HEALTH BENEFITS OPEN ENROLLMENT

Four health plan options are available for the 2019-2020 plan year: Medical Mutual PPO, Medical Mutual PPO/HSA, ($500 Single/$1,000 Family contributions to continue to the participants’ health savings accounts and employee premiums are decreasing). Skycare (formerly MetroSelect; participants must use MetroHealth affiliated facilities), and new this year is Medical Mutual MedFlex (participants must stay in network, primarily University Hospital, Summa Health Care, and Lake County Health System). We also introduced in January a new Medical Mutual MedAdvantage (Medicare) plan for retirees with improved coverage at a lower cost. Continue to use specific labs for routine bloodwork for a lower cost. You may also see some savings with your prescriptions with CVS/Caremark this year. The Dental and Vision plans have remained the same.

If an employee does not wish to make any changes to their health coverage, they do not need to complete a new Health Care Plans - Enrollment/Change Form. However, if they want the incentives, they must complete an Annual Physical and Tobacco Attestation Form. If their spouse is covered under the employee’s insurance, their spouse must also complete the form in order to receive any incentives ($15 Each incentive for single, $30 Each incentive for family). Also, covered spouses must complete a Working Spouse Employer Verification Form each year. There is a $650 surcharge to cover spouses on our health plans if they have coverage available at their employers and choose our plan instead. Note that if you are covering family members for the first time you must send in a copy of your marriage license and recent tax return to cover your spouse and birth certificates to cover your children.

Additional Information on Open Enrollment will be available soon on the Health Benefits website: www.MyDocBenefits.com
You can contact the Benefits Office at 216-696-6525, ext. 5040 or hbo@dioceseofcleveland.org

MEASUREMENT PERIOD

The Affordable Care Act requires employers to track the time of hourly employees (both exempt and non-exempt) to determine eligibility for health coverage. The diocese has selected April 15th to April 14th as the measurement period. For the current measurement period, employers need to track hours for the period April 15, 2018 through April 14, 2019. Generally, if an employee averages 30 hours per week, the employer needs to make an offer of health care. Parishes are required to document the measurement and offer Health Insurance beginning July 1, 2019. Please review the information on the Health Benefits website for additional information and before making offers of insurance coverage.

<table>
<thead>
<tr>
<th>Dates to Remember</th>
<th>Notes</th>
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<tr>
<td>April 14, 2019</td>
<td>End of the measurement period for Affordable Care Act.</td>
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<tr>
<td>April 15, 2019</td>
<td>Unemployment reports due to ACR and unemployment premium payment due to the Diocese of Cleveland</td>
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<tr>
<td>April 29, 2019</td>
<td>Open enrollment BEGINS for Diocesan health plans</td>
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<tr>
<td>April 30, 2019</td>
<td>Interim Financial Report due to the Finance Office for the period July 1, 2018 through March 31, 2019</td>
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<tr>
<td>May 1, 2019</td>
<td>Employee incentive forms due to the Health Benefits Office</td>
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<tr>
<td>May 17, 2019</td>
<td>Open enrollment ENDS for Diocesan Health plans</td>
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<tr>
<td>July 1, 2019</td>
<td>Health Benefit Plan Year begins</td>
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UNRELATED BUSINESS INCOME TAX

The Tax Cut and Jobs Act created Internal Revenue Service Code Section 512 (A) (7), which provides that tax exempt organizations must increase its Unrelated Business Income Tax by the costs of providing qualified transportation benefits to employees, such as parking. Every parish and school in the Diocese is subject to the tax. To date, there has been no legislative action to repeal the requirement. The focus of this tax is the cost of providing parking to employees. Most parishes and schools provide free parking to their employees and the calculation focuses on the number of parking spaces available for general parking compared to the number of parking spaces used for parking by employees. More information will be provided very soon under separate cover. We encourage you to carefully review the information and go through the calculation to see if the tax applies to your parish.

PAYCOR TIP

A New Hire Report is available in the payroll reports section which can be used to ensure that all employees have been properly reported to the State of Ohio. If there is an employee listed as not reported, please contact your Paycor representative for assistance in having the person reported.

We have noted that a few parishes have not identified a backup person to process payroll if the usual person is unavailable. There should be someone identified, and properly trained, to process payroll in the event the usual person is unable to perform the duty.

403 B PLANS

If any employee in the parish or the school has a deduction for a 403B retirement account, then it is deemed that the parish has a qualified plan. It is imperative that a plan document be on file and the Universal Availability Notice be provided to all employees at the parish or school. Please contact the Human Resources Department of the Diocese for assistance in maintaining required plan documents and in communicating the availability of the plan to the employees.

FESTIVAL TIME

During this time of year, many parishes have already begun planning festivals and summer activities. There are many reminders that parishes will need to consider when planning festivals, noted below:

♦ 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.

♦ Parishes must provide copies of certificates of insurance from all vendors, caterers, and amusement companies. The certificates of insurance must name the Diocese, the Bishop, and the Parish as additional insured. All activities must comply with Diocesan regulations.

♦ Trampolines, rebounding devices, and/or bouncing devices of any kind, are NOT covered by our insurance plan and should NOT be in use at any time. Most inflatable attractions, devices, etc. fall into this category. As there are certain exceptions, if you have any questions regarding any inflatable device, please call Kathleen Pierce at 216-696-6525 ext. 3400.

♦ If alcohol is sold either independently or in conjunction with a ticket or donation, the parish must obtain a liquor permit from the State of Ohio AND liquor liability insurance from the Diocese. As a reminder, BYOB is strictly prohibited by law (ORC §4301.62). For more information contact Kathleen Pierce at 216-696-6525 ext. 3400 or visit www.discplan.org.

♦ Parishes are also required to adhere to the raffle rules and regulations and observe all federal and state laws. It is a good time to review the memo prepared by the Diocesan Legal Office for guidelines. It is not permitted to have lottery tickets or alcoholic beverages as raffle prizes.

♦ Planning must take place to ensure that a basic level of internal controls are in place to protect the financial integrity of the festival. Adequate controls must be in place for the safety and security of persons handling cash, and that all monies collected are properly recorded and deposited into the bank.

BUDGETING INFORMATION

At this point, most parishes and schools should have commenced preparing a budget for the 2019-2020 fiscal year. It is required that each parish and school prepare a budget. Diocesan policy requires parish and school operating budgets to be balanced. The budget process at the parish should focus on capturing the operation of the parish or school, not simply taking the prior year budget and adding an incremental percentage increase. The Finance Council of the parish should review the budget, and recommend the budget to the parish pastor before the fiscal year begins on July 1st. If the parish or school needs advice in preparing the budget, the staff of the Finance Office is available to provide assistance. If the parish or school is unable to balance its budget, please call the Finance Office to discuss the situation in more detail.
**GROUP TERM LIFE**

Employees leave the employ of parishes and schools throughout the year. For those employees that earn salaries that are $50,000 and higher, the effect of Group Term Life insurance must be factored into the payroll processing for those parishes offering the Group Life insurance benefit. Annually, the benefits office provides information that aids the parish in computing the taxable amount of the insurance benefit. Employees that terminate during the year will have the effect of group term life for the number of months they were employed during the calendar year. It is suggested if an employee is terminated before the Benefits Office provides the information, or before the end of the year, you should call the Benefits Office to obtain the needed information to enter the information into the payroll system. It is also recommended that the adjustment be entered before the end of a quarter so that any adjustments that may be necessary can be made before the quarterly payroll taxes are filed by Paycor.

**ENERGY PROGRAMS**

We understand that energy brokers and suppliers via phone and in person sales calls regularly solicit our parishes. The purpose of this message is to remind you of your participation in the Catholic Diocese of Cleveland electricity and natural gas group-purchasing program and be cautious of any offer, especially via phone solicitation. The primary value of our group-purchasing program is to leverage the buying power of the large group volume and to utilize unique buying strategies afforded to larger buyers. The Diocese has thoroughly vetted our partners to ensure competitive rates and to take advantage of a long-term energy management strategy.

The Diocese’s electric and natural gas purchasing program, as endorsed by the Bishop of the Catholic Diocese of Cleveland, is managed by Premier Power Solutions for electricity and IGS Energy for natural gas. All communication in regards to this program will come directly from the Catholic Diocese of Cleveland, Premier Power Solutions or IGS Energy. We strongly encourage all current participants to reach out to Chris Easton, Cleveland Diocese at 216-696-6525 Ext 3920 before pursuing any other energy programs.

We are excited to have your participation in the program and look forward to providing continued value to our members.

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**REMINDER**

**RECONCILE AND REMIT DESIGNATED COLLECTIONS BEFORE YEAR END.**

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**DISASTER RECOVERY PLAN**

A disaster can strike at any time and the parish or school should be as prepared as possible. It is critical that parish systems be PROPERLY backed up and that the data is accessible in another location in the event of an issue. This would include having needed information to process payroll for parish and school employees, and information to be able to communicate with parishioners, parishes, and parish staffs regarding the status of the emergency. We recommend that parishes take time to sit down with all parties and evaluate which functions are essential during an emergency and ensure that they will be available. It is suggested that parishes periodically test their system backup to make sure the data needed is available in a useable format. Please contact the Diocesan Information Technology department if you need consultation regarding backups.

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**QUESTION—**

I am the Festival Chairperson and arranging for entertainment for our event. As long as the entertainment contract is under the $25,000 threshold, is it permitted for me to sign the agreement with the Pastor’s approval?

A. Yes - with the Pastor’s written permission.
B. Yes - the Pastor may delegate this to you as chairperson
C. No, only the Pastor may sign the entertainment contract for the festival.
D. Yes, this is a routine festival expense.

Answer: C - Only the Pastor or Bishop may bind a parish in a contract.
SPECIAL INCREASED OFFERTORY INCENTIVE

- Bishop Perez announced a one-time incentive for parishes that conduct an increased offertory appeal in years 2019 or 2020.
- Participating parishes will be eligible to deduct the cost of the vendor program from their annual assessment in the year following the conducted appeal.
- Now is the time to consider what time frame works best and invite program vendors to your parish for further consideration.
- Learn more by contacting: Terri Preskar, Director of Stewardship at tpreskar@catholiccommunity.org or 216-696-6525 | 800-869-6525, x5090.

PROPERTY AND CASUALTY INSURANCE CHANGES

You should have received your 2019 Property and Casualty Renewal mailing including site-specific schedules and invoice recently. As a reminder, significant changes are coming to the insurance program in 2019. Tom Hannon, a founding member of DISC (Diocesan Insurance Service Committee) in 1975, is retiring, as is John Gibbs who has worked alongside Tom since 2000. Many DISC responsibilities will transfer internally to Diocese of Cleveland staff. Chris Easton has been hired as Director of Risk Management and Assistant Financial Officer. New insurance advisors at Oswald Companies will support his team. Please see the Diocesan Master Insurance Program Contacts sheet in the renewal mailing and feel free to reach out to Chris on any insurance matters, PH (216) 696-6525 Ext. 3920 or ceaston@dioceseofcleveland.org.

Tom Hannon’s contributions over the past 44 years to the Diocese insurance program cannot be overstated. We will miss his guidance, but are confident in the ongoing success of the Insurance program. You may be also aware that Bill Hudson, Assistant Finance Officer for the Diocese retired January 15. We thank Bill for his service and wish him well with his retirement plans.

By April 1, we expect, most servicing will have transitioned to Oswald Companies.

To insure continuous service to all participants, we are establishing a new e-mail address for general inquiries on services or coverage. New e-mail: insurancerequest@dioceseofcleveland.org. Please continue to report ALL NEW CLAIMS and provide claim documentation directly to Kathleen Pierce, PH (216) 696-6525 Ext. 3400 or kpierce@dioceseofcleveland.org.

ACCOUNT RECEIVABLE RECONCILIATION

Now is a good time to begin to reconcile and review all outstanding receivables, such as tuition, fees, rents, and other amounts that are owed to the parish or school. These amounts must be reflected on your Balance Sheet at June 30th and reported in the annual report to the diocese. It a best practice to annually review balances owed to determine if they are collectible. Uncollectable balances may be written off only with the documented written approval of the pastor. Reminder: you are not allowed to initiate legal action without the written permission of the Bishop. For questions, contact the Diocesan Legal Office.

OFFERTORY REMINDERS

- Counters should open all offertory and special collections.
- Two unrelated individuals must be with the collections at all times.
- The same individual may not be present each week.
- When stored, collections must be in a secured container in a fire-resistant safe/file.
- No one involved in finances or envelope posting is eligible to be a counter.
- The Offertory counting room needs to be secured/locked.
- There should be a process in place to reconcile the envelope posting system to the corresponding bank deposit.

BANK ACCOUNT SIGNERS

Periodically, it is a best practice to review the authorized signers on all parish bank accounts. All the accounts utilizing the tax identification number for the parish should be subject to review. If the bank has an authorized signer on an account for someone who has left the parish or no longer is involved in a particular organization, that signer must be removed from the account. The review should be documented in writing, and placed in your accounting records. The internal control procedure still applies that no person may write checks and sign or authorize a disbursement. The pastor must be a signer on all parish, school, and organization bank accounts.