher@archindy.org or 317.261-3371.

Mileage Reimbursement

Beginning January 1, 2007, the IRS standard mileage rate for the use of a car (including vans, pickups or panel trucks) will be 48.5 cents a mile for all business miles driven, up from 44.5 cents a mile for miles driven in 2006. The archdiocese reimburses employees for business miles incurred following IRS guidelines, but this rate is not mandatory. We recommend that parishes and agencies evaluate their budget status prior to making a change in the reimbursement rate.

Annual IRS 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 at your church. 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; 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 28. For more information on filing requirements for the 1099-MISC, please visit the IRS website at www.irs.gov. If your organization sponsors a charity gaming event, the winnings may also be required for reporting and withholding depending on the type of gaming, the amount of winnings, and the ratio of winnings to the wager. Form W-2G must be provided when a participant wins a prize over a specific value amount. Please see IRS Publication 3079, Gaming Publication for Tax-Exempt Organizations on www.irs.gov for more information on when filing is required. For any questions, please contact Sarah Harmeyer at sharmeyer@archindy.org or 317-261-3376. Forms 1099-MISC, W-2G and other IRS forms can be ordered online at www.irs.gov or at 1-800-TAX-FORM (1-800-829-3676).