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*Happy
New Year*

From -
The Entire Finance Office Staff

IMPORTANT REMINDER

The deadline has changed for the submission of W-2 forms and 1099 forms.

The W-2 forms are due to the employee and Social Security Administration on or before January 31, 2017.

Form 1099's must be sent to individuals, contractors,
and IRS by the same date if amounts are reported in Box 7.



Effective January 1, 2017, the new Ohio Minimum wage is \$8.15 per hour. All employees must be paid at least this amount. Please remember to update the required labor posters with the new information. More information can be obtained by contacting the Human Resources Department.

UPCOMING IMPORTANT DATES

- By 1/22/2017, employers must only use the new version of Form I-9 expiring 8/31/2019.
- Send copies of wage and tax registers or W-2 forms to the Pension Office by 1/31/2017.
- Quarterly financial report due to the Finance Office by 2/3/2017.
- Unemployment report and payment due to ACR on or before 4/15/2017.

RESTRICTED FUNDS

Most parishes and organizations receive donations. A donation received by a parish or school might be accompanied by instructions from the donor on how the funds are to be used. These instructions are known as "restrictions". It is critical that the instructions from the donor be followed exactly. There are federal and state laws that exist to ensure the donors' wishes are followed. The parish must properly account for funds spent where the restrictions have already been met and for funds being held until the restriction is met in the future. After speaking with the donor or soliciting funds for a particular purpose, parishes, schools, and all other organizations are "bound" to comply with that purpose. As part of the "Rooted in Faith - Forward in Hope Campaign", a case statement was distributed to potential donors. The case statements are NOT simply suggestions or marketing materials, but rather are legal agreements with the donors on how the money MUST be spent.

Also, parishes that have envelopes with a preprinted stated purpose are creating "restricted funds". For example, if the parish has an envelope for "CAPITAL IMPROVEMENTS", the funds collected must be used for capital improvements. The money designated cannot be used to pay utility bills or other normal operating expenses. Another example would be "Easter or Christmas Flowers". The money collected

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STANDARD MILEAGE RATE

The IRS has issued new mileage guidelines effective 1/1/2017. The rate for business use of an auto is 53.5¢/mile, down from 54¢/per mile in 2016. Documentation of all miles is required.



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can only be used for flower purchases. In the event more money is collected from the envelopes than is spent on flower purchases, the remaining amount must be reserved until Christmas or Easter Flowers are purchased again. The parish or school should take care that the solicitation for restricted funds are not overly restrictive, although, there are instances where the parish may want a more restrictive purpose.

Here are a few examples:

CHRISTMAS FLOWERS	FLOWERS & DECORATIONS
Can only be used to purchase Christmas Flowers	Can be used to purchase any flowers, or any decorations used throughout the year
CAPITAL IMPROVEMENTS	REPAIRS AND MAINTENANCE
The use would be restricted to be used for items meeting the definition of a capital repair or acquisition	Can be used to offset the cost of any repair and maintenance item
ELEVATOR FUND	HANDICAPPED ACCESS FUND
Can only be used to purchase, install and maintain an elevator	Can be used to assist with the cost of any handicapped access project such as a ramp, chairlift, handicapped access to restrooms or any project that allows any type of handicap access
ENDOWMENT FUND	PARISH SAVINGS
These funds can only be used to add contributions to the endowment fund	These funds must be added to the savings and investment accounts, but can be used for any purpose the pastor deems appropriate

It is suggested that before a parish conduct any sort of fund-raising campaign or restricted collection, the pastor should contact the Diocesan Legal Office, the Catholic Community Foundation, and/or the Finance Office for assistance with writing promotional materials and understanding legal obligations of restricted funds.



CHARITABLE CONTRIBUTION REMINDERS

- ◇ It is not "required" that parishes issue annual contribution statements; however, if a donor asks for a statement, it must be provided in a timely manner and must be in the proper format. It is a good internal control practice and good donor relations to issue contribution statements to each contributor.
- ◇ Contribution statements must show the date and amount of each gift. Statements that show aggregate contributions may not be sufficient documentation for a donor to claim a deduction and if reviewed, may result in a loss of an otherwise deductible contribution. Please make sure the acknowledgement meets all of these requirements so that your donors' contributions are protected.
- ◇ Most importantly, the documentation issued to your donors must contain the phrase that "no goods or services were exchanged for the contribution". If goods or services were exchanged, the fair market value of the exchange must be noted.
- ◇ When substantiating non-cash contributions, the substantiation letter must contain a detailed description of the item contributed, but must not contain a value of the item. It is the responsibility of the donor to value the item to the IRS. The value of a person's time is not a deductible contribution.
- ◇ The cutoff date for contributions is December 31, 2016. Contributions received by the parish on or before this date will be recorded on the 2016 contribution statement. Contributions received after this date are recorded as a 2017 contribution.