

Diocese of
Winona-Rochester

FINANCE TIMES

ISSUE 12

WINTER 2018

For Parishes, Schools and Cemeteries throughout the Diocese of Winona-Rochester

From the Desk of the Finance Officer

Andrew Brannon, CPA, Chief Finance & Administrative Officer • abrannon@dowr.org



Hello Everyone,

I hope that this issue finds each of you in Advent preparations and looking forward to the Christmas season. Don't let your year-end duties as the Parish Bookkeeper or Administrator distract you from the real reason we exist as a Diocese – to proclaim and celebrate the birth of our Lord, Jesus Christ!

This issue of the Finance Times gives you tips and guidance for many of the once a year tasks that we all face as the calendar year winds down. Read the articles and let us know if you have any questions about any of the information. Also, if there is any problem or issue that you've faced this year, let us know. Most likely, it is a topic that other people would like guidance on too. We could include that topic in future newsletter articles.

Lastly, let me thank you for your service to each of your parishes and other Diocesan entities. Your administrative and bookkeeping skills are what allow our pastors to be pastors, most especially during this busy time of year for them. Keep up the good work and have a very merry Christmas.

Thank you for the work that you do for the people of God within the Diocese of Winona-Rochester! God bless.

Catholic Mutual Group News

Ryan Christianson • rchristianson@catholicmutual.org

Greetings and Happy Holidays from the Catholic Mutual risk management office. As I reflect over the nearly 14 years I have been with Catholic Mutual here in the Diocese of Winona-Rochester, I would like to thank and extend my appreciation to all locations for the efforts you make in continuing our goal of creating a culture with safety in mind. Together we have completed over 2,000 on site safety inspections, your welcoming reception and continued support and response is very much appreciated.

To supplement our diocesan and CMG on-site inspection program, CMG has developed a learning management platform, CMGConnect. This platform houses a number of online training videos and resource documents. Nationwide, over 335,000 accounts have been created. Here in the Winona-Rochester diocese, we have over 700 users registered with 19 different training courses available. These curriculums include training related to transportation, youth ministry, parish festivals, school safety, facility safety, cyber liability, and church best practices.

One area of potential liability exposure within the Church is related to driving and transportation. The diocesan transportation policy requires all drivers (employee and volunteer) of location owned vehicles as well as personally owned vehicles being driven on church/school business to complete the Catholic Mutual Be Smart Drive Safe defensive driving course. Also (as a CUP requirement) is to have at least one person in an administrative position for each location (or group of cluster locations) view the online training program entitled Church Transportation – Is it Necessary and Ministry Based?

While a number of individuals have completed our defensive driving course, only a hand full have viewed our Church Transportation – Is it Necessary and Ministry Based? video thus far. Please make this a top priority as we head towards 2019. These training resources can be found at www.CMGConnect.org. Thank you.

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David Fricke • dfricke@dowr.org

Minnesota Minimum Wage goes up January 1, 2019

The State of Minnesota announced in late August that the minimum wage will be adjusted for inflation from the current \$9.65 to \$9.86 per hour effective January 1, 2019 for large employers. This represents an approximate 2.2% increase over the current rate. All parishes, schools and affiliated entities in the diocese are reminded to make the necessary adjustment to any employee making the current minimum wage. In addition, the “Minimum Wage Rate” Poster reflecting the new \$9.86 per hour rate should be posted no later than January 1, 2019. The Diocese of Winona-Rochester encourages all parishes, schools and affiliated entities to abide by the “large employer” category when adhering to the Minnesota minimum wage rate law.

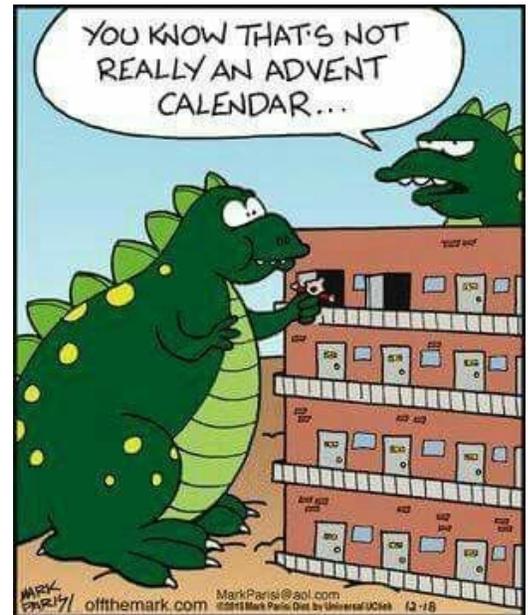
Posters indicating the new minimum wage (as well as others) are available for downloading at <http://www.dli.mn.gov/about-department/workplace-posters>.

1095-C Forms for 2018 to be issued by January 31, 2019

For the past several years, the Diocese of Winona-Rochester has been responsible for the issuance of the 1095-C Form to employees eligible for any of the diocesan sponsored Blue Cross/Blue Shield health plans. This year will be no different. As a refresher, the 1095-C Form provides information of the coverage offered by the employer and whether or not the employee chose to participate. Unless there is a change by the Internal Revenue Service (IRS) all forms need to be issued by January 31, 2019. Both lay employees and Active Priests will receive this form via U.S. Mail. Senior Priests (aka “retired” Priests) receive a similar form from Medicare.

Any employee who does not receive a form or feels the information on the form is incorrect should first contact their designated parish/school contact who can contact the Diocese of Winona-Rochester Human Resources/Benefits Office in Winona.

Kindness is free: sprinkle it everywhere!



Contact Information

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For Bookkeepers...

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Flexible Spending Account Reminder

December 31, 2018 marks the end of the “short” plan year for those enrolled in the Flexible Spending Account benefit. The Flexible Spending Account benefit allows employees to designate a dollar amount to be deducted from their paycheck on a before tax basis. These dollars can be used to pay for medical/dental expenses not covered by their current plan. Employees can also separately designate dollars for dependent care.

As you may recall, a change was made in the plan year in order to align with the calendar year. In order for this to be accomplished, the diocese had to designate a “short” plan year which started on July 1 and ends December 31, 2018. Employees are reminded that they have until the end of March, 2019 to receive reimbursement from their flex account for expenses occurred between July 1 and December 31, 2018. Per IRS regulations, any dollars not reimbursed to employees are retained and utilized by the diocese to off-set administrative expenses. The link below is a comprehensive list from *Further* (formerly SelectAccount) the administrator of our Flexible Spending Account, of medical related expenses eligible for reimbursement: https://learn.hellofurther.com/Individuals/Spending_Your_Account/Eligible_Expenses

The Diocese of Winona-Rochester encourages all employees to utilize all their dollars in their Flexible Spending Account. The link above should help you identify medical related items eligible for reimbursement before the December 31, 2018 deadline.

Going forward, the Flexible Spending year will now be January 1-December 31. Open enrollment for the 2019 plan year concluded in late November 2018. *Please remember that Flex Spending dollars designated to be deducted for the 2019 Plan year can only take place during 2019. “Prepaying” by starting with the last paycheck in December is not allowed.*

Omada Program

- Now available to employees and adult family members enrolled in diocesan health insurance.

What is Omada? The Omada program is free to you if you have health insurance through the Diocese of Winona-Rochester. This program is web based and gives you the tools to make healthier choices through focused lessons relating to food choices, physical activity, stress management and rest/sleep. It targets people at risk for Type 2 diabetes and heart disease.

“I have been in the Omada program through my husband’s insurance since April and have had great results thus far. I was excited to hear that this program is now available to Diocese of Winona-Rochester employees. What I didn’t realize before enrolling was that a large percentage of the population is at risk for Type 2 diabetes and heart disease. I’ve experienced weight loss and improved cholesterol levels since enrolling in the Omada program. Most of all I finally feel as if I am on track with my choices to stay healthier!” -Cindy Olson- Parish Support Specialist, Diocese of Winona-Rochester

More on the Omada Program

Omada® combines professional health coaching with the latest science and technology to help people who are at risk reduce their odds of developing type 2 diabetes and heart disease.

It actually doesn’t take much weight loss to decrease your risk of developing obesity-related chronic disease. Losing just 5–10% of your body weight has been associated with a significant reduction in risk for type 2 diabetes.

Visit [//www.omadahealth.com/mhc](http://www.omadahealth.com/mhc) to claim your spot in the Omada program at no cost to you [or your adult family members], if eligible, you’ll receive the following:

- Professional health coach
- Wireless smart scale
- Online peer group for support
- Program that adapts to you
- Interactive weekly lessons
- ...and more

Please share the Omada information with your employees.

“Kind words can be short and easy to speak, but their echoes are truly endless.” *Mother Teresa*

Office of Finance: Parish Accounting Support

Christmas gifts and W-2s.

We probably have all seen the comment in your parish's agreed upon procedures report. You gave a gift to an employee and did not run it through payroll. The IRS documents it this way:

Holiday gifts.

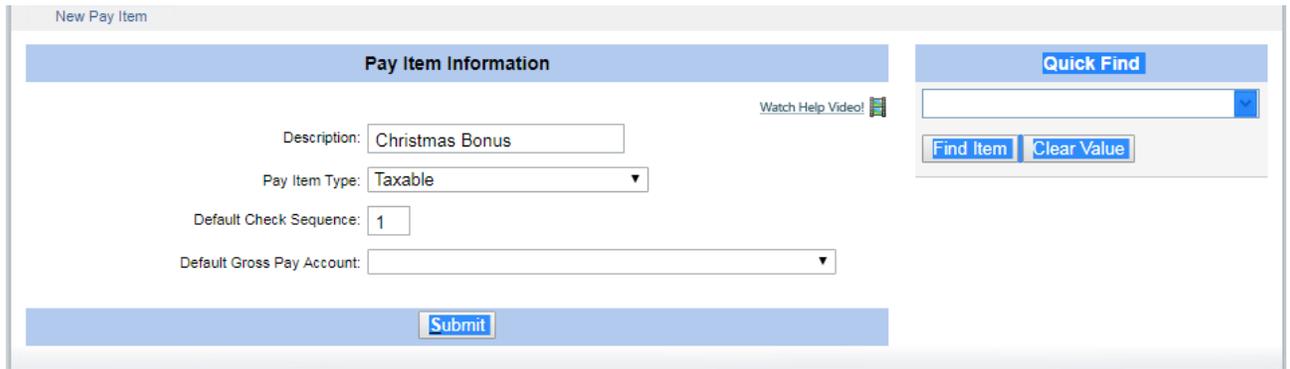
If your employer gives you a turkey, ham, or other item of nominal value at Christmas or other holidays, do not include the value of the gift in your income. However, if your employer gives you cash, a gift certificate, or a similar item that you can easily exchange for cash, you include the value of that gift as extra salary or wages regardless of the amount involved.

Really?? Even if it is just a \$25 gift card? Even if the CCW made the gift? Yes, even if it is just a \$25 gift card and yes, even if the CCW made the gift.

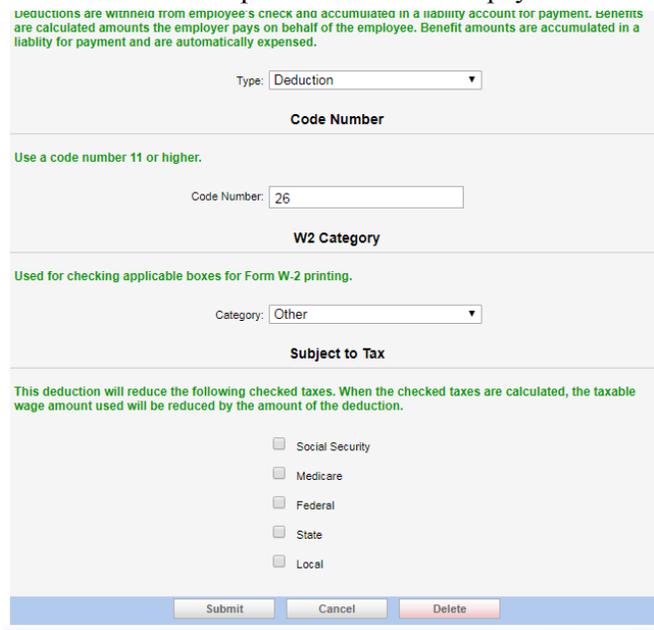
So, how does this work in ParishSOFT? Here are some examples:

The parish gives each employee a gift card valued at \$100.

1. In the payroll system you set up a pay item called Christmas Bonus (or just Gifts to employees). This is what it would look like. You may code it to wages or employee appreciation.



2. You set up a deduction called Christmas Bonus deduction (or just Gifts to Employees deduction). This will be coded to the same expense account as the pay item. Note that you do not check any of the check boxes.



(Continued on next page)



- In your payroll around the time the cards will be distributed, add the pay item to your employee records and add the deduction for the same amount.

Pay Group: 4:Annual-One Time

Hourly Salary
 Full-Time Part-Time

#	Pay Description	Hours / Units	Rate	Pay Period Amount	Annual Amount	Account	Use Dist
1	Christmas Bonus: Taxable			100.00	100.00		<input checked="" type="checkbox"/>
2							<input type="checkbox"/>
3							<input type="checkbox"/>
Total:				100.00	100.00		

#	Deduction/Benefit Description	Amount	Percent	Limit	2018	2017
1	26 Deduction: Scrip Card Deduction	100.00	0.00	999999.99		
2						
3						
Total:		100.00	0.00	999,999.99		

- This will add the income so the system will withhold taxes and it will deduct the amount (since you are not paying the money to the employee but giving them a gift card instead). The net effect will just be the withheld taxes.
- After closing the payroll, either delete the pay item and deduction or make them zero on each employee record so you don't accidentally process them again!

The parish gives each employee a monetary gift of \$100.

- Once again you will use the pay item but you will not need the deduction.
- If the gift is a flat \$100, all you need to do is put it in your payroll on the Christmas Bonus (or Employee Gift) line and let the system do the rest.
- If the gift is to net to \$100, it is best to handle it as a separate check and divide the amount of the gift by 100% minus the Social Security and Medicare tax rates of 7.65% (6.2% plus 1.45%) and any pension withholding rate for that employee. So, for our example, we will say that the employee is having 3% withheld for pension. You would divide the \$100 by .8935 (100%-7.65%-3%). The pay amount would calculate to \$111.92.

The parish or CCW gives the priest a gift of \$100.

- You would again use the pay item Christmas Bonus or Gifts to Employees.
- If the gift is given separately, it works best to run it through payroll and have the system cut a check (remove any direct deposit bank information for the priest first if this is the route you are taking). Run the payroll with just the Christmas Bonus or Gift pay item.
- If the gift is given in the form of cash which came from parish funds, the amount is both added and deducted in a payroll (see the first scenario). In the case of a priest, since there are no taxes withheld this will simply add the amount to the W-2.

Questions? Let me know!!

IRS Issues Standard Mileage Rates for 2019

Beginning January 1, 2019, the standard mileage rates for the use of car (also vans, pickups, or panel trucks) will be:

- 58 cents per mile driven for business use, up 3.5 cents from the rate for 2018

See more information at <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>

Office of Finance: Parish Accounting Support

ParishSOFT Family Suite News

Cindy Olson • parishsupport@dow.org

Merging Family Records is now available at the parish level for designated employees! In one of the more recent updates, ParishSOFT added the ability to merge duplicate records to the parish administrator's level. If you want to enable this, all you need to do is go to the Administration tab and select Manage Staff. Choose the staff member(s) you want to have access to the merge feature and put a check in the checkbox (under the ParishSOFT list). If you have any questions on this feature, check out the on-line user's manual.

Religious Education	Tuition	IQ	ParishSOFT
<input checked="" type="checkbox"/> View	<input checked="" type="checkbox"/> View	<input checked="" type="checkbox"/> View	<input checked="" type="checkbox"/> ParishSOFT Access
<input checked="" type="checkbox"/> Add/Edit	<input checked="" type="checkbox"/> Add/Edit	<input checked="" type="checkbox"/> Add/Edit	<input checked="" type="checkbox"/> Suspense Reviewer
<input checked="" type="checkbox"/> Delete	<input checked="" type="checkbox"/> Delete	<input checked="" type="checkbox"/> Delete	<input type="checkbox"/> Merge Family Access
<input checked="" type="checkbox"/> Print	<input checked="" type="checkbox"/> Print	<input checked="" type="checkbox"/> Import/Export	
<input checked="" type="checkbox"/> Tuition	<input checked="" type="checkbox"/> Import		

W-2 Check-list

Where did the year go? Once ParishSOFT updates with the new tax formats, it will be time to prepare, print, and file W-2s for your employees. I like to take the time to look at these items before sending anything out.

Don't forget to double check the year and have the system "recalculate all" from the Edit Employee W-2 menu.

Do the totals on your W-3 match the totals of your 941 returns and your state returns? You should be able to tie out the federal, FICA and Medicare wages and federal withholding with the 941 returns and the state taxable wages and withholding with the total of the state returns. If there are any differences, you will need to investigate further.

Are there any employees showing zero for Federal or State wages? This might mean that you have unchecked the withhold federal and withhold state tax check boxes. Again, investigation is needed.

Are you seeing the health insurance benefit and withholding total in Box 12 with the code DD? This is informational only but should total the health insurance premiums paid to the Diocese for each employee for calendar year 2018.

Pension withholding should appear in Box 12 E.

How do you file your W-2s? Some of you use the feature in ParishSOFT to electronically submit the forms to the SSA and state. If you only have a few employees (50 or less), you can manually enter them at the SSA Business Services website for free once you have registered. This site will allow you to print the forms too so you wouldn't need to purchase forms. Both the state and Social Security Administration allow uploads of formatted wage files. And there is always the option of printing paper copies and submitting them that way.

Contribution Statements

Another task coming up is the preparation of contribution statements for your donors. With Family Suite you are able to prepare a template for the statement/letter and also add a signature if you would like. Have you ever considered having your members access their statements through "My Own Church"? My Own Church allows members to access family suite directly and print their statements themselves. They can also sign up for ministries and correct their family information (address, e-mail, etc.). For more information, look at the training videos available at this site: <https://www.parishsoft.com/training/ps-family-suite/training-videos/>

Donation Deadlines

Cindy Olson • parishsupport@dowr.org

Donation deadlines IRS guidelines for when a donation is deductible are as follows: Time of making contribution: Usually, you make a contribution at the time of its unconditional delivery. **Check:** A check you mail to a charity is considered delivered on the date you mail it. **Text message:** Contributions made by text message are deductible in the year you send the text message if the contribution is charged to your telephone or wireless account. **Credit card:** Contributions charged on your bank credit card are deductible in the year you make the charge. **'Paybyphone' account:** Contributions made through a 'Paybyphone' account are considered delivered on the date the financial institution pays the amount. This date should be shown on the statement the financial institution sends you. **Stock certificate:** A properly endorsed stock certificate is considered delivered on the date of mailing or other delivery to the charity or to the charity's agent. However, if you give a stock certificate to your agent or to the issuing corporation for transfer to the name of the charity, your contribution is not delivered until the date the stock is transferred on the books of the corporation. **Promissory note:** If you issue and deliver a promissory note to a charity as a contribution, it is not a contribution until you make the note payments. **Option:** If you grant a charity an option to buy real property at a bargain price, it is not a contribution until the charity exercises the option. **Borrowed funds:** If you contribute borrowed funds, you can deduct the contribution in the year you deliver the funds to the charity, regardless of when you repay the loan. For further information, see IRS Publication 526: <https://www.irs.gov/forms-pubs/about-publication-526> It is helpful to publish this information in your bulletin so your donors know the deadlines. Many people think the donation by check is determined by the check date but, as you see above, it is determined by delivery date to the organization or the postmark date.

New Remittance and Collection Forms for 2019

Ann Ringlien • aringlien@dowr.org

With a new year right around the corner, please make sure you are using the correct remittance form when sending in checks for Special Collections after January 1. Included with this newsletter is a copy of the ‘2019 Special Collections Remittance Form’ that should be used throughout 2019. (Remember, the calendar for Special Collections runs on a calendar year, not fiscal year.) Also included is a listing of all the 2019 Special Collection dates. Please see below and page 8.

After January 1, please make sure you are using the correct remittance form (says ‘2019’ at the top) for any money sent in for Special Collections.

Other remittance forms (PDF & Excel formats) can be found on our website at www.dowr.org -> Offices -> Finance -> Remittance Forms (found under ‘Frequently Requested Topics’).

Diocese of Winona-Rochester Special Collections
Remittance Form 2019

Parish: _____
City: _____
Date: _____

Mail Check(s) to:
Diocese of Winona-Rochester Special Collections
PO Box 588 - Winona, MN 55987

Note: If you use this as a spreadsheet, totals are formulas.

2019 Special Collections**	
Please make check payable to: Diocese of Winona-Rochester Special Collections	
	<i>Parish GL</i>
January Latin America (50%)	2201 _____
January Catholic Communication (50%) <small>(Communications Apostolate)</small>	2202 _____
Ash Wednesday Aid to Church in Eastern/Central Europe	2203 _____
During Lent Rice Bowl	2204 _____
March Catholic Relief Services (Bishop's Overseas Appeal)	2205 _____
April Holy Land	2206 _____
June Peter's Pence (Holy Father)	2208 _____
Summer Missionary Coop <small>Organization: _____</small>	2217 _____
August Black & Native American (50%)	2210 _____
August Catholic Home Missions Appeal (50%)	2209 _____
October Propagation of Faith (Mission Sunday)	2211 _____
November Campaign for Human Development	2212 _____
November Archdiocese for the Military Service (2019)	2215 _____
December Retirement Fund for Religious (90%)	2213 _____
December Catholic University (10%)	2226 _____
<u>Other Special Collections</u> , (i.e. Middle East, Nepal earthquake, etc.)	_____

Total Special Collections	\$ _____ -

**Please remit special collections to 'Diocese of Winona-Rochester Special Collections' within one month of collection.

Diocesan Special Collections Dates – 2019
Diocese of Winona-Rochester

Collection	Date Of Collection	Occurrence
Latin American (50 percent) Catholic Communications (50 percent)	January 27, 2019	4 th Sunday in January
Church in Central and Eastern Europe	March 6, 2019	Ash Wednesday
Rice Bowl	During Lent	During Lent
Catholic Relief Services	March 31, 2019	4 th Sunday of Lent
Holy Land	Good Friday April 19, 2019	Good Friday
Catholic Charities	Mothers' Day May 12, 2019	2 nd Sunday in May
Peter's Pence	June 30, 2019	Sunday in June closest to Feast of SS Peter and Paul on June 29
Catholic Home Missions (50 percent) Black and Native American (50 percent)	August 25, 2019	Last Sunday in August unless it occurs on Labor Day weekend, then will be the Sunday before
Propagation of Faith (Mission Sunday)	October 20, 2019	2 nd to the last Sunday in October
Campaign for Human Development	November 24, 2019	Sunday before Thanksgiving Day
Retirement Fund for Religious (90 per- cent) Catholic University (10 percent)	December 8, 2019	2 nd Sunday in December
Collection for the Archdiocese for the Military Services	November 10, 2019	Sunday before Veterans' Day <u>every third year (2019)</u>



*Dear Parish Colleagues,
 Best Wishes for a Blessed Christmas and
 a Happy New Year! - The Finance Staff
 at the Diocese of Winona-Rochester*