



The OAS Messenger

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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 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.

Internal Control Assessment Most Common Finding...

One of the most common findings in the Parish Internal Control Assessments is that contribution statements are **NOT** sent out to all parishioners, including those that do not contribute. With these statements, parishioners are able to review their statements to verify the accuracy of postings to their contribution records. This procedure will also assist the parish in identifying parishioners who are not giving and encourage them to give in the new year and will also help update records by determining those individuals and families who are no longer members of the parish.

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 parish, school, or agency. This form is required if an **unincorporated** individual or an entity receives \$600 or more in a calendar year. 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 www.irs.gov for more information on when filing is required. For any questions, please contact Sarah Harmeyer at sharmeyer@archindy.org or 317-261-3376.

W-2's and Payroll Tax Information

The 2005 W-2's will be mailed from the Catholic Center by Tuesday, January 31, 2006. The W-2's will be mailed to the employee's address on file on www.archindy.info via the employee login. In order to ensure proper delivery, please encourage employees to check their address for accuracy. Employees should also review their individual federal, state, and local tax withholding situations. An employee's current tax profiles can be viewed at the same online location as the pay stub by clicking on the W-4 tab when viewing pay history on line. If any changes need to be made regarding an employee's address or tax withholdings, please contact the payroll department.



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Did You Know...Rules on Compensation

Providing reduced tuition or granting tuition credits for a parishioner or for parents of students who purchase "scrip" gift certificates, is compensation to those individuals. Also, if a parishioner or parent of a student receives a tuition reduction or discount for activities that would otherwise require a paid employee, the IRS considers it non-employee compensation. The IRS requires form 1099 MISC is filed for all non-employee compensation in excess of \$600. An example would include landscaping parish grounds in exchange for a tuition reduction. The 1099 form would also need to be filed in the case of a work-study arrangement for a student who is receiving a tuition reduction for custodial work performed for the school. In addition, Indiana state charity gaming rules specify that individuals **may not receive any compensation** (wages, tips, tuition discounts) directly or indirectly for operating or volunteering at a charity gaming event such as bingo, Monte Carlo Nights, etc. The archdiocese strictly prohibits compensating members in any way for assisting at a charity gaming event. Please contact Sarah Harmeyer at sharmeyer@archindy.org with questions.

January-March 2006 ADLF rates

The ADLF interest rates in effect for the quarter ending March 31, 2006 are 4.75% for deposits and 6.75% for loans. ADLF loans are charged interest at prime less 0.5% and savings accounts accrue interest at the discount rate less 0.5%. Both are adjusted quarterly based on the rates published on the last business day of the previous quarter. If you have any questions regarding ADLF, please contact Michelle Lecher at mlecher@archindy.org or 317.261-3371.

Phishing Alert

A new Internet phishing attempt is spreading around the Internet with a fake request from the National Credit Union Administration, FDIC Administration or any bank or credit union name. The message asks for you to follow a link to input confidential information about your account. Please do not follow the link or provide any information. **No bank or Credit Union will ever send an e-mail asking for such information.** If you receive a suspect message, the safest thing to do is simply delete it without sending any response.

Gas Utility Costs Rising

Utility companies are communicating expected price increases of 25-30% for natural gas usage this winter heating season. Please try to use heat conservatively and minimize the usage when possible. The 2005-2006 budgets needs to be monitored closely and may require adjustment or reduction in other areas, if the budget does not reflect an increase in

2006-2007 Budget Guidelines

We are again preparing the 2006-2007 parish, school and agency budget guidelines. As in previous years, we attempt to get the best possible information from our third party vendors and advisors to provide estimates for the upcoming year's budget. We hope to provide the guidelines on our intranet site by the 1st of March.

Upcoming OAS Messengers

Is there a topic you want to see addressed in the OAS Messenger? Do you have a financial, human resource, tax or other question you would like addressed in future issues? The answers to questions you might have could benefit others throughout our archdiocese. Please contact Sarah Harmeyer at sharmeyer@archindy.org with suggestions for future topics. Thanks for your assistance!

Mileage Reimbursement

Beginning **January 1, 2006**, the IRS standard mileage rate for the use of a car (including vans, pickups or panel trucks) will be **44.5 cents** a mile for all business miles driven, down from 48.5 cents a mile since September 2005. 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.