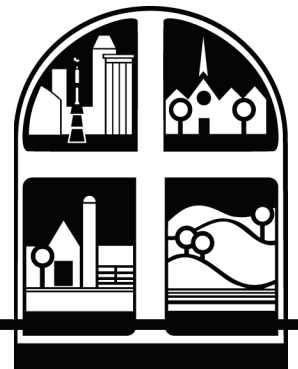


THE OAS MESSENGER



December 2008

The Catholic Center will close for the holidays on Wednesday, December 24, 2008 and reopen on Monday, January 5, 2009.

ACCOUNTING SERVICES

Archdiocesan Financial Statements

June 30, 2008 Chancery and Certain Other Agencies audited financials statements are now available on the website at <http://www.archindy.org/finance/archdiocese.html>. The CCF annual accountability report for 2008 is also available at the same website location.

Christmas Bonuses

The IRS requires that bonuses paid at Christmas (or any other time of year) to be paid and/or reported through the employer's payroll. This rule includes gift certificates or gift cards regardless of amount. Please send your bonus payment requests to Central Payroll for processing. Report the value of any gift to Central Payroll so the recipient's payroll/W-2 record can be updated properly.

Month End Payroll and Assessment Withdrawals

December – Payroll and Assessment will be withdrawn on **Wednesday, December 31st**. ** All requests for adjustments to these withdrawals must be sent to Jeanette Walker (jwalker@archindy.org) by 5:00 p.m. on Monday, December 22nd. **

Mileage Reimbursement

Beginning **January 1, 2009**, the IRS standard mileage rate for the use of a car (including vans, pickups or panel trucks) will be **55 cents** a mile for all business miles driven, down from 58.5 cents a mile for miles driven in the second half of 2008. 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.

Save the Date

The 2009 Fiscal Management and Discipleship Conference is scheduled for June 11, 2009. Please mark your calendars for this important and informative conference!

Parish Information Form

Have you not received necessary information about your ADLF accounts, upcoming audits, etc? To improve the communication between Accounting Services and individual parishes, we would like all parishes to fill out the form on page 3 of this newsletter. This will help us determine the appropriate person to contact in a given situation. Please submit the form via mail, fax, or e-mail by January 5, 2009. Thanks for your help in this matter.

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 requires 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 will receive a tax letter from the Archdiocese of Indianapolis.

An annual summary may be used for several single contributions and 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 on Charitable Contributions for examples and more information. This document can be found on the IRS website at <http://www.irs.gov/charities/article/0,,id=159929,00.html>

ADLF Committee Meeting

The ADLF subcommittee of the Archdiocesan Finance Council reviews all loan requests. Parish representatives are invited to attend the meeting when their application is being reviewed. Current ADLF policy requires that parishes have at least 50% of the cost of the project in ADLF deposit accounts and the other 50% in pledges to be considered for a loan. The first ADLF Meeting for 2009 will be held **in February**. The 2009 ADLF schedule will be finalized at this meeting. Meetings are generally held only if there are loan requests to review. If your parish anticipates making a loan request, please contact Julie Laughlin at (317) 261-3371 or at jlaughin@archindy.org.



December 2008 Page

ACCOUNTING SERVICES

2008 501(c)(3) Group Ruling

The 2008 501(c)(3) Group Ruling is available on the OAS website at <http://www.archindy.org/finance/parish/forms.html> under 'Group Ruling- 501(c)(3) Federal Tax Exemption Letter'. This letter states that all organizations listed in the 2008 edition of the Official Catholic Directory are exempt from federal income tax.

2008 Legacy For Our Mission and United Catholic Appeal Contributions

All payments made to LFOM or UCA need to be received by the Office of Stewardship and Development by Monday, January 5, 2009 to ensure the accuracy and timeliness of the 2008 tax letters to donors. Please contact the Office of Stewardship and Development at 1-800-382-9836 Ext. 1425 with questions.

Indiana Sales Tax Exemption

Archdiocese and its parishes, schools, and agencies are qualifying 501(c)(3) organizations and are exempt from federal taxation. Because of this and our state not-for-profit status, we are also exempt from Indiana state sales taxes. For purchases to qualify for the sales tax exemption, the article(s) purchased must be used for the same purpose as that for which the organization is being exempted.

Purchases for the private benefit of any member of the organization or for individuals, such as meals and lodgings, are not eligible for exemption. Purchases used for social purposes are never exempt. It is important to remember that nearly all purchases other than meals, airfare and hotels are tax exempt. Indiana tax generally applies to meals, banquets or other food and beverage services unless the organization purchases/prepares meals as a fund raising activity.

Improper use of the sales tax exemption jeopardizes our not-for-profit status and the benefits our organization receives. Indiana Department of Revenue's Form ST-105 is used to make tax exempt purchases. This form can be found on <http://www.in.gov/dor/files/st-105.pdf>. Most area retailers will remove the sales tax from purchases when presented with the proper form; you may have to fill out additional paperwork at some retail locations.

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 a **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 like 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 <http://www.irs.gov/charities/article/0,,id=159929,00.html> for more information on when filing is required. Please direct any questions to accountingservices@archindy.org.

CENTRAL PAYROLL

Reminders:

The **2009 Payroll Calendar** is available and has been sent to payroll contacts at all locations. It is also available on the UPWeb Home Page. The final payday of 2008 will be **Wednesday, December 31, 2008**. Net Pay will be direct deposited into employee account(s) on that day.

Archdiocese Health Savings Account Deposits: In 2009, the Archdiocese's monthly contribution will be \$100 per month for single coverage and \$200 per month for family coverage. Since the monthly contribution is larger than previous monthly deposits (and through the course of the year pays for half of the annual deductible), there will not be a lump-sum contribution in January 2009. Spreading the contributions evenly over 12 months is also fairer to people who join the health plan during the year or change coverage from single to family. Also, starting in January, contributions will be made at the end of each month, not at the beginning as in the past. If you have any questions, please contact centralpayroll@archindy.org.

RISK MANAGEMENT

As you begin to think about decorating for Advent/Christmas, pay particular attention to candles and storage, as these items are of concern for fire and tripping hazards. Also some churches will leave their Christmas lights on all night. This is not a safe practice and should be avoided if possible.

Send us your questions! Each month one or two questions will be addressed based on inquiries of the parishes. Please submit any questions you would like answered to accountingservices@archindy.org.

Parish Contact Information

Please complete the following information by **January 5, 2009** to assist the Office of Accounting Services in better communicating with each parish. This information is for Archdiocesan use **only!**

Parish Name: _____

Parish Number: _____

Business Manager Contact:

Name _____

Phone Numbers: Primary _____ Secondary _____

E-mail address: _____

ADLF Contact:

Name _____

Phone Numbers: Primary _____ Secondary _____

E-mail address: _____

OAS Newsletter Contact:

Name _____

Phone Numbers: Primary _____ Secondary _____

E-mail address: _____

Central Payroll Contact:

Name _____

Phone Numbers: Primary _____ Secondary _____

E-mail address: _____

Please return this form to OAS by January 5, 2009 via mail, fax, or e-mail.

R.C. Archdiocese of Indianapolis

Office of Accounting Services

1400 N Meridian St

Indianapolis, IN 46202

Fax: (317) 592-4038

E-mail: accountingservices@archindy.org