

PAYROLL INFORMATION

The end of the calendar year is coming to a close, and there are many payroll items that **MUST** be reviewed to ensure the payroll reported is accurate:

- ◆ Employees having the benefit of group term life in excess of \$50,000 must have the imputed premium reported on their W-2 form. Be sure to use the Paycor code for group term life over \$50,000 that is **NON-CALCULATING**. The Employee Benefits Office sent out information in May of 2023 with all of the needed information necessary to process this tax. If you need the information, please contact the employee benefits office at extension 5040. If your location does not offer the life insurance benefit to employees, this will not apply to you.
- ◆ If your parish had any employees on short term disability, the sick pay paid to an employee directly must also be processed through payroll and reported on the employee W-2 form.
- ◆ Please be sure to review all employee personal information, paying special attention to the following: correct address; spelling of the name of the employee; and the social security number in the payroll system agrees to the social security number on the I-9 and W-4. It is very expensive to request W-2 forms be re-run to correct information. It is much easier to make corrections before the last pay run is processed rather than reviewing the information after the last pay run has processed and discovering an error.
- ◆ The W-2 forms will automatically run for your employees after the **LAST** pay run in December. You do have the option of holding your books open, so that the W-2 forms do not run after the last pay run. You may only want to utilize this feature if there is some particular transaction that you need to ensure processed correctly. There is a deadline to notify Paycor if you would need to choose this option (December 8th).

After signing into Paycor, you will see information at the top of the screen with year-end resources. It is highly recommended that you read through the resources in their entirety, just to make sure you do not miss anything.

FRAUD TIPS

- ⇒ When employees separate service from the parish, it is essential to make sure that their access is cut-off from all electronic door locks, alarms, and camera systems. Access to parish systems, such as bank accounts, census programs, payroll systems, digital school records, and computers and networks must also be revoked. If possible, the combination or key access to the office or sacristy safe should also be changed.
- ⇒ There has been an increase in parish or school checking accounts being compromised. One of the recommended ways to reduce the risk of this happening to you would be the use of ACH Positive Pay **AND** check positive pay. There is a cost involved in utilizing these services, but the cost far outweighs the potential costs of being compromised.

2024-2025 BUDGET

It seems like the current fiscal year has just begun, but it is not too early to begin preparing the parish and school budget for the 2024-2025 fiscal year. We recommend the process of zero-based budgeting. Zero based budgeting is the process of examining and evaluating every line item in the budget, not simply adding a percentage or amount to the amount spent in a particular category in the previous period. After the budget had been prepared, it requires review by the parish finance council. The budget must be set by the beginning of the fiscal year, which is July 1, 2024.



CONTRIBUTION STATEMENTS WITHOUT GOODS OR SERVICES EXCHANGED

Year end is just around the corner, and many parishioners will request contribution statements from the parish. There are a couple of reminders that are appropriate:

- * The contribution statement must list the date and amount of **EACH** contribution made during the year. It is not permissible to aggregate contributions as one total. You may send out an acknowledgement with the total amount contributed, however, the letter must state that the acknowledgement is not sufficient for tax purposes, and should not be used to substantiate a charitable contribution.
- * Statements for non-cash contributions should contain the date the item is donated and a detailed description of the item(s) donated, but not the value of the item. It is up to the donor to establish the value of the item.
- * Each statement (both cash and noncash) must contain the proper IRS wording that no goods or services were exchanged for the contribution. The parish name and address should be included.
- * The contribution of labor and any contribution that is directed for the benefit of an individual are **NOT** deductible contributions.
- * Be very careful when stating that contributions are tax deductible. It is a best practice to state that contributions are deductible to the fullest extent of the law. Since we do not know an individual's tax situation, we do not have knowledge to what extent their contributions are deductible (if at all).

For information on acknowledgments for contributions **WITH** an exchange of goods and services in excess of \$75, see IRS pub.1771.

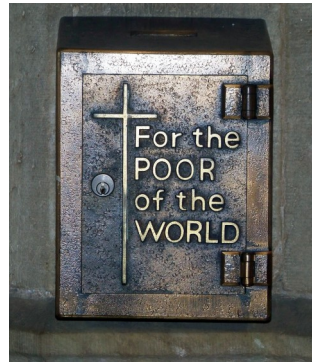
DISBURSEMENT INFORMATION

EXPENSE DOCUMENTATION

This is a reminder, that ALL expenses must have correct and complete documentation. This includes credit card expenses. The credit card statement alone is NOT sufficient documentation to support payment to the credit card company. All entries on the credit card statement from the card issuer MUST have a receipt. The receipt is required to be attached to the statement. For the receipt to be acceptable documentation, the date of the transaction must be shown, and the item(s) purchased. Summary receipts are not sufficient documentation, the best practice is to require the detail receipt. If there is an item on the credit card invoice that does not have a receipt available (such as an on-going subscription), written documentation should be attached showing a receipt is not available, and it should be signed by the person who authorized the charge. When possible, ongoing and/or recurring transactions should be downloaded from the vendor each month.

ELECTRONIC PAYMENT SYSTEMS

It is advised to be extremely careful when selecting and using electronic payment systems and pay applications. Many of the apps do not have very many controls supporting their use and this could lead to a breach of purchaser information and perhaps attempted attacks on your system at the parish or school. It is advised you contact the Diocesan Legal Office before using the payment systems and pay apps. There are often some legal documents that must be reviewed. As a reminder when using payment apps and electronic payment systems, you have to be compliant with PCI standards (written proof required), and all payments received MUST go directly into a parish or school bank account using the federal tax identification number of the parish or school. It is NEVER permissible for any parish funds to be deposited into ANY individual's bank account. Only the pastor may set up payment accounts, and he must sign any agreements. Volunteers are NOT permitted to sign any agreements or set up any payment account or pay application without the permission of the pastor.



DESIGNATED COLLECTIONS

The recording and disbursement of designated collections is a fairly straightforward process if the collections coming in and the disbursement of the funds are RECONCILED in a timely manner.

We recommend that designated collections be reconciled and remitted on at least a quarterly basis. At the end of a fiscal year, any collection funds in your bank account that have not been sent to the appropriate agency MUST be accrued, and shown as a liability on your balance sheet at year end.

As part of the end of year procedures, the amount of collections received MUST EQUAL the collections forwarded. If an error is made in forwarding collections, it should be rectified promptly. It is important to review the designated collection calendar to make sure all collections are offered, and to follow the instructions on where to remit the collections. Please be sure to indicate on the check or clearly in the remittance the amount to be applied to each collection.

PARISH FINANCE COUNCIL

Each parish finance council is required to meet on at least a QUARTERLY basis. At the meetings of finance council, a detailed review of the balance sheet and income statement should take place, as well as comparison of the actual amounts to the budgeted amounts. Significant variances should be investigated. Cash flow should be examined to make sure cash flow is sufficient to meet future expenses, and a review of any significant projects should be undertaken. The role of the Finance Council is to advise the pastor on business matters and make recommendations to him. Membership on the Finance Council is determined by the pastor, and terms of service should be rotated.

Dates to Remember	(Before & During) December 2023	* Determine which method of electronic filing the parish will utilize and establish parameters.
	December 15, 2023	* Verify all employee information in Paycor is correct so that W-2 forms will be accurate. Carefully review all Group Term Life reports to ensure the correct amount will be on the W-2 form. Make sure to enter any 3 rd party sick pay if applicable.
	December 31, 2023	* Review designated collections received and forwarded, ensure that there is a reconciliation prepared and the appropriate amount remitted.
	January 1, 2024	* Review employee's for appropriate minimum wage
	January 15, 2024	* Unemployment Compensation and Workers' Compensation reports due to Minutemen HR, and payments due to the Diocese of Cleveland.
	January 31, 2024	* Interim financial report for the period July 1, 2023 through December 31, 2023 is due in the Finance Office on or before January 31, 2024. * Filing deadline Form 1099 NEC & MISC; W-2G and Form W-2