



The OAS Messenger

September 2005

Charitable Contributions

The Archdiocese recommends that parishes, agencies and schools provide contribution statements to donors at least annually. 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.

An annual summary may be used for several single contributions for each single contribution of \$250 or more. 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.

Parish Annual Financial Reports

The Parish Annual Financial Report information has gone out via email through our distribution list. If someone has been omitted from the list, please contact either Bonnie Vollmer at 317.236.1410 or bvollmer@archindy.org or Sarah Harmeyer at 317.261.3376 or sharmeyer@archindy.org. The deadline for the online survey submission is **September 30, 2005**. The signature form at the end of the online report should be submitted to Bonnie Vollmer, Office of Finance and Administration/CFO to signify completion.

IRS Mileage Reimbursement Rate

The IRS recently increased the mileage reimbursement rate from 40.5 cents to 48.5 cents. The Archdiocesan Catholic Center reimbursement for employees traveling on Archdiocesan business will be reimbursed at the new 48.5 cent rate effective immediately. The IRS rate is not a mandatory rate. We recommend that parishes and agencies evaluate budget status prior to a change in the reimbursement rate. If your budget does not support an increase in the reimbursement rate, we recommend delaying a change in the rate.

PAYROLL REMINDER...

Please make a note of the important upcoming due dates for payroll changes and timesheets.

<u>Payday:</u>	<u>Employee Changes Due By:</u>	<u>Timesheets Due By:</u>
September 15	September 7	September 8
September 30	September 22	September 26

Records Retention Policy

Are you cleaning out your files at the end of the fiscal year? Are you wondering how long to retain certain documents? Please visit our website and review the Records Retention Policy on how long certain records and files should be kept. This document can be found on www.archindy.info/newoas Click on Parish Financial Information and then click on Record Retention Policy.

For example, Sunday Collection Envelopes should be stored until April 30th of the following year in case there are any discrepancies on the collection reports for tax purposes and the collection envelopes need to be reviewed.

Most Common Findings

Parish Internal Control Assessments

Parish Completed During Fiscal Year 2004-05

- ◆ Separate checking accounts exist for related organizations and are not subject to proper controls.
- ◆ Cash disbursements are being made without proper documentation and invoices are not properly approved before being paid.
- ◆ Sunday collections count sheets are not utilized, incomplete, or are not being reconciled to contribution records.
- ◆ Mass stipend accounts are not being reconciled on a regular basis.
- ◆ Backups of accounting data are not being completed and stored at an offsite location and inventories are not kept of hardware and software purchased by the parish.
- ◆ Two signatures are not used if the pastor or administrator is unavailable to sign checks.
- ◆ Many finance committees are not preparing minutes of their meetings, so there is no evidence that monthly financial statements and bank reconciliations are being reviewed. Four parishes did not have a functioning finance committee.
- ◆ Expenses for fundraising events (such as festivals) are not being properly documented and count sheets and other controls are not being used for deposits made during events.
- ◆ Bank reconciliations are being completed by bookkeepers and are not being independently reviewed.
- ◆ Balance sheet accounts, such as cash and ADLF deposit accounts, are not reconciled to statements.
- ◆ Contribution statements are not sent to non-contributing parishioners.
- ◆ Receipts are not issued for cash received for miscellaneous deposits, such as mass stipends, tuition, etc.