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Happy Easter
April 1, 2018



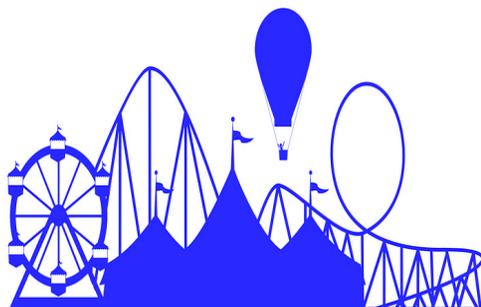
FAX COMMUNICATIONS

In the coming months, there is a planned change to fax communications within the Finance Office. We have an extremely low volume of parishes or schools communicating with our office via the fax machine. Most communications are now handled through the e-mail system. We have made the decision to eliminate the 216-696-8084 fax line to the Finance Office. If you still desire to use the fax machine as a communication method, you may do so using the fax number **216-861-0406**. Please be sure to send a cover sheet or clearly indicate the intended recipient of the communication.

FESTIVAL PLANNING

It is that time of year when many parishes are beginning to plan summer festivals. There is information that needs to be reviewed.

- ◇ In planning raffles, you must consider the prizes offered. Under State of Ohio law, it is not permitted to offer alcohol (beer, wine, liquor) or lottery tickets as a prize in a raffle. Baskets of booze and lottery ticket baskets/trees are not permitted to be raffled. In January 2018, the Diocesan Legal Office in conjunction with the Finance Office revised and re-issued a memo to all parishes outlining the rules and regulations of raffles. It is very important that all parishes and those involved in the planning of festivals be very familiar with the contents of that document. For a copy of the raffle document contact the Legal Office.
- ◇ All contracts/agreements for festivals must bear the signature of the pastor. No other parish/school employee or volunteer is permitted to sign ANY contract. All festival-related contracts must be sent to the Property/Casualty Office for further review with the Diocesan Legal Office prior to execution. In certain instances, the signature of the Diocesan Bishop may be required.



- ◇ All parishes must follow the insurance requirements set forth in the Diocesan Master Insurance Program manual. Very specific insurance requirements must be met by all vendors. It is important that business managers and festival planners be familiar with the requirements which can be found at the website www.discplan.org. The specific requirements can be found in the miscellaneous exposures and issues section.

If there are questions, please contact the Diocesan Legal Office, the Property Casualty Insurance Office, or the Finance Office.

EMPLOYEE BENEFITS



HEALTH BENEFITS INFORMATION

There are several important upcoming dates that must be observed regarding employee health benefits.

Once again, the participants in the Diocesan health plans have the opportunity to take advantage of two wellness incentives, lowering the amount that the employee is required to contribute towards their health care premium: \$15 per month, per incentive is available. The two incentives available are an annual physical and attestation that the employee is tobacco free. The forms to be

completed by the employee and their physician have been sent to all parishes and are also available on the Diocesan website. Each parish must duplicate the form and distribute them to their eligible employees. Please insure that each employee on the list provided by the benefits office is aware of the incentives and has the necessary form. Inform employees that forms **MUST** be returned to the Diocesan Health Benefits Office by May 1, 2018 and if the forms are mailed, please be sure to allow sufficient time for delivery. The mailed forms must be postmarked by May 1, 2018 to be considered timely for the incentives.

The annual open enrollment period begins on April 30, 2018 and concludes on May 18, 2018. During the open enrollment period, employees have the opportunity to add or delete coverage, spouses, or dependents and elect a health plan. A memo was sent on March 5, 2018 providing information and is available on the website. All pastors and business managers will need to be aware of the effective dates for the open enrollment period. Changes and elections made during the open enrollment period will be effective July 1, 2018.

Additionally, new contribution rates for eligible employees will be in effect beginning with the first pay period in July, 2018. In planning ahead, please make sure that the employee contribution is made on a pre-tax basis, unless the employee has completed the Pretax Waiver Statement. The deduction for every employee should be calculated and reviewed to ensure it is correct. One of the most common payroll issues is incorrectly calculated employee contributions. If you contact the Health Benefits Office guidance will be provided to ensure that the calculated amount of an employee deduction is correct.

403B RETIREMENT PLANS

Many parishes think they do not have to worry about the rules for 403B Retirement plans, however, even if you have one person on the payroll for whom you take a deduction, the Internal Revenue Service considers the parish or school to be a 403B plan sponsor. There are several important issues that exist for parishes and schools that have 403B plans.

- ★ There must be a plan document on file listing plans offered. We often find that the plan documentation is incomplete or non-existent. Significant penalties can be assessed if there is no plan document in place. If you offer a 403B plan and do not have a plan document in place, you should immediately contact the Human Resources Office or the Diocesan Legal Office for assistance.
- ★ On an annual basis, all eligible employees on the payroll must be offered the opportunity to contribute to the 403B plan that is offered.
- ★ Amounts withheld from employees' wages for the 403B deduction must be remitted to the provider as quickly as possible, generally defined to mean within a few days. It is not permissible to withhold deductions and remit them monthly or later. The money should preferably be sent to the provider immediately following each time a 403B deduction is taken.

Parishes and schools with compliance questions are strongly encouraged to contact the Human Resources Office.

Dates to Remember	April 15, 2018	Due date for unemployment reporting and payment to ACR.
	April 30, 2018	Due date for the interim financial report covering the period July 1, 2017 through March 31, 2018
	April 30, 2018	Open enrollment period begins for health benefits
	May 1, 2018	Incentive forms must be received by the Employee Benefits Office
	May 18, 2018	Open enrollment period ends for health benefits

GROUP TERM LIFE INSURANCE



Some parishes in the Diocese offer Group Term Life Insurance to their employees. The current life insurance benefit for each participating parish and/or school for eligible employees is twice their annual salary. Any employee that has a salary that exceeds \$25,000 (and hence a benefit value at over \$50,000) will pay an annual tax on the benefit. The taxable amount is reported on the annual W-2 form and the amount must be processed through payroll. The full taxable amount can be processed on an annual basis, but spreading it over each payroll can serve to spread the tax impact to the employee. The Benefits Office will send a document listing the amount of taxable

income for each affected employee and that amount should be used as a basis for processing the Group Term Life benefit. Questions may be directed to the Benefits Office or the Finance Office.

AFFILIATED GROUPS AND ORGANIZATIONS

Many parishes have affiliated groups and organizations that have their own bank accounts. It is important to remember the funds in those accounts ARE PARISH OR SCHOOL funds, and under the control of the pastor. The financial activity in the accounts must be monitored and follow the same rules as all other parish or school bank accounts. All financial approvals and controls set forth by the pastor or the diocese must be observed.

There are two points during the year where the records of the affiliated groups must be reviewed by the pastor or his designee. In July of each year, at a minimum, the parish should request from the treasurer of all affiliated groups or organizations, the monthly bank statements and related reconciliations as well as the associated listing and support for receipts and disbursements. The information should be carefully reviewed for payments and deposits related to capital expenditures, vendors, employees, gambling and event information, etc. Remember payments to employees (other than reimbursements) must be processed through payroll. If there are cash withdrawals shown on the bank statement, they should be investigated. Withdrawals by utilizing a debit card or ATM card are NOT permitted. Debit cards and ATM cards must be cancelled. The **reconciled balance** of each affiliated group account must be shown on the annual parish financial report beginning with the June 30, 2018 year-end report to the diocese.

In January of each year, the designee should perform the same review of receipts, disbursements and reconciliations. The disbursements must be reviewed to see if required tax reporting on Form 1099 must take place for a particular vendor. Any time a vendor is paid by an affiliated group, the payments must be aggregated with those of the parish, school, or other affiliated groups to determine if Form 1099 MISC must be issued. 1099s must be postmarked by January 31st for all recipients. The accounts should also be reviewed for potential gambling reporting.

The collection of the reconciled statements and related information does NOT supersede the existing requirement that the pastor must receive and open all mailed bank statements for all accounts or have the ability to view the statements on-line.



Several parishes contact the Diocese to voice their concern over bank fees. It is a reality that the parish or school may be charged a fee for banking services. While it is difficult to find a bank that offers free checking, the parish should periodically review its fee structure with the bank to see if more favorable pricing is available and what the parish would need to do to take advantage of the lower costs.

TIME SHEET RETENTION

Each non-exempt employee is required to complete a time record. We are often asked how long must the time records be retained. Per the Ohio Revised Code Section 4111.14, time records for employees must be retained for three years AFTER TERMINATION. The retention period is not simply three years from the date of the time record.





To learn more about any of these stewardship of treasure resources, please contact Terri Preskar, director of Stewardship at (800) 869-6525 or (216) 696-6525 x5090 or tpreskar@catholiccommunity.org.

OFFERTORY ENHANCEMENT PROGRAM

Have you wondered when is the best time to run an offertory appeal? Learn how over 70 parishes in the diocese have already experienced average projected increases of over 20 percent. **New in 2018:** We've expanded our vendor services to include both Cathedral Corporation and Our Sunday Visitor. Informational sessions are being held on Monday, April 9 (St. Hilary) & Tuesday, April 17 (CPL): Noon -1:30pm. RSVP today!

LEGACY GIVING

The Catholic Community Foundation can help your parish establish and grow a Parish Legacy Giving program to encourage estate gifts from parishioners. Our staff can help in a large variety of ways, including personal visits with parish leadership to customize your parish plan, to providing access to templates for parish-specific brochures, to meeting with individuals, to discussing related needs. These resources are practical, easy to implement, and can meet the needs of any size parish!

CHARITABLE GIVING IDEAS FOR 2018

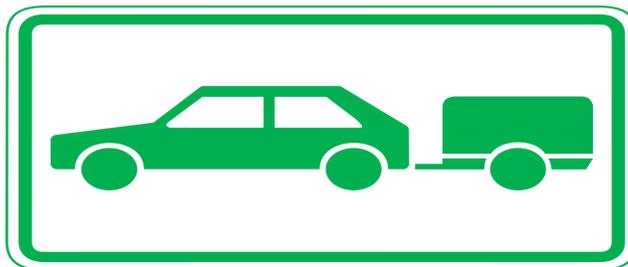
Suggested Bulletin Language

Will you have increased income as a result of the new tax changes? Perhaps you can consider increasing your offertory contribution to our parish. Changes in the tax law kept in place several popular and attractive charitable gifting options. Gifting appreciated stock (held more than 1 year) to our parish may allow you to deduct the stock's full value and bypass capital gains tax. Also, if you are age 70½ or older, you may be able to reduce your taxable income this year with a gift made directly from your IRA to our parish. Talk to your advisors and IRA administrator for more information and to be sure that a gift is made directly from an IRA to a qualified charity such as our parish.

Questions? Contact XXX in our parish office at (XXX) XXX-XXXX or via email at XXXX. You are also welcome to contact Mary Lou Ozimek of the Catholic Community Foundation at 216-696-6525 x4070 or via email at mzimek@catholiccommunity.org.



Every effort should be made to collect from school families the entire amount of tuition and fees due to the school. As a reminder, the parish or school is not permitted to initiate any legal action without first consulting with the Diocesan Legal Office. This would include the hiring of a collection agency and hiring an attorney or company to collect tuition. For any tuition that the pastor and or school principal deems uncollectible, the written off amount must be approved in writing by the pastor. The pastor is the only person authorized to write off tuition.



TRAILERS

In many instances, we have found that trailers exist that are used by the scouting troops, organizations, or parishes/schools. There are several regulations that must be followed if trailers are being used.

- * If the trailer is owned by the referenced groups, the trailer must be registered in the name of the parish or school and the registration and license plate must be kept current.
- * The Insurance Office must be notified of the use of the trailer. The trailer must be listed as an insured item on the Diocesan Property/Casualty Vehicle Schedule.
- * The Diocese of Cleveland does NOT insure personally owned vehicles. Anyone towing a trailer with their personal vehicle must provide proof of insurance and be approved to drive by the Insurance Office. MVRs should be submitted annually.
- * If the trailer is owned by a private party, proof of ownership; proof of insurance; and volunteer waiver is required before use. Email copies to kpierce@dioceseofcleveland.org and retain a copy for your files. The volunteer waiver can be found at www.discplan.org