



***CALLED TO STEWARDSHIP***  
***Diocesan Policies for***  
***Parish Finance Councils***

Third Edition  
CATHOLIC DIOCESE OF RICHMOND  
*Revised March 2007*

# Diocese of Richmond

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Office of the Bishop

Dear Father, Pastoral Coordinator and Parish Finance Council Chairperson:

I am pleased to forward to you the revised Parish Finance Council norms entitled, "Called to Stewardship". This third edition of the norms for Parish Finance Councils has been scheduled for release this spring and I am happy to be able to issue them to all of the parishes throughout our Diocese.

Parish Finance Councils are mandated by Section 537, Code of Canon Law. They are not discretionary but must be formed, operate within the law and serve as a valuable resource of financial and fiscal advice to each pastor. It is through the talents of these members of our parish laity that the funds and financial resources of our parishes are to be safeguarded and utilized in the best interests of the parish mission statement.

These norms are issued to be of assistance to the pastor in his responsibility as the chief steward of the parish. The members of the Parish Finance Council bring to the pastor a professional expertise genuinely needed in today's modern parish environment. We must take every precaution to see that the contributed parish funds are protected and used as our donors intend. The Parish Finance Council has the responsibility to make certain that sound financial policies and practices are in place in each parish in our Diocese.

I trust that each pastor will find these norms beneficial as he carries out his financial and fiscal responsibilities. I am deeply indebted to our Diocesan Finance Council who has given oversight to these newly revised norms.

In our continuing effort to bring about complete financial responsibility in our Diocesan offices as well as our parishes, schools, and other institutions, these norms are available at our Diocesan website at [www.richmonddiocese.org](http://www.richmonddiocese.org).

With my prayers and best wishes, I remain

Sincerely yours in Our Lord,

A handwritten signature in black ink, reading "Francis X. Di Lorenzo".

(Most Rev.) Francis X. DiLorenzo  
Bishop of Richmond

March 1, 2007

# CALLED TO STEWARDSHIP

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# I. Introduction

These Norms for Parish Finance Councils express the Catholic Diocese of Richmond's commitment to make collaboration a constitutive dimension of the Church and to practice responsible stewardship of human, financial and material resources.

Because a parish holds its property as a steward of the gifts of God's creation, it should seek to model for its members the prudence, the justice and the care that all should exercise in the stewardship of their own resources. The parish community is itself the subject of rights and obligations, among them that of holding property and carefully administering it (C. 113; 515, #3). From its foundation a parish enters into the realm of ownership of the monies given it as offerings, of the land and the buildings it constructs and of the furnishings and equipment it acquires (C. 1255). The very purpose of these temporal goods is the mission of the parish itself, including provision for worship and the ministries of the parish, the decent support of the clergy and others in ministry and the works of charity (C. 1254, #2).

As shepherd of a parish community entrusted to his care by the Bishop, the pastor is called to share in the teaching, sanctifying and governing ministry of Christ (C. 519). To enable that ministry, he is charged with the administration of the goods of the church. He represents the parish in all juridical matters and takes care that the temporal goods of the church are administered in accord with the canons of the Code of Canon Law (C. 532; 1281-1288), and diocesan statutes and instructions (C. 1276) as well as the precepts or directives given by the Bishop in a particular case (C. 49).

The pastor as the administrator of the parish does not stand alone. The Parish Finance Council is to assist him in carrying out the work of financial administration (C. 1280). Not a board of directors but a council of collaborators, the Parish Finance Council is required in every parish (C.537). To guide Parish Finance Councils, these norms have been formulated by the Diocesan Finance Council, drawing on the diocese's experience since 1983. They are meant to be developed further as good stewardship and sound financial management in parishes will indicate.

Published to aid Parish Finance Councils, these norms and the information that follows draws upon the Code of Canon Law and further specify it. The pertinent canons are cited in the text as the Code itself should be consulted when questions arise. These norms are published to furnish beneficial data and information for the use and operation of Parish Finance Councils within the Catholic Diocese of Richmond. These norms, and the attached appendices, will be updated and changed from time to time and will be disseminated to all pastors and Parish Finance Council chairpersons.

*These Norms for Parish Finance Councils are to have the force of law in the Catholic Diocese of Richmond. They are to guide pastors and parish finance councils in their work. They seek to express the collaborative nature of the task of parish financial administration. They call all engaged in this task to act in accord with the norms of church law, in order to be faithful to the church's very purpose and to protect the church's goods from any threat that could arise in civil law if the church's own norms are not followed. The Norms were first issued in January 1991 and this revision is effective March 1, 2007.*

## **II. The Parish Finance Council**

### **Establishment of the Parish Finance Council:**

Every parish shall have a Finance Council distinct from the Parish Pastoral Council. Established by the universal law of the church, the Parish Finance Council is regulated by the norms of the Code of Canon Law as well as by those issued by the diocesan Bishop. The Parish Finance Council is to aid the pastor in the administration of the goods of the parish (C. 537).

### **Membership:**

The Parish Finance Council is made up of members of the Christian faithful selected by the pastor according to the norms of law (C. 537). Its members should be conscious they share in the mission God has entrusted to the church (C. 204). As they hold an ecclesiastical office, they should be in full communion with the Catholic Church (C. 145, #2; 149; 205; 228; and 1282) and members of the parish they are to serve. An exception can be made for small parishes.

The Parish Finance Council shall consist of at least five members of the parish community. An exception may be granted upon request to small parishes on a case-by-case basis. Persons are to be selected for their expertise in financial matters, economics, general business management, banking, law, insurance, accounting and financial investment. In addition, members are to have prudence, uprightness and knowledge of the Catholic faith that will enable them to put into practice the message of the Gospel. Moreover, all members of the Parish Finance Council should take care to be objective and not to represent themselves in any deliberations.

The Pastor, to whom the Council gives advice, is not a member of the Parish Finance Council. No parish staff person, paid or volunteer, may serve on the Parish Finance Council. Parish administrative staff persons should serve as advisors to help the Parish Finance Council accomplish its work. Excluded from the Parish Finance Council are those who are related to the pastor or have a family or legal relationship to a parish employee engaged in financial administration. The Parish Finance Council shall assess the need for external consultants to aid in the Council's work and advise the pastor to engage them.

### **Change in Parish Administration:**

In the event the pastor of a parish dies, resigns or is transferred, the Parish Finance Council ceases to function unless called upon to do so by the Regional Vicar.

It is the prerogative of a newly appointed pastor/administrator to either confirm the present membership of the former Parish Finance Council or choose to appoint new members. The pastor's final decision in this matter should occur within six months of his installation as pastor.

In the event the new pastor chooses to appoint new members, he is to do so only after giving proper notification to the previous Parish Finance Council.

When a parochial administrator is appointed to a parish because of the incapacity or ill-health of the pastor, or for some other cause, the parochial administrator will assume the rights and responsibilities of the pastor in relation to the Parish Finance Council.

**Selection of Members:**

The pastor may consult the Parish Pastoral Council before appointing members of the Parish Finance Council, but Parish Pastoral Council approval is not required. Members of the Parish Finance Council are to have staggered terms of three years, after which the pastor may reappoint them for additional three-year terms.

The pastor shall appoint or reappoint a member to the Parish Finance Council in writing (C. 156), stating clearly the term of office. A newly appointed member is asked to accept the appointment in writing and to agree to perform the duties of a Parish Finance Council member conscientiously.

For a just cause, a member of the Parish Finance Council may be removed from office by the pastor (C. 193, #3). Should a Parish Finance Council member be so removed, resign or leave the parish, the pastor should appoint another to complete the unexpired term.

**Organization:**

The Parish Finance Council shall select a chairperson, a vice-chairperson and a secretary. These shall, together with the pastor, plan the agenda of the Council's meetings and shall provide for the ongoing spiritual formation of the members (C. 231, #1) so that all might be imbued with the spirit of the Gospel, in tune with the vision and mission of the Catholic Diocese of Richmond and of the parish, and committed to deepening their faith and sharing it with the parish community. Prayer should be an integral part of the Council meetings.

The Parish Finance Council should meet monthly. Special meetings may be called by the pastor as needed according to the norms of law (C. 127). The pastor and the Parish Finance Council should establish a meeting schedule and adhere to this schedule. Quorums must be established for the conduct of business. The Parish Finance Council should not meet publicly, but a process must be instituted which will allow parishioners a voice or hearing during their meetings. The Parish Finance Council must act in a collaborative way; all members should offer their opinion sincerely and if the seriousness of the matter requires it, all should maintain confidentiality (C. 127, #3). Written minutes of its actions and its recommendations to the pastor shall be kept on file. Copies of the monthly minutes shall be distributed to the Parish Finance Council members and the pastor. The names of the Parish Finance Council members should be made known to the parishioners and a means of contacting them should be publicized. The Parish Finance Council may establish sub-committees as deemed necessary and filled after consultation with the pastor. When such sub-committees are filled by non-Parish Finance Council members, then such members of the sub-committee may participate in discussion directly affecting their area of responsibility, but they are not entitled to vote on any measure in the Parish Finance Council.

**Functions:**

The Parish Finance Council shall see that proper financial records are maintained for all parish assets and liabilities, revenues and expenses in accord with the Chart of Accounts approved by the Diocesan Finance Office. The Parish Finance Council will assist the pastor in developing a balanced parish budget for each fiscal year according to the priorities and goals set by the Parish Pastoral Council and approved by him. The Parish Finance Council will monitor the finances of the parish by reviewing monthly comparisons of actual revenues and expenditures with the budget, the investments, and the overall financial operation of the parish. Unforeseen expenditures not anticipated in the budget should first be reviewed by the Parish Finance Council.

The Parish Finance Council will assist the pastor in compiling an annual report of the parish's finances which is to be sent to the Bishop by August 15<sup>th</sup> of each year (C. 1284, #2, 8). It will also arrange for the publication to the parish of the annual report and of regular reports on the parish's financial status. The annual report must include a statement of financial position (Balance Sheet) to include all assets, including all cash accounts, investment, building and endowment fund accounts, as well as all parish liabilities and the overall parish net worth.

Annually (due with the Parish Annual Report on August 15<sup>th</sup>), the Parish Finance Council will submit a letter to the Bishop of Richmond containing:

1. a statement that the pastor and parish finance council have met, developed and discussed the parish's financial statements and budget of the parish;
2. the names and professional titles of each parish finance council member;
3. the dates when the parish finance council met in the preceding fiscal year and since the fiscal year end; and
4. the dates when the approved (by the parish finance council) parish financial statements and budget were made available to the parishioners in the preceding fiscal year with a copy of such sent to the Bishop of Richmond.

A pro-forma letter and listing of parish finance council names and professional titles can be found in Appendix 14.

The Parish Finance Council itself will review the internal accounting controls over the parish's financial operations and will review in detail the books and records of the parish so that it is assured that these are properly maintained. It will establish a process whereby the council members themselves can exercise this oversight at appropriate intervals during the year.

The Parish Finance Council will exercise oversight over all parish investments and all finances relating to the parish or its school or any other parish programs done in the name of the parish and enjoying its tax exemption.

## **Relationships:**

### ***Relationship to the Bishop***

The Parish Finance Council is to work always in communion with the diocesan Bishop and those entrusted by him with the administration of the goods of the church. The norms of church law and the present precepts or directives of the Bishop in a particular case are to be observed. His permission must be obtained where required, especially in any matters pertaining to civil law (C. 1288). The Parish Finance Council should give high priority in any matters pertaining to the Bishop's requests for consultation and should be always ready to give him an account of its own work.

The Parish Finance Council is to assist in the parish's effort to render support to the Diocese, especially in the annual Bishop's Appeal.

In a particular case, because of hardship or another just cause, the Bishop can be asked to dispense from one or another of these norms, provided reasons are given him in writing. The Parish Finance Council may have recourse to



the Bishop against a decision of the pastor, provided the pastor has first been asked to revoke or amend his decision.

***Relationship to the Pastor***

The Parish Finance Council is a consultative body to aid the pastor who represents the parish in all legal matters and who is to administer the goods of the parish in accord with the norms of Canon Law (C. 532).

In major financial matters, the pastor may act only after having consulted the Parish Finance Council. (A major financial matter is one that is over five percent (5%) of the annual parish income.) The pastor is not obliged to follow the Parish Finance Council's recommendation but should give it great weight in making his decision. Should he decide to act contrary to it, he should offer to the Parish Finance Council the overriding reasons which led him to do so (C. 127, #2.2).

The pastor is to meet with the Parish Finance Council and to make available to it the financial data and records of the parish that the Parish Finance Council needs in order to do its work. In the ongoing administration of the finances of the parish, the budget and the monthly review of financial operations, to include both the statement of financial position (Balance Sheet) and the statement of revenues and expenditures, are the principal tools for the pastor's and the Parish Finance Council's collaboration.

***Relationship to the Parish Pastoral Council***

The Parish Finance Council is separate and distinct from the Parish Pastoral Council. Ordinarily a person should not serve on both councils simultaneously unless the small size of the parish warrants it.

The Parish Finance Council will make an informational report on the state of parish finances to the Parish Pastoral Council, noting any major factors or trends that could have a budgetary impact. The Parish Finance Council will listen to the priorities for the parish's ministries as set by the pastor, together with the Parish Pastoral Council, and shall be guided by these in helping to develop the parish budget.

The Parish Finance Council is not to be responsible for fund-raising but may recommend appropriate means for this to the Parish Pastoral Council and should collaborate in the parish's stewardship effort.

***Relationship to a Parish School***

In those parishes which operate a school, the Parish Finance Council has the same oversight over the school's financial activity as over other parochial business.

Each school should have its own Finance Committee to advise the principal on the financial operation of the school, exercising the same functions for the school as the Parish Finance Council does for the parish. The Parish Finance Council should see that this is done, taking care to see that there is regular communication between the school's finance

committee and the Parish Finance Council and that the proper financial procedures are followed in a timely fashion.

The principal functions as the legal agent for the school under the direction of the pastor. The principal of a parish school must submit a budget and an annual financial report to the Diocesan Finance Office after a review by the Parish Finance Council and the approval of the pastor.

**Conflict of Interest Policy**

All members of the Finance Councils operating within the Catholic Diocese of Richmond, both Diocesan and Parish, serve as financial and fiscal advisors to the Bishop, pastor or administrator appointing such members. As financial and fiscal advisors, no member of a Finance Council in the Catholic Diocese of Richmond can or may benefit directly or indirectly from a business relationship with the entity for which the members serves as a Finance Council member.

A Finance Council member cannot be both an advisor and have a business relationship with the entity for which the member serves as an advisor. The member may be one or the other; but cannot be both.

### III. Parish Financial Policies and Procedures

#### **Responsibility:**

The final responsibility for all parish financial transactions rests with the pastor. He may designate others to share in this ministry after consulting with the Parish Finance Council (C. 1279, #1).

#### **Receipts:**

Proper accounting must be made for all receipts. Each parish should have a written process for:

1. *Verification of Sunday/Holy Day Collections:* The collection must be counted on the day it is received, that the persons counting the collection vary from week to week, the counters be unrelated (i.e., not married or family members), that a counters' record be kept to provide sufficient detail for the bookkeeper and to allow for comparison with the bank deposit. The counting team must include two unrelated persons. When a husband and wife are on the same collection counting team there must be at least one other unrelated counter to insure a division of responsibilities. Duplicate deposit slips and tapes are to be prepared. Parish collections are not to be removed from the property before banking, nor to be kept on the parish premises overnight. There is no insurance coverage for funds kept on the parish premises overnight. The collection record and the deposit slip and tape are to be verified and the various documentation signed by the counters. The parish bookkeeper should not be involved in the counting of these funds at any time.
2. *Posting of Receipts:* Once verified, the receipts are to be posted and the counting record and the duplicate slip and tape are to be filed for future inspection and review.

#### **Contributions:**

Each parish must have a process of posting Sunday/Holy Day contributions from its parishioners in a manner that maintains confidentiality and allows for regular accounting to each member for his/her contribution. All offerings given to the church for a definite purpose are to be applied only for that purpose (C. 1267, #3). To preserve the integrity of the donor/donee relationship, all funds given for a specific purpose, (i.e., debt reduction) must be used **only** for that purpose and cannot be used for another, even though related expenditure (i.e., interest on that same debt reduction program).

It is strongly recommended that all members of the parish community be asked each year to renew their commitment of financial support for the church. The Parish Finance Council should collaborate with this parish stewardship effort and with an ongoing parish effort for planned giving, at least through wills and bequests.

#### **Expenditures:**

Each parish must have a written process for the authorization and payment of expenditures. Only those authorized by the pastor may commit the parish to a financial expenditure, e.g., the parochial vicar or a neighboring pastor in the pastor's absence; an

M.R.E., or other pastoral associate for various types of expenditures, i.e., religious education, liturgy, social ministry, etc. All authorizations for expenditures should be given in writing and kept on file.

No payment should be made without an invoice or written request approved by the pastor or his designee(s). Payroll checks shall be based on written employment agreements. All payments are to be posted to the line item designated by the person authorizing the expenditure. Checks are to be signed by the pastor or his designee but not, however, by the bookkeeper or person preparing the check. Guidelines for expenses chargeable to a parish are found in Appendix 7.

All employees must be paid through the parish payroll system. All payments for services to employees, in whatever form, must be reported on the employees' W-2 forms.

All persons receiving payments for services, other than employees, must be issued a Form 1099 if payments to that person exceed \$600 per year.

All payments beyond reimbursements and benefits made to parish priests as compensation are to be reported on Form W-2. There is to be no withholding for income tax or Social Security payments to priests unless the priest specifically requests such withholding. Although considered employees for income tax purposes, priests are deemed self-employed for Social Security purposes.

#### **Unbudgeted Capital Expenditures:**

For unbudgeted capital expenditures which are required during a budget year, there should be prior consultation with the Parish Finance Council unless there is great and urgent danger of damage to the parish property.

#### **Accounting:**

Bank statements are to be reconciled each month. Checks outstanding over 50 days are to be cleared by contacting the payee. Journal entries are to be made for interest earned and for bank charges.

A parish with a computerized accounting system shall use a program generating a general ledger, balance sheet, trial balance, income statement and budget with the current chart of accounts. The diocesan Finance Office and Office of Information Technology offer support for the accounting software, Parish Data Systems (PDS).

#### **Investments:**

Funds left over after expenses and funds not yet needed are to be invested at a proper rate of interest (C. 1284). Investment of funds should be of a non-speculative nature with appropriate safeguards to prevent their loss. The principles of the 1987 Diocesan policy statement on socially responsible investments should be followed (cf. Appendix 3).

A parish is to have a Capital Fund to which offertory income should be budgeted and from which funds for extraordinary capital expenses, repairs and replacement of depreciated equipment can be drawn. The amount of this fund shall be in proportion to the size, age and needs of the parish's plant. The Parish Finance Council should be consulted before use of such capital funds.

A parish, and especially a school, may establish an Endowment Fund to be governed by its own Endowment Committee, according to guidelines available from the Diocesan Finance Office. Final Endowment rules must be approved by the diocesan attorney and the final Endowment document must be approved and signed by the Bishop of Richmond.

**Reporting:**

The pastor must make an annual financial report to the Bishop of Richmond by August 15<sup>th</sup> of each year according to the report form provided by the Diocesan Finance Office (C. 1287, #1). The Parish Finance Council is to assist in the preparation of this report, and the chairperson of the Parish Finance Council must sign the annual financial report together with the pastor prior to it being submitted to the Bishop of Richmond.

With the consultation and guidance of the Parish Finance Council, the pastor is to render to the members of the parish an annual account of the goods offered to the church and of their use. Other periodic reports may also seem appropriate (C. 1287, #2). In January each member is also to be given an account of his/her contributions from the previous year.

**Budgeting:**

Each year by May 15<sup>th</sup>, the pastor is to submit to the Diocesan Finance Office a budget of the projected parish income and expenditures for the next fiscal year, July 1 to June 30 (C. 1284, #3).

The Parish Finance Council is to assist the pastor in developing the budget in accord with the pastoral needs and priorities as set by the Parish Pastoral Council in cooperation with the pastor. For successful budgeting, existing programs should be evaluated and goals and objectives developed with plans for action to which both income and expense estimates can be matched. A budget is the map for money management which enables the parish to move toward accomplishing its mission.

A clearly defined budget cycle or calendar should be in place, allowing for the participation of those engaged in the various parish programs (e.g., liturgy, school, religious education, social ministry, etc.) and a process of dialogue and negotiation among all concerned so that the choices made can best serve the needs of the whole parish. Each parish must submit a balanced budget based on realistic and supportable estimates of revenues and expenses.

## **IV. Taxation and Ownership of Land**

### **Income Taxes:**

The Catholic Church in the United States is exempt from Federal Income Tax under the provisions of Section 501(c)3 of the Internal Revenue Code. Dioceses, parishes and schools are also exempt from filing any type of income tax return, such as Form 990, Tax Return for Exempt Organizations. To be covered under this “umbrella” exemption, one must be listed in the Kennedy **Official Catholic Directory**. The annual updating of this Directory is done only through the office of the Bishop of Richmond. Parishes and schools so listed are thereby tax-exempt and need not file for exemption. Those parishes having separately incorporated ministries or agencies should have them listed accurately in the Directory and should file Form 990 annually if required. Exemption within the Federal Law also extends to exemption under the Virginia Income Tax Law.

### **Personal Property Taxes:**

This tax, like real estate taxes, is under the authority of the locality in which the church property is located. Usually taxes on tangible personal property (desks, etc.) are not assessed against a parish. Personal property tax exemptions for automobiles are subject to specific rules by the Department of Motor Vehicles, and inquiry should be made to that agency for autos, vans, trucks and buses.

### **Sales Tax:**

Some purchases for liturgy and direct ministry are exempt from this tax as are school purchases. Inquiries should be directed to the local state sales tax office.

### **Ownership:**

Section 57-16, Code of Virginia, provides that if a church has a Bishop with authority over its members, then all land will be taken in the name of the Bishop who buys and sells on behalf of the churches under his authority. Thus all land of the Diocese and its subordinate parishes and institutions is taken in the name of the current Bishop, titled as follows, “Francis X. DiLorenzo, Bishop of the Catholic Diocese of Richmond, and his successors in office.” All contracts for the purchase or sale of land must be signed by the Bishop of Richmond as the owner in civil law. Pastors have not been delegated this authority. At the same time, however, in canon law, each parish is a distinct juridic person and its property is meant for its own use.

### **Real Estate Taxes:**

Generally, all property used by churches in carrying out their ministries is exempt from real estate taxation. Usually not exempt are land and buildings owned but not used for church work, such as rental property or vacant land for future parish use. Upon purchase of property for church use, a parish should contact the local tax assessor for an exemption. This real estate tax exemption is not automatic. A parish must ask the local authorities for the exemption to be granted. It should be done commensurate with the closing on the new property by the attorney representing the parish.

## V. Contracts, Loans and Insurance

### **Contracts:**

Since the civil regulations on contracts are also to be observed in canon law (C. 1290), all contracts which involve the sale of or any possible lien on the land or real property of the parish, and *contracts for construction must be signed only by the Bishop of Richmond as he is the titled owner*. Pastors do have the authority to purchase or sell equipment, automobiles, etc. and to contract for services within the range of ordinary administration.

### **Loans:**

All borrowing by a parish must be approved by the Bishop. A request for permission to borrow must be accompanied by a repayment plan that is shown to be feasible. Normally debt incurred in major building projects should be financed over no longer than fifteen years, and debt for lesser projects over a shorter time.

To finance debt for capital improvements, all parishes and schools must have completed the process of dialogue with the Diocesan Building and Renovation Commission, if applicable, and must have the approval of the Bishop. The Bishop will require the recommendation from the Parish Finance Council for the project. In certain instances the approval of the Parish Pastoral Council for the project and the endorsement of the pastor for the project will be required.

As a construction loan or as a form of long-term financing, a parish may arrange for a demand note against a general line of credit to the Diocese of Richmond at Bank of America and SunTrust Bank. Such arrangements require the endorsement and guaranty of the Bishop of Richmond. Details of these arrangements are available from the Diocesan Finance Office.

Also available are mortgage loans from the Knights of Columbus. These loans are not construction loans but are permanent financing which require the parish property to be offered as security and must bear the approval and guaranty of the Bishop of Richmond. Details are in Appendix 8.

### **Insurance:**

The Catholic Diocese of Richmond has a mandatory self-insured program of insurance for its parishes, schools and other properties. Only those institutions or agencies owned by the Diocese can be covered. Purchase or reliance on additional insurance coverage must be approved by the Diocesan Finance Office. Claims are to be handled directly with the Director of Risk Management, 811 Cathedral Place, Richmond, Virginia 23220. For any emergency or to report a loss or possible claim, call the 24 hour answering service at (804) 357-2257. The various types of insurance coverage with the Catholic Mutual Insurance Company are as follows:

1. **Building and Contents:** All buildings and contents, including art and sacred vessels, are insured for their fair market value replacement cost. Every third year each location is visited and valuations updated. Every five years a detailed assessment is made. There is a \$500 deductible for each loss occurrence. A parish should maintain an inventory of all its assets.

Buildings are covered from the date they are acquired by the parish. The Office of Risk Management should be immediately informed

that a building is to be added to the coverage. The Office of Risk Management will advise both the parish and the diocese in writing of the premium for the new property. When a building is sold, the Office of Risk Management also should be advised to remove it from the coverage so that the insurance premium can be adjusted downward.

All cars and buses owned by the diocese, its parishes, and schools are to be covered under this plan. The Office of Risk Management should be advised immediately of acquisitions and disposals to keep coverage current.

2. **General Liability:** Extends to any and all officially sponsored activities of the parish or institution, whether held on the parish/institution grounds or not. Parish employees and volunteers are covered under the policy.
  - a. **Third Party Liability:** includes bodily injury, property damage, and personal injury while on parish premises or in conjunction with parish activities.
  - b. **Medical Payments:** paid in addition to liability claims as part of the same claim: includes payments for claims on premises and in automobiles owned by the parish.
  - c. **Errors and omissions:** covers clergy malpractice, school board liability, officers and directors of all parish organizations.
  - d. **Exclusions from insurance coverage:**
    - i. Absolute seepage of pollutants
    - ii. Hospital/clinical malpractice
    - iii. Sexual misconduct
    - iv. Aircraft and watercraft
    - v. Trampolines, rebounding, or tumbling devices
    - vi. Absolute asbestos
    - vii. Activities of a parish that would constitute a business which deals with the general public
    - viii. 10-15 passenger vans
    - ix. Unauthorized (by Diocese) employment terminations

The Diocesan insurance plan does not cover medical claims other than those arising out of liability claims. When taking groups of children on trips or outings, the parish should secure statements from parents that the attendees are covered under their own medical insurance.

If parish facilities are used by a parish sponsored organization or for parish events, all coverages of the policy are extended to the group or individuals. This includes bazaars, festivals, and fundraising programs and events. If the parish rents its facilities to non-parish organizations, the parish must secure a certificate of insurance from that organization to the effect that it has its own insurance. A tax-exempt organization having its own separate tax exemption is deemed to be a non-parish organization. Failure to do so may make the diocese and the parish liable. This is especially important if the facility is rented to any group that could cause a claim in the areas for which the parish has limited or no coverage. Special events coverage is required for various non-parish sponsored events.

3. **Hospitalization/Dental/Life Insurance:** Employees may participate in the diocesan health insurance plan. A dental plan for employees and their



families is also available. A life insurance policy on the life of each employee covered in the health/dental plan is also offered. Lay employees may, at their own expenses, elect additional life insurance coverage up to three times their compensation. The cost of premiums is published by the diocesan Office of Human Resources.

## **VI. Parish Assessments**

**Cathedraticum:** See full policy on diocesan website, under Finance Office.

***A parish may not arbitrarily reallocate revenues from Sunday and Holy Day collections and determine they are non-taxable since it is the policy of the parish not to have second or special collections for projects of the parish. If the funds are generated from the normal Sunday and Holy Day collections then they are fully taxable. There is no exception to this rule. Special envelopes for special collections are to be used to assure that the intention of the donor is observed.***

The assessment is based on the projected annual income as estimated by the pastor in the budget submitted in May of each year. The assessment is billed each month by the Finance Office. Upon receipt of the annual report by August 15<sup>th</sup> of the following year, the Finance Office makes an adjustment accordingly to the parish.

### **Self-Insurance:**

The insurance premium for each parish is billed monthly. It is changed each July to reflect the new insurance premiums by the carrier.

### **Priest Auto Assessment:**

Billed monthly, this assessment supports a fund from which grants can be made to assist a priest in purchasing his own automobile. A priest may apply for a grant to assist in the purchase of an automobile. The grant program is administered by the Director of Finance.

### **Priest Retirement Assessment:**

The annual priest retirement assessment, based on the number of priests assigned to a parish, varies from year to year based on the needs of the plan. This assessment is billed to the parish monthly.

**Priest Hospitalization Assessment:**

Priests of the diocese are covered by a diocesan hospitalization plan. The cost of the plan is computed by the insurance carrier and is billed to the location of assignment monthly. Religious employees of the Diocese are covered under the same plans and rules as are lay employees.

**Disability Insurance Assessment:**

Disability insurance is provided for lay employees and religious employees who work twenty hours or more per week and who are covered under Social Security. The premium is updated annually based on salaries reported by the parish each quarter to the Diocesan Office of Human Resources. This assessment is made monthly by the Finance Office.

**Employee Assistance Plan Assessment:**

An employee assistance plan is provided for every lay or religious employee and each priest of the Diocese. The assessment is based on the number of lay and religious employees and priests at a location. The assessment is made monthly by the Finance Office.

**Unemployment Assessment:**

Diocesan locations do not pay FUTA or SUTA tax through payroll. The Diocese is self insured for these unemployment claims through the Commonwealth of Virginia. Upon a former employee's claim for unemployment pay, the Virginia Employment Commission invoices the Diocese for the amount owed. At the time the bill is received the Diocese determines which employing location the former employee was working for and assesses the exact amount to that location. This assessment is made on an as needed basis by the Finance Office.

**The Catholic Virginian Assessment:**

The assessment for The Catholic Virginian is a fixed percentage of the Cathedraticum base and is billed monthly by The Catholic Virginian.

## **VII. Compensation and Benefits**

### **For Priests:**

Priests are assigned to the parish by the Bishop. Priests of the Catholic Diocese of Richmond are treated as employees for income taxes only. They are self employed for Social Security taxes. Their compensation is reported to the IRS on form W-2 at year end. Their stipend and benefits are as follows:

1. The annual stipend for a priest is set by the Diocesan Finance Council. It is paid monthly by the parish.
2. A quarterly payment is made by check payable to the Internal Revenue Service (IRS), to assist the priest in his payment of Social Security tax as a self employed person.
3. Hospitalization and dental insurance is paid by the parish to the diocese monthly according to the number of priests assigned to the parish.
4. Each priest is to be reimbursed for the costs of an annual retreat and for continuing education programs, up to the amount set in the diocesan budget schedule which is issued in February annually.
5. A monthly payment is made by the parish to the Diocesan Priests' Retirement Plan according to the number of priests assigned to the parish.
6. According to the number of priests assigned there, each parish makes a monthly payment to the Priest Auto Grant Fund.
7. Each priest is to be reimbursed for the use of his automobile in the work to which he is assigned, including insurance, gas, oil, tires, ordinary repairs, and state and local licenses. Personal property tax and drivers' license fees are to be paid by the priest himself.
8. The parish is to pay for the priest's replacement during his vacation and his attendance at continuing education programs, and during a normal sabbatical.
9. The parish is to provide personal living space for priests, separate insofar as possible, from office space.
10. The parish is to provide food, house furnishings, housekeeping services and maintenance for the priests' residence. Other expenses chargeable to the parish are addressed in more detail in Appendix 7, Policies for Expenses Chargeable to Parishes.
11. The priest may keep for himself the mass stipends he receives. All stole fees given on the occasion of baptisms, weddings, funerals, etc., are the property of the parish and are to be so recorded as parish income (C. 1267, #1).

### **For Lay and Religious Employees:**

The hiring, supervision and termination of all parish employees are the responsibility of the pastor. He is to observe meticulously the civil laws pertaining to labor and social policy according to principles taught by the Church

and to pay employees a just and decent wages so that they may provide appropriately for their needs and those of their family (C. 1286). The following norms are to be observed:

1. **Direct Compensation**
  - a. All lay employees of parishes in the Catholic Diocese of Richmond are to be compensated according to pay schedules published jointly by the Diocesan Finance Office and Office of Human Resources each year. **These schedules are mandated to be followed and are not suggested, but required pay schedules.** Religious employees who are not priests are covered by these same schedules unless the religious employee or his/her religious community and the parish contract for a stipend arrangement.
  - b. Personnel should receive information on pay periods in writing at the start of the employment. Rate of pay and deductions withheld should be included with the paycheck.
  - c. Annual salary increases are to be based on diocesan salary scales. These scales will be reviewed and adjusted yearly in light of cost of living increases and other pertinent information.
  
2. **Benefits:** All parish employees employed for twenty hours or more per week receive the following benefits according to *Called to Work in Harmony*.
  - a. **Retirement:** The diocesan non-contributory retirement plan permits full vesting or retirement rights after five full years of employment within the diocese. Retirement age is 65. The parish pays the entire annual amount of the pension contribution to the Diocesan retirement plan. Payments for religious employees can only be made to special retirement funds of the respective Order. They can not be paid into an Order's general fund.
  - b. **Disability Income Protection:** A short and long-term disability income protection plan covers all employees who participate in the Social Security program, including religious whose communities participate in Social Security. The parish should require a statement from the religious community that the religious employee is covered by Social Security. Payments under this plan begin after the employee has been absent from work thirty consecutive days. During the first thirty days of absence, the employee is to use the sick leave plan of the diocese. The disability insurance assessment is made monthly by the Finance Office.

- c. **Worker Compensation:** A worker compensation plan for employees injured on or in connection with their jobs is a part of the self-insured program administered by the Office of Risk Management. Worker compensation claims are filed directly with the Office of Risk Management. The Office of Human Resources should also be informed.
- d. **Hospitalization/Dental/Life Insurance:** Employees may elect coverage under the diocesan health insurance plan. *Effective January 1, 2007, eligibility for the employee health insurance plan will increase for new employees to 30 hours or more a week. Those individuals hired on or before December 31, 2006 are grandfathered for eligibility for the employee health insurance plan at 20 or more hours per week.*
- e. **Leave:** Leave policies covering annual, sick, personal, maternity, military and jury duty leave are described in *Called to Work in Harmony*. If unusually long hours are necessitated as part of a person's ministry, a mutual agreement in writing should be worked out, in advance if possible, to compensate a person either financially or through additional leave.
- f. **FICA (Social Security Taxes):** Withholding of Social Security taxes is mandatory. Each parish has a fiduciary responsibility to see that this tax is withheld from the employees and remitted on time to the IRS through the depository method required by the IRS.
- g. **Automobile Reimbursement:** Salaried employees required to use their automobiles in the conduct of official business are reimbursed for use of their personal automobiles on official parish business according to the reimbursement rate established by the Diocesan Finance Council, which changes on July 1 annually.
- h. **Holidays:** Paid holidays currently celebrated in the administrative offices of the diocese are: New Year's Day; Martin Luther King Day (third Monday in January); Washington's Birthday (third Monday in February); Good Friday; Memorial Day (last Monday in May); Independence Day (July 4<sup>th</sup>); Labor Day (first Monday in September); Thanksgiving Day (fourth Thursday in November); day after Thanksgiving Day; Christmas Eve; Christmas Day; day after Christmas (if it falls on a weekday). Parishes may adjust these days according to local need, keeping the same number.

# **Appendix 1**

## **Parish Finance Council Expectations**

1. The following are expectations the parish has of its Parish Finance Council members:
  - a. To worship within the parish and live as a Catholic, faithful to Christ before the world.
  - b. To be aware of all ministries and key personnel in the parish.
  - c. To follow diocesan norms for Parish Finance Councils, the Parish Finance Council constitution, and other appropriate regulations.
  - d. To be present for the public “commissioning” of the members of the Finance Council if this is a parish practice.
  - e. To attend the regularly scheduled monthly meetings.
  - f. To read the minutes of the past meeting and the agenda of the next meeting prior to attendance.
  - g. To participate in any Parish Finance Council retreats or times of extended planning or formation.
  - h. To assist the pastor when needed in the ongoing financial administration of the parish.
  - i. To be concerned and work for the welfare of the entire parish.
  - j. To engage in collaborative/consensus decision making.
  - k. To be aware of the church beyond the parish, i.e., the diocese and the church universal.
  - l. To be visible and identifiable in the parish and to attend major parish activities.
  
2. The following are expectations the Parish Finance Council has of its leadership:
  - a. To consult with members regarding council agenda.
  - b. If there be an executive committee, to hold regular committee meetings.
  - c. To establish a realistic time frame for council meetings and to determine the appropriate level of discussion of the various issues on the agenda.
  - d. To see that the agenda and minutes are provided for the members at least a week before a meeting.
  - e. To adhere to the agreed meeting schedule.
  - f. To arrive at decisions by consensus if possible.
  - g. To lead the council in accord with the provisions of the laws and regulations of the Church.
  - h. To arrange for a public commissioning of the council members.
  - i. To establish an annual calendar.
  - j. To inform the parish about the work of the Finance Council as appropriate.

# ***Appendix 2***

## ***Parish General Finance Calendar***

### **JANUARY**

- Priest IRS payment
- Financial statements mailed to contributors
- Issue Forms W-2 to employees
- Issue Forms 1099 as needed
- Quarterly payroll tax return, Form 941 to IRS
- File quarterly VA-16 – Commonwealth of Virginia
- Complete the Quarterly Parish Taxable Receipts Report (through CID)

### **FEBRUARY**

- File Forms W-2/1099 with IRS
- File Form VA-6 with the Commonwealth of Virginia

### **APRIL**

- Priest IRS payment
- Quarterly payroll tax return, Form 941 to IRS
- File VA-16 with the Commonwealth of Virginia
- Complete the Quarterly Parish Taxable Receipts Report (through CID)

### **MAY**

- Parish budget due May 15

### **JUNE**

- Priest IRS payment

### **JULY**

- Quarterly payroll tax return, Form 941 to IRS
- File VA-16 with the Commonwealth of Virginia
- Complete the Quarterly Parish Taxable Receipts Report (through CID)

### **AUGUST**

- Parish annual report due August 15
- Statement from Pastor and Parish Finance Council on members and meeting dates due August 15

### **SEPTEMBER**

- Priest IRS payment due
- Publish parish annual report to parish community

### **OCTOBER**

- Quarterly payroll tax return 941 due IRS
- File VA-16 with the Commonwealth of Virginia
- Complete the Quarterly Parish Taxable Receipts Report (through CID)



## **Appendix 3**

### ***Socially Responsible Investment Policy Statement***

#### **Catholic Diocese of Richmond**

**OCTOBER 1987**

In May 1980, the "Unite for Justice" assembly of over 800 Delegates from diocesan parishes, schools and organizations called on Bishop Walter F. Sullivan to reaffirm responsible investment practices in its own investments and in the investments of institutions under its auspices and to encourage parishes and Catholic institutions to participate in corporate responsibility education and action programs. The Diocese of Richmond has maintained an active membership in the Mid-Atlantic Coalition for Responsible Investment and, in 1983, the Office of Justice and Peace initiated a consultative process to formulate a diocesan policy on socially responsible investment. The principles of a policy were accepted by the Diocesan Pastoral Council, the Presbyteral Council, the Diocesan Finance Council, and the Justice and Peace Commission. A special task group of representatives from each of these bodies drafted this policy statement, which was accepted and approved by the Bishop of Richmond in Theological Reflection.

"The earth is the Lord's and the fullness thereof,

The world and those who dwell there in" (Ps 24:1),

the psalmist sings, and the Hebrew and Christian scriptures echo the refrain.

The book of Genesis recounts how "the Lord God planted a garden of Eden in the East, for human persons to till it and keep it" (Gen 2:8, 15). The laws of the covenant regulating Israel's life as a holy people made clear that there could be no exclusive claim to land - Israel's productive assets - for land belonged to Yahweh, who required that its fruits provide for all people. Land could not be sold in perpetuity, because it belonged to the Lord (Lev 25:23); slaves were to be released and debts cancelled every seventh year (Dt 15:1-16 and Lev 25:39-42), and the grapes, grain and olives missed in the first harvest were to be left for sojourners, widows and orphans to glean (Lev 19:9-10, 23:22, Dt 24:19-22).

The qualities of a good steward were so familiar to Jesus' hearers in Luke's gospel that the parables of the tower builder (Lk 14:28-30), the king going to war (Lk 14:31-32) and the dishonest steward (Lk 16:1-9) could use stories of good and bad stewards to teach the requirements of discipleship.

Pope Leo XIII applied the teaching of scripture on stewardship to modern industrial society in his 1891 encyclical letter on the condition of labor. His successors to this day have increasingly emphasized what has become known as the social mortgage on all private property: the Creator's intention that the goods of creation and the fruits of human labor should provide for the needs of all people.

The Catholic Diocese of Richmond recognizes that one who would preach just stewardship must also be just in the eyes of the world (cf. Justice in the World, Chapter 3).

Seeking to use the assets entrusted to it in ways consistent with the gospel it proclaims, the Diocese of Richmond sets for itself the following investment policies:

### **Principles for Investment**

The Diocese of Richmond has the responsibility to be a proper steward of all resources entrusted to it. Among these resources are diocesan investment funds. The attainment of an adequate rate of return is a moral and legal fiduciary responsibility of the trustees of diocesan institutions. Similarly, the conditions and restrictions of trusts must be considered in investment decisions. These responsibilities must be coupled with a thoughtful consideration of the social, ethical and moral practices of those companies in which the Diocese invest. Through its investments, the Diocese enters into a partnership with business enterprises that make a positive contribution to their communities. The Diocese of Richmond will invest in firms that act according to the following principles:

1. Produce goods and services that recognize the dignity of all persons, improve the quality of life, and conform to the moral teachings of the Catholic Church (including the US Bishops' pastoral letters The Challenge of Peace and Economic Justice for All);
2. Maintain fair employment practices in both domestic and foreign business operations;
3. Act to preserve, protect, and improve the natural environment;
4. Utilize capital and other resources to stimulate the economic development of depressed areas both in the United States and developing countries; and
5. Reflect in their own governance structure active concern for representation by minorities and women.

### **Economic Strategies for Social Responsibility**

There are many actions that can be taken to promote social responsibility in diocesan economic activities and investments. Among these are the following:

1. Attend annual meetings and participate in the proxy voting process of companies in which the diocese owns stock, including sponsorship of shareholder resolutions on social issues;
2. Participate in new and ongoing dialogues with corporate management about their social practices;
3. Include social considerations in decisions about diocesan purchases of goods and services; and
4. Develop an overall package of investments that promote both diocesan financial and social objectives.

*Recommended to the Bishop by the Diocesan Finance Council  
9/21/87*

*Approved by Bishop of Richmond  
10/87*

# **Appendix 4**

## **Diocesan Fraud Policy**

### **Policy Statement:**

The prevention of fraud is the responsibility of all priests, religious, lay employees, Parish Finance Council members, Parish Pastoral Council members, volunteers and parishioners of the Catholic Diocese of Richmond. Fraud is not tolerated. Persons participating in fraudulent acts will be subject to disciplinary action, up to and including termination and civil and criminal prosecution. The Catholic Diocese of Richmond promotes honesty, integrity and accountable stewardship in relation to the gifts from God provided to the Diocese.

### **Definition:**

*Fraud:* The deliberate and/or unlawful deception, misrepresentation or concealment of facts committed to secure unauthorized personal advantage, benefit or gain and to cause loss to another, specifically, the church, school or Diocesan location. Prohibited acts include but are not limited to:

1. theft of any assets (money, tangible property, etc.);
2. authorizing/receiving compensation for goods not received, services not performed, or hours not worked;
3. bribery, kickbacks, or rebates (given or received);
4. alteration or the falsification of documents;
5. misappropriation, misapplication, destruction, removal or concealment of Church money, property or other assets;
6. embezzlement (any loss resulting from the misappropriation of assets);
7. intentional misrepresentation or distortion of facts, financial records or financial statements;
8. improper use of Church staff involving non-church property and assets.

### **Reporting of Suspected Fraud:**

Suspected fraud should be reported as soon as possible. Failure to promptly report suspected fraud claims may jeopardize the diocese's ability to recover stolen funds and/or property. Please report a suspected fraud to the proper Diocesan Officials:

1. Complete the Diocesan Report of Suspected Fraud form located on the diocesan website under the Finance Office section. The report should be forwarded to the Vicar General and the Director of Finance, via fax, email or the U. S. mail.
2. Designated staff in the Finance Office thoroughly and expeditiously investigates any reported cases of suspected fraud per internal investigation procedures. The person submitting the report is expected to maintain confidentiality concerning the suspected fraud. This individual may or may not be contacted during the course of the Diocesan investigation.

3. Should facts arise that indicate fraud exists, the proper governmental agencies will be notified including but not limited to the Virginia State Police, the Commonwealth Attorney of the appropriate City/County, and/or the Federal Bureau of Investigation (FBI) if deemed appropriate.

The Diocese does not investigate anonymous reports of fraud. Please make sure to include your name and contact information. The Diocese maintains this contact information in the strictest of confidence.

# Report of Suspected Fraud

Catholic Diocese of Richmond

Please complete this entire form. Attach additional sheets if necessary.

DO REPORT: Any instance of suspected fraud within the Catholic Diocese of Richmond;  
DO REPORT: suspected fraud promptly; failure to do so may jeopardize the recovery of Church assets;

DO KEEP: detailed notes of dates, times, places, persons involved and occurrences; and

DO KEEP: a copy of any documents that are of a suspicious nature.

DO NOT: confront the suspected individual(s) with your suspicions; and

DO NOT: discuss the matter with anyone that you believe may be involved.

**Today's Date (mm/dd/yy): Date(s) the incident(s) occurred (mm/dd/yy):**

--	--

**Suspected person(s) involved:**

Full name:

Parish or other location:

Person's title or role:

Full name:	Parish or other location:	Person's title or role:

**Description of suspected fraud:**

(Please indicate if you have documents or other materials that might be of assistance to the investigation)

--

**Your name and contact information** (please complete all fields; anonymous reports are not investigated):

Full Name :

Street Address:

City, State, Zip:

Position/relation to diocese:

Email address:

Daytime telephone:

**Other person(s) who might be aware of this fraudulent activity:**

Full name:

Parish or other location:

Person's title or role:

Full name:	Parish or other location:	Person's title or role:

Please submit the report by mail, fax or email:

**Mail:**

Confidential – Fraud Suspected  
7800 Carousel Lane  
Richmond, Virginia 23294

**Fax:**

804-358-9159

**Email:**

[tshreve@richmonddiocese.org](mailto:tshreve@richmonddiocese.org)  
[mmcgee@richmonddiocese.org](mailto:mmcgee@richmonddiocese.org)

*Thank you for submitting this form.*

## ***Appendix 5***

### ***Preliminary Budget Preparation Financial Data***

Each year the Diocesan Finance Council promulgates salaries and benefits for all diocesan, parish and school employees after consultation with the Director of the Office of Human Resources and the Diocesan Advisory School Board.

This information, since it changes each year, is distributed to all Diocesan institutions by the Diocesan Finance Office during the middle of February.

Requests for additional copies of this information can be obtained by contacting that office.

# Appendix 6

## **Catholic Diocese of Richmond LIST OF NATIONAL & DIOCESAN COLLECTIONS**

*The following national collections must be taken up in each parish of the Diocese and forwarded to the Finance Office for transmittal to the national agencies/programs for which they are collected:*

<b><u>COLLECTION</u></b>	<b><u>SCHEDULED</u></b>
<i>Respect Life Sunday</i> .....	Sunday closest to January 22
<i>Catholic Relief Services</i> .....	Fourth Sunday of Lent
<i>Diocesan Home Missions</i> .....	Feast of the Ascension
<i>Peter's Pence</i> .....	Feast of the Body & Blood of Christ
<i>Catholic Charities</i> .....	Last Sunday in September
<i>U.S. Catholic Missions</i> .....	Third Sunday in October
<i>Campaign for Human Development</i> .....	Sunday prior to Thanksgiving
<i>Retired Religious</i> .....	Second Sunday in December

**No additional Diocesan wide special collections can be taken up without the express written permission of the Bishop of Richmond.**

# ***Appendix 7***

## ***Policies for Expenses Chargeable to Parishes***

The Diocesan Finance Council has promulgated rules for expenses chargeable to the Diocese of Richmond and its associated entities. Those policies are as follows:

### ***Expenses Chargeable by Church Staff***

#### **Automobile Expenses:**

Mileage reimbursement will be at the standard IRS rate per mile for all mileage performed on business of the parish, as of the beginning date of the fiscal year. This rate is published annually by the IRS.

Where possible, parish staff members will travel together in order to keep mileage costs to a minimum.

No commuting mileage (mileage from home to office) will be allowed. When going from home directly to an appointment, the allowable mileage will be the lesser of:

- (a) mileage from home to appointment; or
- (b) mileage from office to appointment.

When using toll roads on a frequent basis, personnel should have books of tickets or tokens purchased and available for use for business. This rule is applicable where such tickets or tokens are available for sale.

#### **Meals:**

The cost of personal lunches and dinners are normally not allowable or chargeable to the parish with the following exceptions:

- (a) meals may be claimed if one has been out of town overnight.
- (b) when the meal consists of a business meeting luncheon or dinner, the cost may be charged, providing the following information is provided:
  - (1) date of lunch or dinner
  - (2) names of persons attending lunch or dinner
  - (3) relationship to purpose of the meeting
  - (4) location of the meal
  - (5) cost of the meal
  - (6) valid receipt for the meal to be attached to voucher

Employees who attend a parish funded all-day seminar may receive reimbursement for lunches if the seminar is conducted at a hotel and/ or other such location and lunch is not included as part of the cost of the seminar.

Receipts for all meals charged to the parish must accompany the voucher on which the claim is made.



Failure to include all of the information and documentation required in (1) and (2) above will cause the expenditure to be disallowed.

**Gifts:**

Gifts for weddings, birthdays, illness, deaths in family and other such events are not chargeable to the parish. They are personal in nature and not part of parish business.

Gifts by ministry heads or members of the parish staff to fellow employees are not chargeable to the parish (secretary week, special thanks, etc.).

Gifts at the time of leaving one office or ministry for another within the parish are not allowed.

Retirement or resignation gifts on behalf of the parish are allowable upon receipt of written permission from the pastor.

The pastor, in consultation with parish staff, will designate items to be given to:

- (a) Ministry/Council members upon completion of term.
- (b) Parish staff when leaving parish service.

**Gatherings and Celebrations:**

Costs for gatherings and celebrations of offices whether held at lunch time, or outside of the office environment, are not allowable. Such are personal expenses and should not be charged to the parish.

When "special luncheons" are held, the parish shall not bear the cost without the specific approval of the pastor.

**Planning Meetings:**

Planning meetings should be structured so that employees can enjoy their normal lunch period. When appropriate, lunches can be provided.

**Travel Outside Local Area Overnight:**

Overnight expenses, including costs for lodging, meals and other costs should be carefully listed separately. The following rules apply for such expenditures on trips:

1. Each day's items should be listed according to the categories on the expense voucher.
2. Copies of the plane or train tickets must be produced for reimbursement.
3. Copies of hotel bills must be attached to the expense voucher for reimbursement.
4. Any and all "miscellaneous" expenses must be clearly identified, detailed and receipts obtained for reimbursement.

**Advances to Employees:**

When employees require an advance for expenses to be incurred in connection with parish business the prior approval of the pastor is required. The employee receiving an advance payment must document all expenses incurred.

All such advances for expenses should be reclassified to their proper cost centers within sixty (60) days of the advance.

**Continuing Education:**

In carrying out the intention of Diocesan personnel policies, monies allocated for continuing education are to be used only in order to maintain and improve one's knowledge and skills in that person's current field of endeavor.

**Retreats and Workshops:**

Retreats and workshops should provide for employee's spiritual or professional growth. Attendance at such programs is subject to budgeting, available time and staff coverage.

**Attendance/Matriculation at College:**

Reimbursement for costs of courses at educational or training institutions can be made. Such courses must have a clear, direct relationship to the needs of the parish. Reimbursement for such courses will be at the discretion of the employer. Courses of study which prepare the employee for a new field of endeavor would ordinarily not be allowable. As stated in Diocesan personnel policies, "Ordinarily the responsibility for teacher certification rests with the individual."

**Authorization of Expenses:**

Supervisors must sign all requests for reimbursement of expenses for travel, meals, lodging, meetings and seminars/retreats, etc.

All requests for reimbursement of expenses submitted on expense account forms shall be approved by the pastor or his designate.

**Miscellaneous:**

All reimbursement requests must have a clear explanation and verification of the expenditures.

1. Documentation for reimbursements should always be kept in the business office.
2. Requests for reimbursements must be on an expense account form.

The pastor or his designate will have the sole responsibility for verification of expenditures for payment within the framework of these guidelines.

## ***Expenses Chargeable by Priests***

**Expense Advances or Allowances**

Advances or allowances made to priests for items such as car expenses, continuing education, retreats, food, etc. with no documentation for the spending are taxable as additional salary by the IRS. If the priest accounts for the expenses back to the parish by submission of receipts, etc., then the advances are not taxable. **Remember - if there is no accounting back to the parish for advances, then the amount of the advances is reported as "other income" on Form W-2. This rule applies to *any advance not substantiated by receipts, etc.***

**Room and Board Supplied by the Parish**

The value of room and board furnished to the priest is exempt from income taxation and should not be reflected on Form W-2 as income of any sort.

**Non-taxable Reimbursements to Priests**

If a priest incurs a parish related expense and then submits documentation for reimbursement, that reimbursement is deemed to be non-taxable.

## **Accounting for Parish Business Expenses**

No expense incurred on behalf of a parish should be reimbursed without a proper and detailed accounting for such expense, including a receipt.

## **Adherence to the Parish Budget**

Once the parish budget is approved by the pastor and submitted to the Bishop, it must be the measurement of all expenditures. No expenditures in excess of the category amounts are to be approved unless the matter is first negotiated with the Parish Finance Council.

## **Salaries, Stipends, Rectories and Automobiles**

Annual priest compensation is established and must be paid monthly. In addition to direct compensation, each priest under Social Security receives a subsidy quarterly, payable to the IRS, toward payment of his Social Security tax. This payment is treated as taxable income to the priest. The amount of the direct compensation and tax subsidy is determined by the Diocesan Finance Council annually.

The priest has the right to keep Mass stipends for masses he celebrates.

The parish is to provide the priest room and board. In providing room and board it is understood that the parish provide adequate food and house furnishings, house keeping expenses and maintenance for the priest's residence. These items are to be included in a budget prepared and approved by the Parish Finance Council. Once established, these amounts are subject to scrutiny only if exceeded.

The parish is to contribute an annual amount to the Priest Retirement Fund and to the Car Grant Fund on behalf of the number of priests assigned to each parish. The amount of the contribution is determined periodically by the Diocesan Finance Council.

Each priest is entitled to \$750 per annum for continuing education. Continuing education is courses, activities, and expenditures which enhance the ministerial skills of priests.

Each priest is entitled to \$300 annually for attendance at retreats.

Each priest is entitled to attend an annual gathering for priests in the fall in the Diocese of Richmond. The cost is in addition to continuing education and retreat allowances. The cost for the event is established through the office of the Vicar for Priests.

Each priest is to be reimbursed for the use of his automobile in the work to which he is assigned. The expenses for which he is to be reimbursed include gas, oil, insurance, ordinary repairs and state and local auto licenses. Personal property taxes and driver's licenses are the responsibility of the priest himself.

Personal expenses which are incurred by the priest outside of his ministerial responsibilities are borne by the priest himself. Examples of such expenditures are meals taken out with personal friends, cultural and sporting events, dry cleaning, personal clothing, hair cuts, as well as personal long distance telephone calls. Expenses while on vacation are not chargeable to the parish.

## **Health Insurance Costs:**

Out of pocket co-payments come within the provision of the health and dental insurance plans. The priest must pay the first \$750 out of pocket or co-payment for

medical visits and pay the first \$750 out of pocket or co-payment for prescriptions each year. The parish pays the next \$1,250 out of pocket amount.

The dental plan out of pocket rules vary and can be obtained from the Diocesan Human Resources Office.

# ***Appendix 8***

## ***The Parish Budget***

### **BUDGET PROCESS:**

The budget process is the map for money management and the successful carrying out of parish programs and ministries. The budget process is much more than projecting parish revenues and expenditures and then monitoring them. Successful budgeting requires developing objectives, evaluating old and new programs, as well as integrating plans and programs into the management of the parish's money.

Successful budgeting requires the planning and prioritizing of programs and ministries. Each parish should have one, three and five year programs. Program planning for the future is the one sure way to have an effective budget process. Future planning is only an estimate of what will happen over the next five years. The budget is the plan against which actual performance will be measured and compared. It should be clear who is responsible for carrying out each program in the parish. These decisions can be made based on what was decided in the programming process.

A properly constituted budget process will help focus on the intended goals for the parish, as well as how the money will be spent to achieve the parish goals and objectives. The budget provides the parish with a tool for monitoring fiscal activities during the budgeting period and can be a very helpful aid in efficient management.

A clearly defined budget cycle should be in place in every parish. This cycle should be one that allows for all of the necessary input from Parish Pastoral Council as well as Parish Finance Council. A budget calendar is most helpful in a budget cycle and process. With an accurate budget calendar the parish is likely to produce a well-considered and accurate budget, which includes the required information and data from each person and/or committee or ministry involved.

A budget calendar is produced backwards, in that the last step is easily the first one firmed up. The beginning date for parish budgets is July 1 of each year, so that is the last possible date in the budget calendar. With this absolute date well known, the budget calendar can be prepared, inserting the properly spaced dates for each step in the budget calendar. Once the time frame for the budget calendar is known, then all who are involved will be aware of the time constraints connected with their portion of the budget preparation. Dialogue should be present between the Parish Pastoral Council and the Parish Finance Council to properly structure a budget calendar. Such a calendar could be as follows on the next page (inserting appropriate dates):

## **STEP**

## **DATE**

1. Final summary budget prepared, printed and prepared for distribution.
2. Appeals process:
  - a. Resolution of appeals from various ministries.
  - b. Rewrites of critical programs that cannot be delayed until future period.
  - c. Rewrites that become evident when all programs are reviewed together to stay within budget ceilings.
3. Preliminary summary budget prepared.
4. Summary income budget prepared.
5. Operating expense budget prepared.
6. Review an adjustment of program budgets and income budgets.
7. Total income budget prepared.
8. Capital budget prepared.
9. General and administrative budget prepared.
10. Program budgets prepared.
11. Budget assumptions developed.
12. Budget guidelines developed and disseminated.
13. Cost benefits analysis of existing and new programs.
14. New programs evaluated.
15. New programs developed.
16. Existing programs prioritized.
17. Existing programs evaluated.

### **Budget Assumptions:**

Remember - budget assumptions are the cornerstone of every budget proposal. The value of the final budget will be dependent on the validity of the original budget assumptions. Few organizations have any real devices with which to work out and document all of the assumptions upon which the budget rests.

Every dollar amount that goes into the budget *must* have a related written assumption. Budget assumptions are derived from:

- (a) existing guideline, parish or diocesan.
- (b) historical information.
- (c) known future information
- (d) other information

### **Making the Budget Process Easier**

The Parish Pastoral Council has the responsibility for the parish mission statement. The budget is nothing more than the translation into financial language the parish mission statement. It is imperative, therefore, the Parish Pastoral Council have input and play a part in the preparation of the budget data.

The budget should be based upon the goals and objectives of the parish as determined by the pastor and the Parish Pastoral Council and should include the needs of the parishioners in the areas of liturgy, parish school, religious education, community concerns and family life, etc.

The Parish Finance Council should coordinate, prepare and present an annual budget for both operating and capital receipts and expenditures in conjunction with the pastor and the Parish Pastoral Council. Coordination should include consultation with other parish committees, as well as parish administration.

There are a number of sophisticated budget processes existing within the Diocese today. Following is a very basic suggested budget process document which can be used as a primer to establish a meaningful process between the Parish Pastoral Council and the Parish Finance Council that will culminate in a parish budget reflective of the needs of the parish community and funded within the fiscal abilities of its members. ***The following is informational only:***

## **SUGGESTED PARISH BUDGETING PROCESS (Informational Only)**

### **Goal of the Budgeting Process (Short and Long Term):**

The goal of the parish budget, both short term and long term, is to reduce to financial terms the parish mission statement. As such, it requires the coordination and the cooperation of both the Parish Pastoral Council and the Parish Finance Council.

The mission statement of the parish is the responsibility of the Parish Pastoral Council and therefore the monetary disbursement process should begin with that body.

The fiscal management of parish assets is the responsibility of the Parish Finance Council; therefore, it is up to that body to determine if funds or assets of the parish are available to fund the parish's financial request prepared by the Parish Pastoral Council.

Both Councils should fully recognize the budgeting process is two-fold: (1) the budget for the next year and (2) budgeting for the short and long range plans of the parish community.

To establish, set and carry out the goals of a parish community, short and long range, it will be necessary for both the Parish Pastoral Council and the Parish Finance Council to work in concert with each other. Their mutual tasks should not create an atmosphere other than that of harmony with each group carrying out its respective responsibilities.

### **The Annual Budget Process:**

Since the budget reflects the financial application of the parish mission statement, the Parish Pastoral Council must share control of which elements of expenditures go into the budget. Early in the budget process the Chairperson of the Parish Pastoral Council, through whatever process is in place in the parish should see that:

Each committee of the Parish Pastoral Council prepares and submits to the Parish Pastoral Council a budget for that committee for the forthcoming year. This budget request should (a) outline the needs of the committee, (b) prioritize those needs and (c) fully document the costs and reasons for increases in the budget. The documentation should be complete in and of itself so the Parish Pastoral Council leadership can properly review and evaluate the request.

As part of the committee process, the Parish Pastoral Council should establish its own system of priorities for the coming year's programs and efforts and communicate this to the various committees involved for direction in the committee deliberations.

The Parish Pastoral Council should have its own review of the budgets submitted by the committees. It would be the responsibility of the review process to see that (a) the Parish Pastoral Council guidelines have been followed, (b) the requested budgets are within the guidelines, (c) that the requests of the committees are fully documented for final discussion by the full Parish Pastoral Council and that (d) all questionable items in the committee budgets are resolved so that each committee budget receives a fair and complete hearing by the full Parish Pastoral Council.

The Parish Pastoral Council should then, by whatever process that is used in the parish, review and have general dialogue on the full budget of expenditures. This can be done by a special committee of the Council to make a presentation to the group, or it can be done with the group acting as a committee of the whole. This open dialogue will insure all have input concerning (a) the general mission of the parish financially, (b) establishing priorities of the parish and (c) helping make recommendations to format the expenditure budget in its final state as it goes to the Parish Finance Council.

Once the Parish Pastoral Council has decided upon the budget of expenditures it is then given to the Parish Finance Council for that group's consideration and input.

The Parish Finance Council, in its role as manager of the fiscal assets of the parish, will next consider the expenditure side of the budget in light of the revenue that is anticipated during the budget period under study. The Parish Finance Council should make this consideration in connection with the overall needs of the parish relative to:

1. The current fiscal year budget under consideration.
2. The capital budget for the same fiscal year.
3. Long range budgeting plans that come to fruition during the budget year under consideration.

The Parish Finance Council should then consider the following courses of action at the end of its dialogue:

1. If the revenue anticipated is equal to the budgeted expenditures as received from the Parish Pastoral Council, the budget is balanced and it can be approved and returned to the Parish Pastoral Council for its implementation.
2. If the expenditures exceed the anticipated revenues, then, of course, the budget is not balanced and cannot be approved. Due to the fact that, as mentioned above, the budget represents the mission statement of the parish in financial terms, and the mission of the parish is the responsibility of the Parish Pastoral Council, the Parish Finance Council should:
  - a. Return the budget to Parish Pastoral Council and have the necessary dialogue to explain why the funds will be unavailable to meet the needs of the budget as presented.
  - b. Request Parish Pastoral Council to either:
    - (1) reduce the expenditures according to the priorities of the Parish Pastoral Council, or
    - (2) present a plan to the Parish Finance Council whereby additional revenues can realistically be generated by the Parish Pastoral Council to meet the needs of the parish budget.



Once the Parish Pastoral Council has determined how the budget is to be balanced, dialogue is needed between the two Councils so that all are in agreement concerning the balancing of the budget. When this has been done, the Parish Finance Council will approve the final version of the budget for the parish.

**Summary:**

The above is only a suggested parish budgeting process to use in those parishes which have requested one, or to serve as an aid for parishes desiring one. This is not an attempt to mandate this process for any parish, nor should this outline be considered as the best process for every parish. There are many variations and many versions of the budgeting process, and one can be tailored to meet your parish needs.

The primary reasons for making this suggested parish budgeting process available are in order to:

- a. present one method of the budgeting process for parishes to consider.
- b. make it clear that the budget process under the new Canon Law should not put the Parish Pastoral Council and the Parish Finance Council in a confrontational relationship, but should serve to join together their mutual efforts on behalf of the parish community.

**Five Year History of Census, Sacraments, Financial Data:**

Annually the Diocesan Finance Office inputs the data from the parish annual report into a cumulative five year history of each parish reflecting census, sacramental history and financial history. This report is forwarded annually to each pastor when the Bishop of Richmond has completed his review of the parish annual report. This five year history is available to Parish Finance Councils as a source of comparative analysis which could be helpful in studying trends, etc. The report can be secured by having the chair of the Parish Finance Council make a request of the Diocesan Director of Finance.

# **Appendix 9**

## **Parish Borrowings**

### **General Rules**

Parish debt financing for building programs or capital improvements over an extended period of time must conform to the following general guidelines since the land is civilly owned by the Bishop of Richmond who will be required to endorse the loan.

1. Generally, the parish must have completed the process of dialogue and appeared before the Diocesan Building and Renovation Commission, if applicable.
2. The project must have the approval of the Bishop of Richmond, who will require:
  - (a) approval of the Parish Finance Council
  - (b) in certain instances approval of Parish Pastoral Council
  - (c) endorsement of the pastor
3. The long-term portion of any Borrowings must be amortized over a period not to exceed 15 years.

### **Line of Credit Borrowing:**

Parishes are permitted to borrow funds from whatever source they decide. In order to facilitate the borrowing of money by a parish, the Diocese offers the following methods which can be used by parishes. The following banks have extended lines of credit to the Bishop of Richmond under certain conditions. Each bank's rates and terms change from time to time, so, a parish contemplating borrowing money under the Bishop's line of credit should contact the Diocesan Finance Office for the particulars of rates, fees, etc. The banks offering lines of credit to the Diocese of Richmond are:

Bank of America  
SunTrust Bank

### **Mortgage Loans - Knights of Columbus**

The Knights of Columbus is a fraternal insurance company that loans money to parishes at a comparatively low rate of interest. The loans are mortgages which require all of the parish property to be offered as security. These loans are for permanent financing and not for construction. They must bear the approval and guaranty of the Bishop of Richmond. Some of the highlights of this program are:

- A. Secured Loans:
  - Fixed rate of interest
  - Maturities from five to 20 years
  - First mortgage lien on all real property and improvements
  - Loan-to-value ratio up to 75 percent
  - Guarantee from the diocese
- B. Unsecured Loans:
  - Fixed rate of interest
  - Maturities of up to 5 years

Requires a negative pledge agreement  
Maximum loan request of \$500,000  
Guarantee from the diocese

In each instance there is a specific commitment letter from the Knights of Columbus. This commitment letter outlines those provisions currently in force, together with variations from the normal policy, if any.

Parish makes application for the loan by having the pastor write directly to:

Mr. Carl A. Anderson  
Supreme Knight  
Knights of Columbus  
One Columbus Plaza  
New Haven, Connecticut 06507

# ***Appendix 10***

## ***Lay Parish Business Manager***

### **BACKGROUND:**

Because of the nationwide shortage of priests, many of our pastors are over burdened with financial and fiscal matters. One alternative is to have a Business Manager for the parish.

### **ACCOUNTABILITY:**

Ultimate accountability is to the pastor who has primary responsibility for the finances of the parish. Immediate accountability is to the Parish Finance and Pastoral Councils.

The Business Manager should be responsible to support the parish mission statement and the stated parish goals, i.e., community formation, ministry formation, collegiality as it affects the major decisions of parish finances and be an example of personal commitment to the parish community.

The Business Manager is responsible for reviewing all requests for reimbursements to ensure their compliance with Diocesan policy and IRS rules for accountability and deductibility.

The specific responsibilities of the Business Manager should be tailored to meet the needs of the parish. Some responsibilities could be:

- a. With the parish staff and leadership of the Parish Finance and Pastoral Councils, the Business Manager would be responsible for formulating a balanced budget for the parish community.
- b. The Business Manager would be responsible for execution of the approved parish budget, which would include an allowance for a specific percent of deviation before requiring approval of the Pastor and the Parish Finance and Pastoral Councils.
- c. The Business Manager would be responsible to provide periodic financial reports to the parish, to maintain accurate accountability for all aspects of receipts, disbursements, minor property and plant property and to be reasonably available to every parish ministry for consultation or assistance in discussions of specifics of finance.
- d. The Business Manager would be responsible for preparing ordinary and extraordinary financial reports requested by the Diocese.
- e. The Business Manager would be responsible for reviewing parish investments and savings, review disbursements and debt obligations, and for recommending necessary adjustments thereon through monthly reports to the Pastor and Parish Finance Council.
- f. The Business Manager should be responsible for initiating or performing a detailed financial review at least twice each year, of all associated financial accounts operating/formed in the parish name and to provide a report of the financial findings to the Pastor and the Parish Finance Council.

- g. The Business Manager would be responsible for obtaining the most economical contracts which provide satisfactory performance by contractors and vendors for the best interests of the parish.
- h. The Business Manager would be responsible for recommending calendar events for any type of fund raising activity and for coordinating these events for accountability of parish funds during these events.
- i. The Business Manager would be responsible for developing plans for future financial needs inasmuch as those needs and circumstances can be foreseen.
- j. The Business Manager is responsible for budget analysis, planning requirements, methods and procedures, and for exercising independent judgment in the ordinary management of parish goods and finances. The Business Manager is responsible to call to the attention of the Pastor, Parish Finance Council and Parish Pastoral Council any policy or procedural change which comes in conflict with existing policy or procedures.
- k. The Business Manager is responsible to actively contribute to Community Building in the parish to actively assist the Diocesan church and other parishes with financial management expertise in response to their invitation and in accord with his/her time and ability.

#### **QUALIFICATIONS FOR THE BUSINESS MANAGER:**

Selection of a Business Manager may be for a volunteer, stipend or salaried position.

The church requires excellent stewardship of the parish's money. With this in mind the Business Manager must possess:

- a. *Managerial skills* - The ability to work effectively with and direct volunteers. Must be able to construct budgets. Must be sensitive to needs of the various groups in the parish and maintain a professional but low profile appearance.
- b. *Accounting skills* - Must have a working knowledge of accounting and its theory.
- c. *Data Processing skills* - The ability to interact with and maintain records utilizing data processing.
- d. *Budgeting skills* - Must have the ability to formulate and execute a budget. Must have the ability to call attention to trends without confrontations.
- e. *Contracting skills* - Must have the ability to obtain the minimum materials or services to meet parish requirements with a minimum of funds expended.
- f. *Leadership ability* - Must have the ability to lead volunteers in attaining parish goals and maintaining a community spirit.
- g. *Responsive* - Be able to meet the needs of the parish, pastor and various councils and committees in a timely manner.

# Appendix 11

## ***Parish Annual Report Instructions***

The Parish Annual Report is submitted to the Bishop of Richmond each August 15<sup>th</sup>. This report is to be completed for the fiscal year from July 1 through June 30<sup>th</sup> of the prior year. By using the Parish Data System reporting function, an individual can easily complete the report for the parish. Specifically, the reports needed include the Balance Sheet as of June 30, 20XX and the Income Statement for the period July 1, 20XX through June 30, 20XX.

The Parish Annual Report gives an accounting of the fiscal year operations of a parish for the Bishop of Richmond. These reports once received by the Bishop are reviewed and maintained in the Archives at the Catholic Diocese of Richmond.

The parish Annual Report is a cash basis report. As such, if the parish records assets and liabilities on the balance sheet, it is necessary to make adjustments for certain types of transactions to balance the report. The annual report provides for the recording of transfers between saving and checking accounts, capital improvements and principal payments on debt. Increases/decreases in other liability accounts, such as “Unremitted withholdings from employees”, or “Unremitted collections” should be recorded as an addition/subtraction on the receipts side of the report. Increases/decreases in other asset accounts should be reported likewise on the expenditures side of the report. **Note: Changes to asset and liability accounts only need to be accounted for to balance the report if they involve the receipt or disbursement of money (cash).**

The individual line items on the annual report are intended to provide the Bishop of Richmond and the office of Finance the level of detail necessary for consolidated reporting and comparisons. **Therefore, do not cross out any descriptions and substitute your own.** Items which do not fit the descriptions should be listed on a separate sheet. Enter the total of these on one of the blank lines with the description “List Attached”.

The “Asset” and “Liability” sections of the Parish Annual Report are not intended to represent the complete Balance Sheet of the parish.

It is preferable that the parish access the annual report through the Diocesan Database – CID (Central Information Database) in the Finance Section. This minimizes the chances for errors or omissions on a ‘hand written’ copy.

Parishes not having internet connections can find an Excel spreadsheet of the annual report on the Diocesan Extranet under Finance Office. The report is listed as [Printable 2009 Annual Report – Parishes.](#)

Further instructions or assistance can be obtained from the Pastoral Center of the Catholic Diocese of Richmond. Accounting questions should be directed to the Office of Finance. Questions regarding the operation of CID, please contact the Information Technology office. Both offices can be reached at 804-359-5661.

## SPECIFIC ACCOUNT INFORMATION AND INSTRUCTIONS FOR COMPLETION OF THE PARISH ANNUAL REPORT:

### A. ORDINARY PARISH OPERATING RECEIPTS:

*All parish receipts to fund plant, programs and personnel of the parish are taxable except specific items which may require the personal endorsement of the Bishop of Richmond. (See Chapter VI of **Called to Stewardship** for a list of exempt receipts.)*

- a. SUNDAY/HOLY DAY LOOSE COLLECTIONS (4300.01)  
That portion of the normal offertory collection taken up for the sole benefit of the parish which is not donated in envelopes.
- b. SUNDAY/HOLY DAY COLLECTIONS (4301.01)  
The normal offertory collection is taken up for the sole benefit of the parish. Consists of envelopes distributed by the parish monthly or annually and periodic gifts by parishioners for general parish support. Does not include special or national collections to be remitted outside of the parish.
- c. ADDITIONAL PARISH COLLECTIONS (4302.01)  
This account records parish collections or donations to the parish that are not restricted and cannot be classified under any other existing account.
- d. STOLE FEE (4309.01)  
Offerings received by the parish priests and deacons for baptisms, marriages, funerals or other such liturgical services (C. 848; 1267).
- e. VOTIVE STANDS (4310.01)  
Donations received from votive stands.
- f. REFUNDS & OVERPAYMENTS (4311.01)  
This account is used to accumulate refunds and reimbursements back to the parish from the Diocese and other vendors due to the overcharging for fees, costs and services. Refunds and overpayments for the costs of a prior year, as well as the current year, can be accounted for in this account
- g. NET FUNDRAISING, ENTERTAINMENT & BENEFITS (4312.01)  
This account reports the net revenue from parish bazaars and fundraising events that usually go to benefit a special activity of the parish. Such events usually involve receiving funds from the local community (city, county) outside of the parish; hence these funds do not come entirely from the parish community. This account records both the income and the expense of fundraising – thereby recording the “net revenue” from such.

- h. LEGACIES (4313.01)  
This account is used to account for those monies received by the parish from the estates of deceased members or friends of the parish. Only the original receipt of funds is reported on this line. All subsequent investment revenue from such funds is reported as interest, dividend or rental income on the proper line.
- i. RENTAL INCOME (4315.01)  
Net revenue received by the parish for the use of parish property normally held for rentals whether from real or personal property (land, chairs, facilities, etc.)
- j. INTEREST INCOME (4316.01)  
Interest earned by the parish from parish investments. This includes interest on savings accounts, certificates of deposit, bonds, or other devices of the investment, whether generated by general funds of the parish capital building funds, or other funds of the parish, exclusive of endowment funds which are restricted by the donor.
- k. DIVIDEND INCOME (4317.01)  
Dividend income earned by the parish from stocks owned by the parish from whatever source, exclusive of stocks in an endowment fund, the revenue of which has been restricted by the donor.
- l. NET BINGO PROCEEDS (4318.01)  
This account will report the net proceeds of bingo and raffle activity after payment of all expenses and prizes. It is imperative the parish secure the necessary licenses and report annually to the local taxing authority on such activities.
- m. NET REVENUE FROM PRESCHOOL OPERATIONS (4335.01)  
This account reports the net revenue from preschool operations following payment of all expenses both personnel and non-personnel of the preschool operation. This represents the monies that the parish is able to use as a result of operating the preschool on-site. This includes day care operations also.
- n. COLUMBARIUM AND/OR CEMETERY INCOME (4338.01)  
This account represents the revenue from the sale of columbarium units or cemetery plots.
- o. FEES INCOME (4339.01)  
This account reports fees charged by the parish in order to offset the costs of parish programs, i.e., Christian Formation, social events, day care, lectures, senior citizen activities, social events (trips, etc.), cemetery use, etc. These amounts are recorded here when the "net" is a profit and not just a parish flow-through activity charging revenue dollars equal to that of the expense dollars.



- p. NON-EXEMPTED CAPITAL IMPROVEMENT COLLECTION (4346.01) or NON-EXEMPTED DEBT REDUCTION COLLECTION (4347.01)  
These accounts are used to report the contributions to a Capital Improvement or Debt Reduction Campaign. Either of these accounts is used when an exemption has not been obtained by the parish from the Bishop of Richmond for the collection.
- q. COLLECTION FOR SCHOOL PURPOSES (4348.01)  
This account includes any and all collections of whatever type collected by the parish to benefit the operation of a parish/regional school. Parishes are not to receive contributions in lieu of tuition and remit such payments to the school.
- r. CATHOLIC VIRGINIAN (4349.01)  
This account reflects monies from parishioners to defray the annual parish assessment for The Catholic Virginian. *NOTE: This account is not to be used to record the expense for payment of the cost of the newspaper to the parishioners.*
- s. COLLECTION FOR RELIGIOUS EDUCATION (4350.01)  
This account contains the proceeds of any and all collections of whatever type taken up by the parish to fund its own religious education programs.
- t. NET REVENUE FROM PUBLICATIONS SOLD (4351.01)  
This account represents the net revenue from the sale of publications by the parish or from donations for them; that is charge the cost of books and pamphlets purchased for resale or to be given away free, and credit the income received specifically that assists in defraying the costs.
- u. CAPITAL GAIN (LOSS) ON INVESTMENTS (4364.01)  
This account reports the capital gain or loss on investments when investments are sold. Investments sold for more than the original cost generate a gain or credit in the accounting records. Investments sold for less than the original costs generate a loss on the accounting records. Capital gains/losses are actual monies that affect the parish's position in the related investment asset(s). These capital gains or losses can be located on the respective investment statements.
- v. CONTRIBUTIONS FOR DESIGNATED USE (4365.01)  
This account reports money received for special purposes designated by the donors, e.g., altar flowers, the purchase of a memorial, social ministry, campus ministry, ecumenical programs, etc.
- w. SALE OF PARISH EQUIPMENT (4366.01)  
This account is used to report the sale of parish equipment sold during the year (office machines, tools, autos, buses, etc.)

x. SALE OF PARISH REAL ESTATE (4367.01)

This account is used to report the sale of parish real estate (land or buildings), whether it is titled by the donor in the name of the parish or the name of the Diocese, and whether it is open land or contains a building structure of any type.

**Funds contributed through the Sunday/Holy Day collections and the contributions for church support may not under any circumstances be reclassified into other revenue accounts that may not be subject to Cathedraticum tax, especially if that reclassification is to reflect the ultimate use of the funds. Once contributed via these collections all funds are taxable and subject to the Cathedraticum tax.**

B. PARISH RECEIPTS EXEMPTED FROM CATHEDRATICUM

*The Priest Council with the approval of the Bishop of Richmond voted to exempt from Cathedraticum Tax the collections related to Parish Charities, Debt Reduction and Capital Improvement Collections.*

a. DEBT REDUCTION COLLECTION (4347.01) or CAPITAL IMPROVEMENT COLLECTION (4346.01)

These accounts are used to report the contributions to an Exempted Debt Reduction Collection or an Exempted Capital Improvement Collection. In order for this account to be used and exempted from the Cathedraticum, the following conditions must be met:

1. The program must have been (a) approved through the Building and Renovation Commission process and/or (b) approved in writing by the Bishop of Richmond.
2. Bishop of Richmond must have issued a letter to the parish indicating the program has his approval and the monies to fund it are exempt from taxation. Monies collected in the year the Bishop's letter is written will be exempted from taxation.
3. In all years subsequent to the issuance of the Bishop's letter, funds will be exempt from taxation to the extent they are paid on the principal of the parish debt. There is no exemption for monies used to pay interest on parish debt.
4. The exemption from Cathedraticum tax does not include normal major capital repairs or replacements for which no parish debt is incurred nor does it include 'savings' for future capital expenditures.

b. PARISH CHARITIES (4352.01)

This account represents the gross amount received as donations for special parish charities. Such funds are to be used exclusively for parish charities. Examples of such charities include a food pantry, coat closet, etc. **These funds must be generated by a special collection separate from the Sunday and Holy Day collection. Funds cannot be allocated from the Sunday and Holy Day collection for parish charities.**

c. SPECIFIC EXEMPTION FROM BISHOP (4360.01)

This account is to be used to record items requiring a letter from the Bishop of Richmond. Examples of items which can be recorded in this account following an exemption from the Bishop of Richmond include insurance proceeds from the self-insurance carrier, specific collections approved by the Bishop, etc. The letter of exemption for such items must accompany the parish annual financial report to the Bishop.

Insurance carrier proceeds for insurance losses under the Diocesan insurance program should be accounted for separately. Whenever the parish incurs a loss or receives payment for a loss covered by the insurance program, the insurance carrier will pay the parish directly and the parish then, pays the vendors for the costs incurred.

C. DIOCESAN COLLECTIONS

*Diocesan Collections are those National Collections that are required to be taken up in each parish of the Diocese. These amounts are forwarded to the Office of Finance for transmittal to the national agencies/programs for which they are collected (see Appendix 5). This also includes **Haiti Ministry Income** collected and other special collections designated by the Bishop of Richmond, including but not limited to disaster relief, refugee resettlement relief, etc.*

D. SPECIAL TRANSACTIONS

*Special Transactions are those that are not subject to Cathedraticum. These include amounts that are considered special and not directly benefiting the parish for general parish support.*

a. PARISH SPONSORED ACTIVITY FEES COLLECTED (4337.01)

The parishes sponsor activities such as ski trips, youth group socials, etc. which cost the parishioner the exact amount as what the parish pays to host the event (i.e., parishioner is charged \$50 for a \$50 ski trip which parish pays all ski trip participation fees in a lump sum). This account is used when the revenue dollars equal the expense dollars. This account should match exactly the expense line on the Parish Annual Report.

b. SUBSIDIES RECEIVED FROM DIOCESE/MISSION CO-OP/GRANTS (4362.01)

This account represents the subsidies received from the Diocese, mission co-op donations and grants from the Bishop's Appeal, Raskob Foundation, etc. awarded to the parish. These amounts since from already taxed funds are not to be taxed a second time and therefore

included in the Special Transactions section. All amounts posted to this account must be substantiated by the proper documentation (i.e., grant from Bishop's Appeal – award letter from Bishop's Appeal would be substantive documentation).

- c. UNREALIZED GAINS/LOSSES ON INVESTMENTS (4363.01)  
This account represents the unrealized gains/losses on investments, i.e., the change in the market value from each month, quarter or year. These amounts are not "cash in hand" but rather the value of the investment at the end of a given period for which the investment could be sold.

E. OTHER ITEMS AFFECTING THE RECEIPTS PAGE GRAND TOTAL

- a. AMOUNT BORROWED DURING THE YEAR  
This line represents the increase in borrowings from the bank on a line of credit or on fixed debt (mortgage, etc.)
- b. BEGINNING CASH BALANCE – CHECKING 07-01-XX  
This line represents the beginning cash balance for the checking account that all transactions (or sum of all checking accounts) were deposited into and paid out of. This amount should match the ending cash balance from the year before.
- c. TRANSFER FROM SAVINGS  
This line represents any transfers from the savings account a parish may hold to the checking account used on a day to day basis to deposit collections and other revenues as well as to pay expenses.
- d. UNREMITTED WITHHOLDINGS FROM EMPLOYEES AND CHANGE IN PAYABLES  
This line represents withholdings from employees such as FICA taxes, health insurance premiums, etc. or the change in such from year to year.

F. PERSONNEL COSTS

*Personnel costs of the parish are separated from operational expenditures. These personnel costs include salary, retirement, priest assessments, hospitalization, disability and other associated benefit costs as detailed below.*

- a. STIPEND – CLERGY (5105)  
This account records salary paid to the pastor, parochial vicar or other assigned clergy to the parish.
- b. STIPEND – EXTRA CLERGY (5106)  
This account records amounts paid to visiting clergy during the assigned priest(s)' absence.
- c. PRIEST RETIREMENT (5110)  
This account records the amount paid to the Diocese monthly for the priest retirement assessment.

- d. PRIEST AUTO ASSESSMENT (5111)  
This account records the amount paid to the Diocese monthly for the priest auto grant fund assessment.
- e. PRIEST MEDICAL INSURANCE (5112)  
This account records the amount paid to the Diocese monthly for the priest medical insurance (hospitalization) assessment.
- f. PRIEST RETREAT COSTS (5115)  
This account records the amount paid for the priest retreat costs during the fiscal year.
- g. PRIEST CONTINUING EDUCATION (5116)  
This account records the amount for the priest continuing education costs related to classes and other education that he may attend during the fiscal year.
- h. REIMBURSED CLUSTERED PERSONNEL EXPENSES (5184)  
This account records the expenses reimbursed to a clustered parish in relation to personnel shared between the parishes. This account includes the sums paid to the parish responsible for the initial expense payment including that which is attributable to salary, FICA, retirement, etc. for the shared personnel. For those parishes receiving reimbursement for payments of shared personnel, the payments/revenue should be credited to this account so that when a cluster report at the Diocesan level is produced the account balances to zero.
- i. SEMINARIAN COSTS (5120)  
This account group records the salary and associated costs for a Seminarian assigned to the parish for the summer assignment or pastoral year.
- j. SALARY – RELIGIOUS PERSONNEL (5125)  
This account is used to record the salary of religious individuals working at the parish (i.e., brothers, sisters, etc.)
- k. RELIGIOUS MEDICAL INSURANCE (5126)  
This account records the hospitalization insurance (medical insurance) for the religious personnel working at the parish.
- l. RELIGIOUS FICA (5127)  
This account records the FICA paid on behalf of the religious personnel working in the parish.
- m. RELIGIOUS CONTINUING EDUCATION (5128)  
This account records the continuing education costs of the religious personnel working in the parish. This includes any classes or training attended to increase their education in their respective ministry.

- n. RELIGIOUS HOUSING ALLOWANCE (5129)  
This account records the religious housing allowance paid on behalf of the religious personnel working in the parish.
- o. RELIGIOUS CAR ALLOWANCE (5130)  
This account records the car allowance of religious personnel.
- p. RELIGIOUS RETREAT COSTS (5131)  
This account records the retreat costs of religious personnel.
- q. RELIGIOUS RETIREMENT (5132)  
This account records the retirement paid on behalf of religious personnel working in the parish.
- r. LAY SALARY (5141)  
This account records the salary paid to lay employees of the parish.
- s. EMPLOYER FICA TAX (5175)  
This account records the FICA tax paid on behalf of the lay employees of the parish.
- t. LAY MEDICAL INSURANCE (5176)  
This account records the employer's half of the lay medical insurance (hospitalization) costs.
- u. LAY RETIREMENT (5177)  
This account records the employer's contribution to the lay retirement plan of the Catholic Diocese of Richmond. This amount is paid directly to SunTrust bank, trustee for the plan.
- v. LAY DISABILITY INSURANCE (5178)  
This account records the disability insurance paid on behalf of all lay employees working at the parish.
- w. UNEMPLOYMENT COMPENSATION EXPENSES (5179)  
This account records the cost of the unemployment compensation billing amount received from the Diocese when an employee is terminated by the parish. This amount is calculated by the Commonwealth of Virginia and then the Diocese bills the parish individually.
- x. LAY CONTINUING EDUCATION (5180)  
This account records the cost of continuing education classes and materials for lay employees.
- y. EMPLOYEE ASSISTANCE PLAN (5181)  
This account records the cost of the employee assistance plan.

## G. NON-PERSONNEL COSTS

- a. AUTO/TRAVEL COSTS (5200-5209)  
Charge to this account group mileage reimbursement paid to clergy and lay personnel for use of personal vehicles on parish business at the Diocesan approved rate per mile. Also charge to this account the cost of travel such as transportation, lodging, etc. and meals while on parish business.
- b. UTILITIES (5220-5229)  
Charge to this account group payments made for electricity, heat, water, sewer, telephone and other utilities, excluding that which is provided for the Rectory.
- c. RECTORY COSTS (5245)  
Charge to this account the costs associated with operating the rectory of the parish, including food, housecleaning, utilities etc.
- d. WORSHIP EXPENSES (5250-5265)  
This account group records those item costs for worship including expenses for sanctuary supplies, altar bread and wine, chalices, ciborium, vestments, missals, hymnals, choir expenses, candles for the votives, etc.
- e. REPAIRS AND MAINTENANCE (5269-5309)  
This account should be used to record repairs and maintenance to parish assets. Examples include the repair of light fixtures, repair of a lawn mower, etc. This account should not be used to record capital assets.
- f. OFFICE SUPPLIES (5311)  
This account records expenses related to the purchase of stationary, pens, pencils and other office supplies.
- g. SUPPLIES – MISCELLANEOUS (5312)  
This account records other supplies not previously recorded elsewhere.
- h. PAPER PRODUCTS (5313)  
This account should be used to record the purchase of paper products by the parish. Such items include napkins, toilet paper, paper towels, etc.
- i. BOOKKEEPING SERVICES (5314)  
This account records the cost of accounting and/or bookkeeping services.
- j. COLLECTION ENVELOPES (5315)  
This account records expenditures for parish collection envelopes.
- k. COPYING COSTS (5316)  
This account records the cost of copying, including the cost of leasing a copier.

- I. PRINTING COSTS (5317)  
This account records the printing costs incurred by the parish.
  
- m. POSTAGE COSTS (5318)  
Charge to this account expenditures for the purchase of postage, rental of postage meters, express and delivery services, etc.
  
- n. PARISH DIRECTORY (5319)  
This account records the cost of the parish directory publishing.
  
- o. DUES AND SUBSCRIPTIONS (5320)  
This account records the cost of dues and subscriptions for membership associations of clergy and lay personnel.
  
- p. BOOKS AND PERIODICALS (5321)  
This account records expenditures for the purchase of books, magazines and newspapers at the parish.
  
- q. GIFTS AND CONTRIBUTIONS (5322)  
Charge to this account payments made to assist others through contributions and gifts in the community.
  
- r. PROFESSIONAL SERVICES (5323)  
This account records professional services, i.e., computer consultants, legal fees, etc. excluding bookkeeping/accounting services.
  
- s. DEPRECIATION (5324)  
If the parish records depreciation, this account is to be used to record that depreciation expense.
  
- t. REAL ESTATE TAXES (5325)  
This account is used to record the real estate taxes assessed to any parish property by the local municipalities.
  
- u. PERSONAL PROPERTY TAXES (5326)  
This account records personal property taxes on vehicles owned by the parish or other personal property taxed by the local municipalities.
  
- v. WORKSHOPS ATTENDED (5330)  
This account records the cost of attendance at workshops by clergy and lay personnel excluding the cost of travel.
  
- w. WORKSHOPS HELD (5331)  
This account records the cost of hosting a workshop at the parish.
  
- x. OTHER EXPENSES (5371)



Charge all other general parish expenditures to this account that are not otherwise categorized here.

- y. PASTORAL COUNCIL (5375)  
This account records the expenses of the Pastoral Council of the parish.
  - z. FINANCE COUNCIL (5380)  
This account records the expenses of the Finance Council of the parish.
  - aa. CHRISTIAN EDUCATION (5385)  
This account group records expenses related to Christian Education.
  - bb. JUSTICE AND PEACE (5395)  
This account group records expenses related to Justice and Peace.
  - cc. PARISH COMMUNITY LIFE (5410)  
This account group records expenses related to Parish Community Life.
  - dd. YOUTH MINISTRY (5420)  
This account group records expenses related to the youth ministry program (with the exception of the flow through monies recorded in Parish Sponsored Activities).
  - ee. YOUNG ADULT MINISTRY (5430)  
This account group records the expenses related to the young adult ministry program.
  - ff. LAY FORMATION (5440)  
This account group records the expenses related to the lay formation program.
  - gg. REIMBURSED SHARED PARISH EXPENSES (5450)  
This account is to be used by clustered parishes only. It is used to record both reimbursements from clustered parishes as well as expenses paid for the cluster.
  - hh. COLUMBARIAM//CEMETERY EXPENSES (5470)  
This account records expenses in connection with both columbariums and cemeteries.
  - ii. MISCELLANEOUS EXPENSES
- H. ASSESSMENTS/COLLECTIONS/FEEES FORWARDED/SPECIAL TRANSACTIONS
- a. CATHEDRATICUM (5601.01)

This account records the assessed Cathedraticum paid to the Diocese by the parish.

- b. SELF INSURANCE ASSESSMENT (5602.01)  
This account records the assessed self-insurance premium that is paid to the Diocese by the parish.
  - c. CATHOLIC VIRGINIAN ASSESSMENT (5603.01)  
Charge to this account the invoiced amount for the Diocesan newspaper the Catholic Virginian.
  - d. SUBSIDY FOR PARISH SCHOOL (5606.01)  
Charge to this account amounts paid to subsidize the parish school.
  - e. SUBSIDY FOR REGIONAL SCHOOL (5607.01)  
This account records amounts paid to regional catholic schools as an assessment to support these schools required by the Bishop of Richmond.
  - f. MADONNA HOUSE HEALTH INSURANCE (5613.01)  
This account records payment of Madonna House health insurance assessment approved by Priest Council in 2009.
  - g. STEWARDSHIP ASSESSMENT (5614.01)  
This account is currently not used.
  - h. DIOCESAN COLLECTIONS FORWARDED (5615)  
This account is used to forward Diocesan Collections (National and Special). The total of this account should equal the total revenue received for the year under the Diocesan Collections in the revenue section excluding the Haiti Ministry Income.
  - i. MONIES FORWARDED TO HAITI (5620)  
This account is used to record those amounts sent to Haiti by the parish from either the parish twinning project or from donations.
  - j. INCREASED OFFERTORY COLLECTION FORWARDED (5621)  
This account represents the amount of the increased offertory forwarded to the Pastoral Center. The amount on this line should equal the similar lines in the Cathedraticum Tax computation section of the report.
  - k. MISCELLANEOUS
- I. OTHER ITEMS AFFECTING THE EXPENDITURES PAGE GRAND TOTAL
- a. INTEREST PAYMENTS ON DEBT (5632.01)  
Charge to this account the interest expense on all parish debt.

- b. CAPITAL IMPROVEMENTS  
This account records capital improvements made during the fiscal year. See policy manual for capitalization following submission of annual report.
- c. PRINCIPAL PORTION OF DEBT PAID  
This account records the principal portion of the debt repayments.
- d. PARISH SPONSORED ACTIVITY FEES FORWARDED (EXPENSE) (5460)  
This account is used to pay out the collected funds for the Parish Sponsored Activity. This account must match the revenue line exactly on the parish annual report.
- e. TRANSFERS TO SAVINGS/INVESTMENTS  
This line represents any transfers from the savings account a parish may hold to the checking account used on a day to day basis to deposit collections and other revenues as well as to pay expenses.
- f. ENDING CASH BALANCE – CHECKING AT 06-30-XX  
This line represents the ending cash balance for the checking account that all transactions (or sum of all checking accounts) were deposited into and paid out of. This amount should match the ending cash balance from the balance sheet.

J. ASSETS

*This section records ALL assets of the parish. This includes many items including the cash, investments, buildings and equipment as well as any receivables.*

- a. CASH – (1110-1170)  
These accounts include all cash owned by the parish. This can include petty cash, checking accounts, savings accounts, certificates of deposit, and other types of cash accounts.
- b. INVESTMENTS (1331-1335)  
These accounts include all investments of the parish. This can include money market, mutual funds, equities and bonds. This can be utilizing the Diocesan Pooled Investment account. This account balance reflects the market value in total of the investments held.
- c. ACCOUNTS RECEIVABLES (1510-1595)  
These accounts maintain the account receivables of a parish. This includes any employee expense advances, salary advances, and other accounts receivable of the parish. *Note: Loans to clergy and lay personnel are prohibited.*
- d. PROPERTY, PLANT & EQUIPMENT (1750-1940)  
These accounts record the historical value of the land, building and various equipment and fixtures owned by the parish. This should also

include the 'SCRIP' inventory if the parish participates in such programs. Further information on the SCRIP transactions can be located in the Parish Accounting Manual.

*If the parish records depreciation, an accumulated depreciation account would be included under the property, plant and equipment section.*

#### K. LIABILITIES

*This section records ALL parish liabilities. This includes unpaid bills, debt, payroll withholdings, etc. This section requires that the interest rate be included from the original loan documents by the parish.*

##### a. ACCOUNTS PAYABLE

This account is used when the parish is on the accrual method and inputting invoices for payment in the future.

##### b. DEBT

This account records the debt in it's entirety that a parish owes to a financial institution such as SunTrust or Bank of America. As principal payments are made, reductions to this account are recorded as debits to the account.

##### c. PAYROLL WITHHOLDINGS

These accounts include payroll taxes withheld from paychecks, health insurance premium deductions from employees and other deductions (including but not limited to 403b, life insurance, cancer insurance, etc.)

These accounts must be reconciled monthly to ensure proper payment to the various authorities.

##### d. OTHER PAYABLES

These accounts are used if a parish utilizes accrual based accounting. These can include diocesan assessments, accrued interest payable on outstanding debt, diocesan collections, etc.

#### L. ATTACHMENT

*The attachment page was added to the Parish Annual Report for ease of reporting detail information to the Diocese via an electronic process. The total on this page prior to submission electronically must match exactly the exempted Parish Charities collected on the receipts page of this Parish Annual Report.*

- a. To complete this section, please fill in the charity name/charity project collected on the left. Please fill in the corresponding amount collected on the right. The total of all collections should match the amount of exempted parish charities as reported on the receipts page. If it does not, electronically submission will not occur.

#### M. OTHER INFORMATION REQUIRED IN THE ANNUAL REPORT

##### a. SIGNATURE PAGE

The Parish Annual Report must be submitted with the signature page. This page requires the signature of not only the pastor – the Bishop’s Agent at the parish, but also that of the responsible lay parties for the financial records of the parish – the parish bookkeeper and Parish Finance Council Chair.

b. OTHER INFORMATION

These questions should be answered in order that the Diocese maintains records that the parishes are providing the appropriate minimal financial oversight functions necessary to safeguard the assets of the parish.

## ***Appendix 13***

### **RULES FOR MONEY COUNTERS**

These rules have been established to promote the integrity of the parishes in the Catholic Diocese of Richmond through a well controlled collection process.

**Please see the diocesan website, Finance Office for further instructions.**

# ***Appendix 14***

## **Pro-Forma Letter from Parish Finance Council – due to Bishop of Richmond with Parish Annual Report – August 15<sup>th</sup>**

Today's Date

Most Reverend Francis X. DiLorenzo  
Bishop of Richmond  
811 Cathedral Place  
Richmond, VA 23220

Your Excellency and dear Bishop DiLorenzo:

In accordance with the recommendations of the Accounting Practices Committee of the United States Conference of Catholic Bishops for Diocesan Financial Reporting I am forwarding the following information regarding {CHURCH} located in {City,} Virginia:

1. The names and professional titles of each member of the Diocesan Finance Council.
2. During the past and current fiscal years I certify that the Parish Finance Council of the {PARISH} met on the following dates:

Insert meeting Date 1  
Insert meeting Date 2  
Insert meeting Date 3  
Etc.

3. During the past and current fiscal years I certify that the parish financial statements and budget was made available to the parishioners during the preceding fiscal year and since the end of the fiscal year on the following dates (copy of which is enclosed):

Insert publication Date 1  
Insert publication Date 2  
Etc.

Respectfully submitted,

Rev.  
Pastor

Enclosure

**CATHOLIC DIOCESE OF RICHMOND  
PARISH FINANCE COUNCIL LIST**

**Parish Name** \_\_\_\_\_

**Parish Number** \_\_\_\_\_

**MEMBER NAME**

**BUSINESS AFFILIATION**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

as printed on

2/16/2007