

I STEWARDSHIP OF PARISH FINANCIAL MANAGEMENT

Parishes, too, must be, or become, true communities of faith within which this Christian way of life is learned and practiced. Sound business practice is a fundamental of good stewardship, and stewardship as it relates to church finances must include the most stringent ethical, legal, and fiscal standards. That requires several things: pastors and parish staff must be open, consultative, collegial, and accountable in the conduct of affairs. And parishioners must accept responsibility for their parishes and contribute generously—both money and personal service—to their programs and projects. The success or failure of parish programs, the vitality of parish life or its absence, the ability or inability of a parish to render needed services to its members and the community depend upon all.

*~ Stewardship: A Disciple's Response,
U.S. Catholic Bishops' Pastoral Letter on Stewardship*

A THEOLOGY OF STEWARDSHIP AS IT RELATES TO PASTORAL ADMINISTRATION

1 Background

Parish management policies should be viewed in the context of a total theology of stewardship which understands that everything we have – time, talent and treasure – is a gift from God and is to be returned to God in service to others. These policies, however, focus specifically on those portions of our resources that are financial and temporal, and flow out of some basic assumptions about stewardship and the Church.

a Assumptions

- (i) From those to whom much is given, much is expected. The Church has to be made up of “givers” because part of what it means to be Christian is the giving of oneself, including from one’s monetary resources. Therefore, the asking and receiving of funds should not be seen as separate from our faith. When seen as “not spiritual,” and as a “necessary evil” for survival, it begins to detract from our mission. When we see it as an integral part of our mission and a sign of our faith life, it helps us to grow as a community and to build the Kingdom.
- (ii) Why people give is as important as where and how much. Major emphasis should be given to educating people about their need to give, their need to fulfil this basic Christian responsibility and respond to God’s bounty.
- (iii) As financial pressure mounts, there is always a tendency to turn inward, to take care of our own needs first. The following policies challenge us to look outward beyond our own parish community and remind us of our special call to serve the financially distressed and those in need.
- (iv) The policies also attempt to recognize and reinforce the experience of the unity of the whole Church. Because we often turn inward as

finances become tight, fundraising can be a divisive influence in the community as particular needs and interests compete with each other (e.g., parish vs. school, parish vs. diocesan agencies, etc.). When this happens, we can lose sight of our call to unity. This call is particularly important in the Catholic Church where we see ourselves as part of the total Church. None of our entities (ministries, parish, diocese, national Church, international Church) exists only for itself. Our well-being and witness are tied to the well-being and witness of all the parts and of the whole.

- (v) The goal in raising money is to meet the operational needs and mission of the Church and the needs of the financially distressed, not to build up funds to create a sense of security. These policies urge us to use our God-given intelligence in planning for the future and at the same time reiterate our reliance on Divine Providence.

B FUNDING THE WORK OF CHURCH

1 **Policy I: Parish Sacrificial Giving Effort**

What will I give back to God in thanksgiving for the many blessings I have received? I will lift up the cup of salvation... O LORD, I am your servant. You have loosed my bonds. I will offer to you a thanksgiving sacrifice and call on the name of the LORD. I will pay my vows to the LORD in the presence of all his people. . . Praise the LORD! (Psalm 116:12-19)

- a St. Patrick Parish will offer an annual Sacrificial Giving renewal effort. This effort will call parishioners, out of a sense of stewardship, to set aside a significant portion of their income to give as part of their total annual contribution. They will be asked each year to reflect on their giving for the coming year, strive to achieve a tithe of 10% and to give one-half of this amount to the parish, with the understanding that their primary community is the parish community to which they bring their “first fruits.” The other half will be given to the financially distressed, those in need and other charities including but not limited to the Diocese of Grand Rapids Catholic Services Appeal, our national and international Catholic collections and charities which may or may not be church-related.
- b Education about total stewardship will be integrated into the programs and ministries for all ages of the parish.

Rationale: A parish sacrificial giving renewal effort/process should be the foundation of funding at St. Patrick Parish. It is a comprehensive approach which views giving of one’s resources as an integral part of one’s faith life. If commitment and energy is channelled into the parish sacrificial giving effort, benefits would include faith renewal and a financial return large enough to support the basic operations of the parish, to meet commitments to the diocesan church and to allow parishes to give outside of themselves.

2 **Policy II: Christian Service Fund**

The LORD said to Moses, "Give the Levites these instructions: When you

*receive from the Israelites the tithes I have assigned you from them as your portion, you are to make a contribution from them to the LORD, a tithe of the tithes; and your contribution will be credited to you as if it were grain from the threshing floor or new wine from the press. Thus you too shall make a contribution from all the tithes you receive from the Israelites, handing over to Aaron the priest the part to be contributed to the LORD. **From all the gifts that you receive, and from the best parts; you are to consecrate to the LORD your own full contribution.**" (Numbers 18:25-29)*

- a St. Patrick Parish will set aside a portion of funds for programs that serve the financially distressed beyond the bounds of St. Patrick's Parish. (These could include local, regional, national/international needs.) The proceeds from the parish's operating budget will be designated to the "***Christian Service Fund.***"
 - (i) The local needs of the financially distressed will be administered by the Portland Area Ministerial Association (PAMA).
 - (ii) The "Christian Service Fund Team" will administer the remainder of the fund and will designate its funds to the regional, national and international needs. The Christian Service Fund Team is accountable to the Stewardship Committee and the Finance Council.
- b The St. Patrick's Finance Council shall determine the percentages of the fund that will be administered by the Christian Service Fund Team. The Christian Service Fund Team shall develop criteria to administer the funds and shall have their criteria reviewed by the Stewardship Committee and Finance Council.

Rationale: Sacrificial Giving encourages parishioners to see their giving of money as a way of expressing their gratitude to God for what they have been given. The giving of money to the parish, to the financially distressed and other charities is a concrete way of putting our Christian beliefs into action. Our giving should be planned and in proportion to our own income. It is something we do first with our money rather than last.

In order to model this way of giving, the leadership of St. Patrick Parish shall determine the percentage of its parish income to help the financially distressed and those in need (i.e., to give to programs performing the corporal works of mercy) on the local, regional, national and international levels. This giving expresses gratitude to God as a parish community; otherwise, without such external giving, parishes may become too inward looking, centred on themselves and wrapped up in their own needs. Parishes that have chosen to support the works of mercy beyond the bounds of their parishes have found that their own needs are seen in better perspective with the needs of those outside their own parish boundaries.

Direction given by the International Catholic Stewardship Conference in association with the United States Conference of Catholic Bishops:

- 2 "Countless parishes that have embraced stewardship as a way of life have

taken a step in faith and have begun to give a percentage of their income to the financially distressed and homeless in the US and in foreign countries.

- a Some parishes give a percentage of their offertory income each week, sometimes beginning at a lower percentage and increasing their gift to the financially distressed as their understanding of stewardship has deepened and matured.
- b Many parishes establish a “tithing committee” or something similar. The committee is allotted a certain amount of money each month to help meet needs of people who often fall “between the cracks” in our system.
- c Consistent parish giving sets the example when a parish asks parishioners to give sacrificially. Over time the entire stewardship effort benefits.
- d In addition to giving a percentage of their income, many parishes have parishioners who contribute their time and talent to medical clinics, building homes for the financially distressed and soup kitchens, St. Vincent de Paul, or other social outreach programs.
- e Although many parishes have found this idea to be interesting, a significant number of them never started because they thought the idea of giving outside themselves was beyond their means. Just as parish leaders will be asking the parishioners to “take a step” in their own giving, they may wish to consider the parish itself “taking a step” toward its own ideal giving percentage. Perhaps such a parish could get started with a 1-2% gift of its ordinary income, while gradually moving towards 10% or higher.”

(ICSC's & USCCB's: Stewardship...Disciples Respond: A Practical Guide for Pastoral Leaders).

- 3 **Policy III: Parish Program and Service Fees (other than School Tuition)**
After Sacrificial Giving is fully implemented at St. Patrick, we will work toward minimizing or eliminating fees for parish ministries, programs and services, other than school and child care tuition and fees.

Rationale: Once parish sacrificial giving is fully implemented, there should be no need for additional fees.

- 4 **Policy IV: St. Patrick Parish Estate Memorials (Wills and Bequests)**
Bequests to the parish, parish endowment, youth ministry endowment school scholarship fund and school endowment will be encouraged. When a bequest is made (or when someone leaves their estate or a portion of their estate to St. Patrick Parish in their will) they will be automatically enrolled into the St. Patrick Parish Estate Memorials.
 - a *The St. Patrick Parish Estate Memorials* has been created to thank our parishioners who have remembered **St. Patrick Parish** in their wills or trusts. These parishioners have agreed to be the “*Guardian Angels*” of our parish family both on earth and in Heaven. A gift of a bequest entitles the donor to membership in this very special group of caring people who provide for the future of St. Patrick Parish, (including our Parish Endowment for our church

ministries, school, and child center) and serve as our guardians of St. Patrick's ministries in the everlasting life.

- b ***The St. Patrick Parish Estate Memorials*** offers a number of benefits to its members, including: Special remembrance of all members at the Pastor's Annual Mass for our ***Guardian Angels*** as well as their name remembered in our prayers and memorialized in a special way at St. Patrick Church.

Rationale: Bequests are an extension of stewardship principles. As parishioners have given during their lifetime, so do they continue their giving at their death with the material resources they have accumulated.

Procedure (Legal name to designate St. Patrick Parish in their will): If bequests are left to the parish, they should be made out to Most Reverend David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, 140 Church Street, Portland, Michigan 48875. This designates the use of the bequest to the parish or parish ministry.

- a After naming **St. Patrick Catholic Church, Portland, Michigan** in their will or trust, all that needs to be done to accept this membership is for the parishioner to complete a confirmation form and deliver or mail it to the pastor.
 - (i) When the parish is notified that it is a beneficiary of a will or trust, the Diocese of Grand Rapids' Catholic Foundation of West Michigan will be notified.
 - (ii) The application for the St. Patrick Parish Estate Memorials is found in *Appendix A*.
- b When the parish or parish ministry receives a bequest, the gift will be used as designated by the will. If undesignated funds are gifted, then the bequest will be applied first to any unpaid current pledges for that parish entity (i.e., capital campaign, sacrificial giving, school annual fund), and then the residual will be applied to the respective endowment (parish endowment or school endowment). If the will states "at the discretion of the pastor", the use of those funds will be considered "undesignated" and will comply with the procedures stated above.

Rationale: The current pledges were intentions of the parishioner/donor made during his/her lifetime. Since the donor had not asked to drop the pledge before his/her death, the donor had intended to fulfill the pledge during his/her lifetime. We will honor the donor's intention to pay the pledge. Contributing undesignated residual funds to the endowment allows the donor to continue to support the mission and ministries of St. Patrick perpetually in the after- life.

- c If the parishioner/donor had not yet enrolled in the St. Patrick Parish Estate Memorials, automatic membership will be given. They will be remembered at our Masses on March 17 of each year – the Feast of St. Patrick.

5 **Policy V: Grants**

Parish ministries may pursue outside grants for special projects (e.g., food banks, energy conservation, etc.) but not for the operating budget. Any grants applied for must be developed in consultation with the Pastoral Associate.

Rationale: Grants are intended for special projects, and should not be used for the operating budget because they are usually not a regular source of income.

a. **Community Funds**

Beginning in Pastoral Year 2016, the Finance Council will designate a portion of the proceeds from the previous Summer Fest, Fall Festival and Shamrock Auction to be used for “Community Funds”. These funds directly support activities of various parish groups. Organizations are encouraged not to fundraise; rather they should encourage their members to volunteer at these events and work within the parish. The formula for the portion of the Parish Fund proceeds is decided on an annual basis by the Finance Council. Applications are available at the parish office. Requests for funds are to be submitted by March 1 each year, to be distributed the following fiscal year (July 1 through June 30).

b. **Discipleship Grant**

A grant is provided by the parish to a parish ministry, parish organization or parishioner who wishes to participate in a discipleship project outside the parish (such as Mission Trip, Dymo Camp, World Youth Day, March for Life, etc.) This grant requires individuals to perform community service hours. Hours are to be completed before grant money is disbursed. An application and Discipleship Grant Agreement can be obtained at the parish office. Grants are to be applied for (see Appendix B) by March 1st each year, to be earned the next pastoral year.

6 **Policy VI: Solicitation of Vendors and Businesses**

Parish ministries and organizations must apply for permission from the Finance Council to solicit a vendor or business for any activity or service at St. Patrick Parish. A parish-wide coordinated effort to solicit from vendors and business will be organized to ensure that ministries are not competing with one another for support and funding.

Rationale: Businesses and vendors have graciously assisted St. Patrick Parish to carry out its mission. However, they have expressed concerns about being approached by several ministries of the parish. It was requested by some businesses that St. Patrick have a coordinated approach. (Some of them wish to give once, and would be willing to give more if they knew they were going to be approached less often.)

Procedure: Once a year, we will ask ministries who plan to solicit to vendors and businesses to apply for permission. The parish will then coordinate these requests, and alert the ministry as to which business or vendor they may approach and for how much. The parish will develop further procedures around this policy.

7 **Policy VII: Accountability**

Success in the stewardship and development efforts of a parish requires a visible commitment to accountability. This commitment includes accountability for the full range of parish activities—from the way decisions are made and carried out by parish personnel to the way money is collected, managed, and used. Indeed, accountability is fundamental to good stewardship.

- a St. Patrick Parish will prepare an annual report of its stewardship to promote understanding of the relationship between the mission and ministries of the Church and the financial affairs of the parish. In addition, St. Patrick Parish shall use the annual report to render an account of its stewardship of human resources (personnel policies, just compensation, etc.), and of church property and facilities.
- b A visible commitment to accountability will be reflected in the leadership styles and attitudes of the pastor, and all who have responsibilities for the human, physical, and financial resources of the parish. Like personal witness, a commitment to accountability is essential to building a solid foundation for a diocesan or parish stewardship program.
 - (i) St. Patrick Parish shall make an annual financial report to the diocese. The parish accounting system is part of the diocesan wide system and is audited by the Diocese of Grand Rapids.
 - (ii) At the end of the pastoral year and in cooperation with the Parish Finance and Pastoral Councils, the pastor or other appointed pastoral leader will see that a report is made to the parish as well.
 - (iii) All ministries and organizations affiliated with St. Patrick Parish are accountable to the pastor and to their respective commission/ council. An annual report should be submitted to the Pastor, Pastoral and Finance Councils, as well as to their respective council or commission. The annual report to the Pastor should include both the activities as well as any financial results of the ministry/organization. Parish Administration will facilitate this reporting and incorporate it in the appropriate reports (diocesan and parish annual reports).
- c Annual statements shall be sent to parishioners noting contributions, tuitions and fees received by the parish entity.

Rationale: Statements provide a record for parishioners' personal and tax

record keeping purposes. In addition, these statements provide assurance that the total contributions recorded in the financial records are accurate and serves as an additional internal control that monies are properly received.

Procedures

- (i) The record of each parishioner's contribution should be posted by someone not having responsibility for counting collections, handling mail receipts or entering the collection total to the parish books.
 - (ii) Tracking parishioner contributions. Envelopes are not to be backdated to the Sunday date printed on the envelope; instead, the date of collection should be used, e.g., for school families submitting multiple envelopes (for previous Sundays on one Sunday). These should be entered with the Sunday date the multiple envelopes were received, not the day the data was entered, or the Sunday dates printed on the envelopes. If there is an empty envelope submitted and the donor is neither an EFT/ACH donor, nor has previously communicated that to the church, and continues to turn in empty envelopes, then the donor should be called to confirm that the church received an empty envelope. (At times, donors often forget to include their checks.) The total of the posting source (envelopes) shall be reconciled with the total deposit and entered in the parish books weekly.
 - (iii) Statements should be preprinted with the following confirmation request: "This statement is for your records. Please examine it carefully. If it does not agree with your records, please communicate this directly to the Membership Assistant." (Communication must not be made to persons responsible for counting and depositing the collections.)
- d Parishioner year-end contribution statements
- (i) Someone independent of the counting, depositing, and recording of collections shall prepare and distribute year-end parishioner statements. Reported variances between the donation and collection are to be investigated and resolved. These should be sent no later than January 31 of the following year.
 - (ii) Individual donations in excess of \$250 must be acknowledged in accordance with IRS regulations. This acknowledgement may be sent annually, but each contribution of \$250 or more must be listed individually.
 - (iii) Review of the Parishioner Contribution Summary Report: Periodically (minimally quarterly) the Contribution Summary Report is to be compared to the Sunday collection worksheets/ledger program by the Pastoral Associate. Because loose cash is tracked on both the ledger & Census, the amount contributed on the Contribution Summary Report should be exactly the same as posted in the ledger program.

C ST. PATRICK FINANCE COUNCIL

- 1 **Establishment:** In accordance with Code of Canon Law 537 of Roman Catholic Church (Latin Rite) and the Roman Catholic Diocese of Grand Rapids Financial Policy, St. Patrick has established a Parish Finance Council to assist the Pastor who is to administer the temporal goods of the parish. The Finance Council shall operate under the provisions identified herein.
- 2 **Purpose:** The Finance Council is a consultative body that the pastor can prayerfully reflect with and ask for assistance and recommendations concerning the stewardship of the parish financial & temporal resources, including long-range financial planning to support the mission of the parish. The Finance Council is a separate entity of the Parish Pastoral Council, but works in collaboration with it and is directly responsible to the pastor.

FINANCE COUNCIL CHARTER ST. PATRICK PARISH PORTLAND, MICHIGAN

MISSION STATEMENT

We, the Parish of St. Patrick, are a large, widely scattered body of diversely gifted and talented people, woven together by a common thread of Catholic faith. We are committed to spreading the “Good News of Jesus Christ” to the people of Portland and beyond. We accept the challenge to work together through our words and deeds to provide for the spiritual, educational and physical needs of God’s family.

THE NAME OF THE COUNCIL

The name of this Council shall be the Finance Council of St. Patrick Parish.

THE PURPOSE OF THE FINANCE COUNCIL

The Parish Finance council is composed of servant leaders who share their wisdom and offer their consultation in discerning with the Pastor, through prayer and study, how the parish can best meet the financial and material needs of the parish community.

THE AUTHORITY OF THE FINANCE COUNCIL

The Parish Finance Council is a consultative body. It uses a consensus process of deliberation. The fruits of this shared wisdom and discernment are recommended to the Pastor who presides over the Council and whose responsibility for the parish is respected. The Council operates in accord with the guidelines of the Diocese of Grand Rapids governing Finance Councils.

THE ROLE OF THE FINANCE COUNCIL

The Finance Council is to advise the Pastor on financial matters and the administration of parish property, assist in the preparation of the general parish budget, review the parish financial, personnel, and administrative operations, review the care and maintenance of parish property and buildings, develop long range planning for operational and capital needs, and assist in encouraging parish financial stewardship. Some (or any) of these responsibilities may be delegated to Committees of the Finance Council.

THE MEMBERSHIP OF THE FINANCE COUNCIL

The members of the Finance Council reflect the entire body of the Parish community and act as the voice of that community. They also model ways to the parish in which it can be strengthened through prayer, sharing, communication, and respect for one another.

Eligibility:

Anyone who is a registered member of the parish and is actively practicing the Catholic faith is eligible for consideration for membership on the Finance Council. No one who is a paid employee of the parish is eligible to be a member. Ex officio members of the Council may be employees.

Qualifications:

To be considered for membership on the Finance Council, a person must be willing to participate in prayer and study, be prepared to give time and attention to the work of the Council, able to keep confidences, able to dialogue and interact with other members, dedicated to advancing the common good of the parish as a whole, and knowledgeable and experienced in financial and administrative matters.

Formation:

All members of the Finance Council will participate in a process of education and formation regarding the nature and work of Councils. All members are to review and be familiar with the diocesan guidelines for Finance Councils. They will also take advantage of periodic opportunities for further study and growth.

Composition:

The Finance Council shall be composed of 6-9 members. The Parish Business Manager or Parish Administrator shall also attend all meetings of the Finance Council as the Executive Officer. (See "Officers:" below)

Selection:

The members shall be selected according to the method defined in this charter. Each year the Pastor shall consult with the Pastoral, Finance, and Ministries Councils regarding the appointment of two new members to replace those whose terms are expiring. After listening to the advice and counsel of the three Councils, and after prayerful deliberation, the Pastor shall appoint two new members from among the candidates recommended by the Councils. The new members then participate in an orientation and formation process.

Terms of Office:

Members of the Finance Council serve at the Pastor's discretion and will normally serve a term of three years. At the Pastor's invitation, members may serve a second consecutive three year term for a total of six years.

Officers:

The Finance Council is presided over by the Pastor or his delegate. The Chairperson of the Council shall be selected according to a process of consensus by the members of the Council itself from among the members. The Parish Business Manager or Parish Administrator shall serve as the Executive Officer of the Council and is responsible for preparing the agenda, providing monthly financial reports, other reports as requested by the Pastor or Council, supervising the budget setting process, and maintaining the record of Council Proceedings. The Finance Council shall have a Recording Secretary, selected according to a process of consensus by the members, whose responsibility it is to take "minutes" at the meeting, disperse them to the members within one week after the meeting, and make sure that any member absent from a meeting receives any materials handed out at the meeting.

Vacancies:

In the event of an anticipated lengthy vacancy, the Pastor shall approach the Pastoral, Finance, and Ministries Councils, seek their advice and counsel for a replacement to fill the vacancy, and then after prayerful deliberation, appoint that person to the Council to fill the term of the vacancy.

THE MEETINGS OF THE FINANCE COUNCIL

Because of the sensitive nature of much of the Council's work, Finance Council meetings are closed meetings.

The Finance Council as a norm shall meet on a designated day on a monthly basis (summer months may be exempted depending on the needs of the parish as determined by the Pastor in consultation with the Finance Council Chairperson and the Parish Business Manager). The Council Chairperson, in consultation with the Pastor, may call additional meetings when necessary.

No meeting of the Finance Council may be convened without the Pastor or his delegate present.

The agenda for each meeting, along with supporting documentation, shall be made available to the members at least one week prior to the meeting. This may be done through e-mail, postal mail or some other method determined by the Council.

Each meeting of the Finance Council shall begin with a Prayer Service prepared by one of the Council members on a rotating basis.

There shall be time set aside at periodic meetings for further education and formation of the members of the Council.

The Finance Council members shall also attend the two annual Parish General Meetings October and April organized by the Pastoral Council. This meeting incorporates the leadership of the various Councils, Commissions, Committees and Ministries of the parish for the purpose of ensuring communications throughout the parish and aiding the Pastoral Council in its role of setting the overall vision and long term goals for the parish.

CONSULTATION OF THE FINANCE COUNCIL

The Parish Business Manager shall consult the Finance Council in preparing the annual budget.

The Pastor and Parish Business Manager shall consult the Finance Council prior to giving approval to any expenditure in excess of \$3,000 which has not been previously budgeted. If time does not allow for such consultation due to an urgent situation, the expenditure must be presented at the next regularly scheduled Finance Council meeting.

Expenditures exceeding \$10,000 need prior approval from the Diocesan Office of the Bishop.

Items or supplies exceeding \$5,000 require a competitive bidding process, if at all practical.

Regular suppliers of services or supplies require competitive bidding not less than every third year.

The Pastor and the Parish Business Manager shall consult with the Finance Council prior to making any agreements to purchase, sell, lease, or otherwise change the financial condition of any parish property, buildings, or long term investments.

THE COMMITTEES OF THE FINANCE COUNCIL

It is not always necessary for members of the Finance Council to be members of the various Committees, but each Committee is accountable to the Finance Council. The Finance Council shall have the following Standing Committees:

Building and Grounds Committee:

This Committee makes an annual inspection of parish property, makes recommendations regarding repairs or improvements or maintenance, keeps a current inventory of parish properties, recommends policies for safety and security, reviews the parish energy use and conservation efforts, and supervises lawn maintenance and snow removal.

The Parish Business Manager and Maintenance Supervisor shall be standing members of the Building and Grounds Committee, along with several parish members who are chosen because of their expertise in one or more of the trades of electrical, plumbing, construction, design and architecture, etc.

CSA Drive Committee:

This Committee conducts the annual parish CSA Drive, recruits volunteer workers, collects the pledge cards, and completes the diocesan reports.

Bequests, Wills, Endowments and Philanthropy Committee

This Committee will explore and implement efforts to invite parishioners and others to consider remembering St. Patrick Parish, St. Patrick School, or the Father Flohe Foundation in their bequests, wills, endowments and other forms of philanthropy.

Fund Raising Committee

Since the Committee deals with significant fund raising efforts in the parish and the parish school, it shall make a report to the Finance Council at least once a year regarding its activities.

The Stewardship Committee shall be a Standing Committee of the Pastoral Council. The Finance Council shall collaborate closely with the Stewardship Committee in any of their efforts at increasing financial sacrificial giving within the parish.

CHANGING THE CHARTER OF THE FINANCE COUNCIL

The charter of this Council may be changed when the members, having prayerfully considered and reached consensus, recommend it to the Pastor and he implements the change after having conferred with, and received approval from the appropriate Diocesan Office.

Revised and Approved by the St. Patrick Parish Finance Council on June 19, 2007.

Approved by the Diocese of Grand Rapids on July 11, 2007

II PARISH BANKING SYSTEM

A POLICIES AND PROCEDURES

- 1 St. Patrick Parish should operate a minimum number of bank accounts. By minimizing the number of accounts there will be a saving of the resources required for reconciliation purposes, and a reduction in the potential for errors. The parish should use the general ledger to the full extent to set up as many income and expense categories as possible (within the main headings

stipulated in the reports section) and therefore eliminate the need to open too many bank accounts.

- 2 The Parish Priest, or a neighboring priest in an emergency, are the only authorized signers on all parish bank accounts.
- 3 Monies need to be deposited no later than 48 hours of receipt. (Same day is recommended.)
- 4 No check is to be made out to cash. If issuing, “petty cash” (not more than \$200), it must be issued to a person who signs for its custody. Have the person who issues the check complete the cash reconciliation report within 48 hours of the last day of the event. For more details on our petty cash policy and procedure, please refer to Section V – B “*Petty Cash Fund*.”
- 5 No individual shall be alone with cash at any time (two unrelated adults rule).
- 6 The Business Manager shall ensure that all parish entities:
 - a Record the amounts and the activity of all cash accounts in its general ledger.
 - b Confirm that the cash accounts on the general ledger agree to the reconciled bank balances.
 - c Deposit funds in excess of 30 days of operating and capital funds into the Diocesan Saving Fund.

B PARISH-SPONSORED ORGANIZATIONS/CIRCLES

1 **Banking through the Parish Office**

- a A parish organization’s funds are processed through the Parish checking account.
- b The parish organization’s treasurer shall be responsible for preparing a check requisition, accompanied by supporting documentation.
- c Only officers of a parish organization, such as its treasurer or president, may authorize the release of funds. The treasurer’s or president’s signature (or both, if the organization stipulates that requirement) must appear on the check requisition before the parish shall release any funds.
- d The Parish Accountant/Bookkeeper will then prepare the check, and provide the treasurer with a monthly accounting of the organization’s income, expenses and running balance of funds.
- e Excess funds at the end of the year will be placed in a liability account in the parish organization’s name for their use in future years. It will not go into the general operating fund unless the organization designates it or ceases to be in existence. The balance of the excess funds will be provided to the treasurer by the Parish Accountant/Bookkeeper on a monthly basis.

2 **Banking through the Parish Organizations**

As of July 1, 2010, all parish organizations are to bank through the parish office (or its respective entity). Private or separate bank accounts will no

longer be allowed, per Diocesan policy.

3 Dissolution of a Ministry/Organization

If an organization ceases to exist and has not designated the use of the funds, then the funds will be given to the Parish Endowment Fund (or Father Flohe Endowment Fund) for support of ministries in the future. If monies are designated, they will be used for their designated purpose.

III COLLECTIONS

A SUNDAY AND HOLY DAY COLLECTION STANDARDS

- 1 Count Teams:** At least three people should be present when collections are counted, except holidays when two may be present. No one should ever sort and organize money prior to the arrival of the count team.
- 2 Rotation of Count Team Duties and Responsibilities:** Collections are counted by count teams, whose duties are rotated periodically.
- 3 Tamper Evident Bags:** The ushers immediately consolidate collections to pre-numbered tamper evident bags. The use of these bags is required.
- 4 Handling Collections:** Checks are restrictively endorsed during counting procedures, and a cash collection report is compiled and signed by count team members. It is helpful to establish written cash handling guidelines for the count teams that are consistent with the practices described in Sunday Offering Collection Procedures (section III C).
- 5 Adequate Physical Safeguards:** All cash receipts should be deposited intact daily, or locked in a safe, in a pre-numbered tamper evident bag under dual control (access by two people). Limit entry to the safe to only those people requiring such access. The safe combination and/or key should be adequately safeguarded.
- 6 Adequate Segregation of Duties:** Ideally, different individuals will complete the receiving, processing, recording, and bank reconciliation functions. This option is not always possible, especially if there are only one or two individuals available to perform these duties. In this event, these duties should be separated between the available people as much as possible. Perhaps the pastor, or a volunteer parishioner with the proper background, can perform one of these functions on a monthly basis.
- 7 Parishioner Contribution Statements:** Someone who is independent of the counting, depositing, and recording of collections prepares and distributes year-end parishioner statements. Reported variances between the donation and collection are investigated and resolved.
- 8 Tracking Parishioner Contributions:** Use written procedures to instruct the person completing the data entry. Do not back date envelopes to the Sunday

date printed on the envelope; use the date of the collection. For instance, families submitting multiple envelopes (for previous Sundays on one Sunday). These should be entered with the Sunday date the multiple envelopes were received, not the day the data was entered, or the Sunday dates printed on the envelopes.

- 9 Parishioner Contribution Summary Report:** Print the Contribution Summary Report for the previous week, and then compare to the amounts on the Sunday collection worksheets. The amount contributed on the Contribution Summary Report should be lower by the amount of cash on the Sunday collection worksheet.

B OTHER CHURCH COLLECTIONS

Ideally, different individuals complete the receiving, processing, recording, and bank reconciliation functions. Gift acknowledgment forms are issued when donations of \$250 or more are received. Reported difference between the donation and collections are investigated and resolved.

C SUNDAY OFFERTORY COLLECTION PROCEDURES

STEP 1: On Thursday, the tamper resistant bags are removed from the parish office's safe. The Mass times are written in permanent marker on the outside of the bag. The bags are then taken over to the church in Mass order (with the first Mass on top) to the back of church. The bags are kept in a cabinet in the back of church so they are accessible to the ushers for weekend Masses.

STEP 2: DURING the weekend Masses, the ushers take up the collection. Immediately following the collection, all of the offertory is sealed in the tamper resistant bag for that Mass and taken to the Altar during the presentation of the Gifts. Immediately following Mass the bag is dropped into the church's safe located in the church's sacristy. The count team leader and another unrelated team member bring the collection bags to the Administration office after the 9:30 AM Mass.

STEP 3: **The bag keys are to be left with the collection envelopes.** When depositing the bags, make sure the night deposit box locks after closing. If the depositor is having a problem with the night deposit at the bank, the depositor should notify the police or a bank official. Leave the rectory by the east rectory door (adjacent to the parking lot). Check the door to make sure it locked. Two vehicles need to make the trip to the bank.

STEP 4: **Loose Cash Offertory:**

Once in the conference room, the doors of the conference room are locked and access is restricted to the room. The loose money counters open the bags and sort the envelopes, special envelopes and cash denominations. As the envelopes are sorted, the remaining counting team begins opening envelopes

(see below for their procedure). Once sorted, the loose cash counting team counts each denomination and records it on a tally sheet. Each count is verified (i.e. each denomination is counted twice by separate unrelated individuals to ensure accuracy). When the tally sheet is completed, two individuals on the loose cash counting team sign the tally sheet and the loose cash counting team prepares the deposit slip. These funds are then put into a lockable bank deposit bag. The deposit bag is locked and set aside for deposit.

1 Offertory Envelopes:

Each envelope is opened by the counters and sorted between check and cash. Envelopes with checks are processed first in order to allow the person totaling checks time to get the checks processed. As each envelope is opened the amount of the cash or check is recorded on the outside of the envelope along with “cash” or the check number. The person totaling checks collects checks from the counters as they accumulate. Each check is stamped with a “*for deposit only*” stamp and groups of checks are added together on an adding machine with a tape. Each check group is added twice to ensure accuracy. One tape is attached to the group of checks to go to the bank and the other tape is kept to be attached to the GL deposit detail. If the group of checks is special (i.e. Spanish, loose, etc) this is marked on the tape to be attached to the GL deposit detail. When all checks are added together, each tape is listed on the deposit slip.

Record the name, address and donation amount on the yellow slip when donations are made without a pre-printed envelope.

As the cash envelopes are opened, after recording the amount and “cash” on the envelope, the cash is sorted into like denominations. When all counters are done opening envelopes, the cash is counted. The counting is done in groups of two so each stack of strapped bills is counted twice. Coins are put into an envelope. After all bills have been counted, two individuals fill out a tally sheet. Two people sign this sheet. These individuals also put the paper bills and coin amount on the deposit slip that the person totaling checks has already started. Once the paper bills and coin amounts are added, the person totaling checks adds the total deposit together and records the total on the deposit slip. In the meantime, the money counters who filled out the tally sheet put the paper bills and coin into the large lockable bank bag. The person totaling checks adds in the checks and the deposit slip as well as any other deposits (e.g., school), and locks the bag in the presence of at least one money counter.

2 Reconciling Deposits with Offertory Envelopes:

Once emptied, all Sunday offertory envelopes are put into the box and locked in the money counting room until the business manager collects it on Monday.

The two locked moneybags are then transported by two unrelated team

members (one following the other) to the Portland Federal Credit Union night deposit drop.

The deposit slips and adding machine tapes are placed in the box with the envelopes, tally sheets and deposit copy. The parish accountant prepares a batch total sheet based on the deposit slips for the loose collection. Copies of the amounts entered into the general ledger (GL) are also given to the Pastoral Associate to compare with the tally sheets completed by the money counters.

Once the Membership Assistant has all the donations entered into the parish's donor database (DD), the DD totals are then compared to the GL totals. Any discrepancies are discussed with the Parish Accountant. Special attention is paid to ensuring that the loose cash total by the GL/bank deposit and the loose cash total per DD are within a small margin of error, accounting for amounts due to seasonality.

The Membership Assistant keeps copies of the DD batch reports and the batch sheets are filed in the Parish Accountant's office.

IV FUNDRAISING, DONATIONS OR COLLECTION OF FEES

A PROCEDURES FOR HANDLING MONEY RECEIVED

St. Patrick Parish follows the internal control requirements of the Diocese of Grand Rapids. All organizations soliciting our parishioners or using the parish's tax id or name must follow these requirements.

B FUNDRAISING MONIES

The sponsoring group is responsible for managing the fundraiser. Parish staff may not be involved with the fundraiser **in any way** (unless parish staff that directly manages the ministry is also the sponsor). The parish staff may offer their time outside of work hours. No cash can be accepted at the Parish Office without a member of the organization present.

C THE MINISTRY'S/ORGANIZATION'S RESPONSIBILITIES WITH FUNDRAISING

- 1 Alert the donor to make all checks payable to St. Patrick Parish.
- 2 The Diocese of Grand Rapids Internal Control procedures require that funds are not be taken home or left unattended. No less than two unrelated adults should be with the funds at all times. An organization is to deposit the funds into a pre-numbered tamper proof bag (provided through the Parish Accountant/Bookkeeper) and deliver the deposit into the parish office's safe or the church's safe before the organization/person responsible leaves the premises. As soon as possible, but not more than 24 hours, the organization will need to count the funds and prepare it for deposit.

- 3 Funds are to be deposited into the parish bank account within 24 hours of receipt of those funds (please accompany your deposit with the summary receipt to expedite the deposit). The Parish Accountant/Bookkeeper will be able to assist you.
- 4 Maintain all financial records – turn in to the parish the Fundraising Donor/Vendor Donations form (*See Appendix D*) with gift amounts and date of the gifts within 10 days of the receipt of the gift. The parish will send out thank you notes and donation acknowledgements in compliance with IRS regulations and governmental laws. If the organization would like to include a special thank you to accompany the donation acknowledgement, please let the Parish Accountant know.
- 5 All costs to the parish must be reimbursed.

D THE PARISH'S RESPONSIBILITIES WITH FUNDRAISING

- 1 Process any permits required and file any necessary tax forms. (Official parish signatories must be on all permits, contracts and tax forms). The organization needs to inform the parish accountant within 30 days prior to the event of any permits that need to be filed. Original copies of the permits and tax forms need to remain in the parish archives.
- 2 Deposit the funds and post any donations to the parishioner's or vendor's/sponsor's contribution record and reconcile with the Fundraising Donor/Vendor Donations form.
- 3 Provide appropriate space to the organization for fundraising sales.
- 4 Provide tamper-proof bags, deposit slips, required forms and background check assistance.
- 5 Prepare a summary report for approval for the fundraising committee's approval.
- 6 Provide tax receipts to donors (including vendors/sponsors)

E COLLECTION OF FEES OR DONATIONS

It will be the responsibility of the sponsoring ministry to manage the collection of fees or donation.

- 1 Alert the donor to make all checks payable to St. Patrick Parish. Collection of cash should be avoided. In the event one does accept cash, there must be two unrelated adults present and it must be receipted and placed in the safe immediately. Accepting cash, checks and credit cards requires a duplicate receipt (one for the donor and one for the Accounting Office).
- 2 The Diocese of Grand Rapids Internal Control procedures require that funds are not to be taken home or left unattended (no less than two unrelated adults should be with the funds at all times). An organization is to deposit the funds

into a pre-numbered tamper proof bag (provided through the Parish Accountant/Bookkeeper) and deliver the deposit into the parish office's safe or the church's safe or the bank night deposit. As soon as possible, but not more than 24 hours, the organization/ministry will need to count the funds and prepare it for deposit.

F DEPOSITS

Deposits need to be counted by two unrelated adults at all times, especially when cash is involved. Make sure one person counts, and the other person recounts. Issue receipts to anyone who drops off money; this is for your protection of everyone involved. All monies, cash and checks, need to be deposited within 24 hours. Please place the deposit in a tamper-proof bag and place it in the safe or the bank night deposit (Alert the Parish Receptionist that there is a deposit in the safe so it can be taken out of the safe and deposited)

G OTHER MONEY MATTERS

- 1 CASH: There should not be any checks in any account made out to "CASH". If a ministry is requesting petty cash, then make it out to a responsible party and have them sign a letter of agreement (i.e., that they are responsible for this money, that they will return it within 24 hours after the event). We do not cash anyone's personal checks.
- 2 SAFES: Do not leave any money in drawers or other type areas that are not secured. Use the safes available.
- 3 NON-REIMBURSEMENTS/MONEY FOR SERVICES: We are not to disburse any "stipends" or even gift certificates (which are taxable) without running it through the general ledger account. If the person in question is truly an independent contractor, then we should run a regular check, and set them up to potentially receive a 1099-MISC (be sure you get their W-9 form before disbursing the check). If an employee receives a "stipend" or "gift certificate" from any parish organization that uses our tax id number or name, then we must show that compensation on their next paycheck and take out the appropriate taxes. Remember, if it is written to the church for the benefit of an individual, then it is taxable for the individual receiving the funds and non-tax deductible for the person giving the funds.

H ELECTRONIC FUND TRANSFER/ACH/AUTOMATED GIVING

- 1 The parish shall provide a program for parishioners to make donations or tuition payments through Electronic Fund Transfer/Automated Clearing House (EFT/ACH). This secure program works directly with the donor's bank. All transactions are done electronically, debiting the donor's bank account automatically for the amount to which donor has agreed to in writing.
- 2 St. Patrick's Online Giving Program is strictly regulated, and only the donor can designate the amount of money that may be debited on a weekly basis. The parish does not disclose any non-public personal information except as

required by law. The parish maintains physical, electronic and procedural safeguards that comply with federal standards to safeguard information. The parish works in partnership with a third party processing service and utilizes 128-byte encryption and Secure Sockets Layer (SSL) to ensure that personal and sensitive information is transmitted safely and securely every time. In addition, the parish uses internal security measures to further increase data security.

- 3 Procedures:
 - a All electronic donations are processed daily. The parish normally receives the money in one to two days and post it to the donor's parish record each Monday.
 - b The weekly gift will be clearly itemized on the donor's bank or credit card statement with the name St. Patrick Parish. St. Patrick Parish will provide the donor with an annual contribution statement for tax purposes. Contributions given through online giving to St. Patrick Parish are tax-deductible to the extent allowed by law.
 - c Electronic donations can be increased, decreased or stopped anytime.
 - d Participation in the offertory and presentation of the gifts during the Sacred Liturgy is of great importance and your role in serving as a witness to others (like our patron, St. Patrick) of Giving Sacrificially to support the work of God on earth via His Church. To offer the same reflection and participation process, we will continue to send your Offertory Envelopes to you. Please mark "Online" or "Online Donor" on the envelope and place your envelope in the collection basket to acknowledge that you are participating in the Offertory of the Gifts as an Automated Giver. You may also stop your envelope mailing and use a pink online giving card to place in offertory.

V DISBURSEMENTS

A CASH DISBURSEMENTS

- 1 **Authorization and Approval of Disbursements:** Original supporting documentation is reviewed and approved by the individual in-charge of the budget area (i.e. items for Liturgy are reviewed and approved by the Steward for Music and Liturgy). The supporting documentation with the approval is given to the Parish Accountant for payment. The Parish Accountant ensures that the receipts attached to the check requisition add up to the total amount requested and processes the check. The check is then attached to the supporting documentation. The Pastor or Pastoral Associate reviews the supporting documentation and signs the check denoting their approval of the expense.
- 2 **Disbursement Supporting Documentation:** When the invoice or check requisition is approved as stated above, the individual should ensure that all items were received prior to approval/payment. Checks are not issued without an invoice or check requisition form (*See Appendix E*). Check amounts are

compared to the list of disbursements accompanying the check requisition; this documentation is retained along with the check stub as proof of disbursement. Invoices should contain certain minimum information such as vendor, date of service or purchase, and description of service provided or goods purchased.

- 3 **Prevention of Duplicate Payments:** When available, invoice numbers are entered into the general ledger system. Should an invoice number be entered twice, the system gives an error message to ensure that the invoice is valid and not a duplicate.
- 4 **Controls over Checks:** Access to unused check stock is restricted; voided checks are defaced and retained. If an account is closed, remaining check stock is shredded prior to disposal. A log of shredded checks is kept in the Pastoral Associate's office. Individuals should not sign checks made out to themselves.
- 5 **Limit Checks Payable to Cash:** Checks are made payable to an individual or organization. No check is made payable to cash. If a check is needed for petty cash, the check is written to the individual responsible for the petty cash and a "Letter of Agreement" stating their responsibility is signed by the responsible individual and maintained with the check stub (*See Appendix F*).
- 6 **Credit Card Use:** The parish utilizes credit cards for purchases. Individuals that are issued credit cards sign a form taking responsibility for the card and the charges put onto the card. If a major purchase is necessary, pre-authorization should be obtained prior to purchasing the item. Credit card receipts are to be turned into the parish accountant when purchases are made denoting the account that the purchase should be charged to. The Parish Accountant enters the receipts into the general ledger system as they are received.
 - a Statements are mailed to the parish address. The parish should not incur finance charges on a credit card and are obligated to pay any outstanding balances at the end of each billing cycle. In order to ensure that no finance charges are incurred, the parish has set-up automatic withdrawal of the credit card balance from the parish bank account.
 - b When the statement arrives, it is reviewed by the Pastoral Associate and then given to the Parish Accountant who reconciles the statement in the ledger system. The reconciliation is completed by clearing each receipt that shows up on the statement. For purchases that show on the credit card statement, but are not in the general ledger, the Parish Accountant requests the receipt from the individual who made the purchase. Once all receipts have been accounted for and are entered into the general ledger and a reconciliation report is printed, the statement, reconciliation and all receipts are returned to the Pastoral Associate for review and sign-off.
 - c A list of cardholders is maintained. The list details the name of the cardholder, the account number, credit limit, and expiration date. This list should be periodically reviewed and updated to reflect changes. Credit

cards should be returned when an employee leaves their job or position.

- 7 **Tax Exemption Letter:** The Michigan Sales tax exempt number shall be used only for purchases for Church or School entities. It shall NOT be used for personal purchases.

B PETTY CASH FUND

There is one petty cash fund located in the parish office.

- 1 **Petty Cash Transactions:** Petty cash is used for emergencies only. Receipts are kept as a record of petty cash spent. Each receipt denotes the reason for the expense.
- 2 **Replenishment of Petty Cash Fund:** The business manager requests replenishment of petty cash fund by filling out a check requisition form. A check is written to the petty cash authorized custodian. Cash is never taken directly from the Sunday Collections or other income. Receipts adding up to the requested replenishment are attached. Petty cash is reconciled (i.e. receipts plus remaining cash equals \$200 each time a replenishment is requested).
- 3 **Fund Limit:** The petty cash is a total of \$200. At any point in time, cash and receipts should equal the total of the fund.
- 4 **Disbursements Supported by Documentation:** To receive replenishment of petty cash, receipts must accompany the check request – to determine that petty cash is appropriately used. The Petty Cash Voucher (*See Appendix G*) is filled out by the business manager when petty cash is issued. The vouchers are to be used to help reconcile the fund.
- 5 **Authorized Custodian –** The authorized custodian for the School Petty Cash is the business manager.
- 6 **Adequate Physical Safeguards:** Petty cash is kept in a safe until needed.
- 7 **Designated funds to Petty Cash:** Petty cash fund should be designated for small expenses only and should not be commingled with other funds.

IV HUMAN RESOURCE MANAGEMENT

A PAYROLL

St. Patrick has approximately 50 employees carrying out the mission and ministries of the parish, covering four entities: Parish, Religious Education, School, and Youth Ministry.

- 1 **Values**
 - a It is a high value of the parish that each employee receives fair and appropriate compensation for the work that each employee performs.
 - b It is parish and diocesan policy to equitably compensate all employees for time worked.

- c It is the policy of the Diocese of Grand Rapids, and hence the parish, to comply with all appropriate local, state and federal legislation regarding wages and hours of employment, rest and meal periods.

2 Documentation

The accurate and timely processing of time cards and attendance records is essential in determining the employee's eligibility for compensation and benefits. It is the policy of the Diocese of Grand Rapids, and hence the parish, to comply with all appropriate local, state and federal legislation regarding wages and hours of employment, rest and meal periods. It is also Parish and Diocesan policy to equitably compensate all employees for time worked.

- a To ensure proper documentation as required by law, a standardized format has been established for all non-exempt and exempt positions.
- b All employees shall account for their hours through a time sheet and will be paid bi-weekly for time worked through the end of the pay period (generally Thursday afternoon).
- c While staff members are not usually required to work overtime, cooperation under these circumstances is appreciated. All overtime must be authorized by the supervisor prior to working the overtime hours. In all cases, it is the duty of the supervisors to exercise their control over all overtime work. Hourly non-exempt employees are entitled to overtime pay and will be paid at the rate of one-and-a-half (1-1/2) times regular hourly rates for hours worked in excess of 40 hours in the established seven-day (7) work week. Exempt staff members are not eligible for overtime compensation.
- d Employees are responsible for their own attendance record. The immediate supervisor is responsible for verifying and approving the employee's time sheet. The normal workday for a full-time employee is 8 hours; the normal work week for a full-time employee is 40 hours.

3 Paydays

- a Per diocesan guidelines, St. Patrick out-sources payroll to ensure compliance of labor laws and general accounting practices. All employees will be paid electronically, bi-weekly, Thursday morning, for time worked through the end of the pay period. In the event a national holiday should fall on pay day, Thursday electronic pay will be issued the preceding day.
- b If, for some reason, an error has been made on any paycheck, the employee shall complete immediately the designated form to report the error (i.e., discrepancy) to the Business Manager. Minor mistakes will be corrected in the next pay period. Mistakes that involve more than a day's pay will be compensated promptly. When employment ends, the last pay will be issued in the regular pay period.
- c Human error in calculating accrued time, tax deductions, etc., needs to be communicated in a timely manner in writing. Ultimately, it is the employee's responsibility to monitor this. Every effort will be made to

ensure the accuracy of compensation, especially after a problem is reported.

B BREAKS

Intent of break time is to relieve stress and provide personal time for lunch, prayer/reflection, personal phone calls, and other personal needs.

- 1 All non-exempt employees should receive one 15-minute paid break for each four hours of working time. Ideally, the break should occur near the midpoint of each four-hour work period, but scheduling should be done by the immediate supervisor or department head. Break periods may not be used to extend a lunch period, work overtime, or leave early.
- 2 If non-exempt employees work more than four hours in a day, they are required to take a meal break two to five hours into their shift. If employees work three or more hours beyond their scheduled shift (overtime), they should have an additional meal period before or during their overtime period. St. Patrick Parish is not expected or required to pay for time taken for a meal break.
- 3 Employees receive the following breaks:
 - a For each 4 hours worked, an employee receives a 15 minute paid break during that time. This break cannot be added to the beginning, lunch or end of the shift.
 - b If the employee works 25 to 33 hours per week (5 to 6 hours per day), they are to receive a 15 minute paid break and 30 minutes unpaid lunch per day. Again, breaks and lunch may not be added to the beginning or end of the shift. Breaks may not be added to the lunch hour.
 - c If the employee works 34 to 40 hours per week (6.5 to 8 hours per day), they are to receive two 15 minute paid break and 60 minutes unpaid lunch per day. Again, breaks and lunch may not be added to the beginning or end of the shift. Breaks may not be added to the lunch hour.
 - d Timing of all breaks (for rest and for meals) are subject to approval by the immediate supervisor.

C BONUSES, STIPENDS AND MONETARY GIFTS

- 1 **Policy on bonuses and monetary gifts:** Bonuses are given for merit or for employee appreciation (as in Christmas). Bonuses paid to employees should be considered payment for services rendered and should be made by check. (Even if the gift/bonus is from a parish organization). Such payments should be considered part of the employee's compensation and should be reported on the appropriate IRS forms. Applicable federal income and social security taxes should be withheld from bonus payments.
- 2 **Procedures on bonuses and monetary gifts**
 - a **Employees**
 - 1 Bonuses, monetary gifts and stipends (such as for stipends for singing at a funeral) are to be run through the payroll system.
 - 2 No "stipends" or even gift certificates (which are taxable) are disbursed without going through the general ledger account. If an

organization would like to give a gift certificate or stipend to an employee, we request that the organization go through the payroll system before giving the gift compensation, so that proper tax implications can be applied proactively.

- 3 Generally, the parish organization should not write “stipends” or “gift certificates” from any private accounts. They should reimburse the parish entity, and the check or gift certificate come out from the parish entity’s account.
- 4 When a non-parish organization such as a funeral home, or when a parishioner writes a check to the church or school for the benefit of an individual (such as a priest, teacher or musician); then it is taxable for the individual receiving the funds and non-tax deductible for the person giving the funds. These funds are distributed to the employee and processed through payroll.
- 5 If a non-parish organization or parishioner gives the individual a check, the parish entity will not cash the check for them. We suggest that the individual directly deposit or cash it at their bank.

b Independent Contractors

Stipends are to be given only to independent contractors. Use the “20 questions” (*Appendix H*) to determine whether the person is an independent contractor or an employee. If the person in question is truly an independent contractor, then we will issue a non-payroll check. Funds issued to independent contractors may have tax implications and therefore may require that the contractor receive a 1099-MISC at the end of the calendar year. Independent contractors should contact a tax advisor for clarification. W-9 forms are collected before disbursing the check.

V ST. PATRICK PARISH BUDGET POLICY

“For where your treasure is, there your heart will be also.” Luke 12:34

A ROLE OF THE FINANCE COUNCIL IN THE PARISH BUDGET PROCESS

1 General Role:

- a Responsible for the overall budget process: process design and implementation; carrying out, monitoring, and ensuring compliance of the approved budget; evaluation of all components to the budget and subsequent improvement; which, after substantial input from the parish at large (via the Pastor, and Pastoral Council). The budget is officially recommended to the Pastor by the Finance Council in May/June of each year.

2 Specific Role in Review of Budget Submissions

- a Apply the mission, goals, objectives, and priorities of the Pastoral Council to the budgetary information submitted.
- b Apply knowledge and skills in accounting, management, and physical plant to focus on the technical soundness of the budgetary information

submitted. In developing the budget, the Finance Council looks for ways to develop or fund new projects within the limits of the parish resources. They are also charged with verifying that all of the columns add up; verify that all expenses and revenues are accurately represented; verify that revenue projections are safely realistic; verify that salaries are congruent with qualifications, performance, need, and Catholic Christian ethics; and verify that funds are reserved to properly maintain the campus and the structures on it.

- c When the parish commits to fund a ministry, it should also determine the length of the commitment. Normally, the commitment should be made for 12 to 36 months and should be reviewed annually. A mandatory review after of the program or ministry will take place every five years for relevance, effectiveness and continued resource support. For planning purposes, any decision to eliminate the funding should be made, and notice given, one to one and one-half years in advance.

B ROLE OF THE PASTORAL COUNCIL IN THE PARISH BUDGET PROCESS

- 1 Establish the mission, goals, priorities, and objectives of the parish and ensuring that they are applied to the budget by the Finance Council (priorities must usually be applied because needs are usually infinite and resources of people, time, facilities, and money are finite).
- 2 Giving preliminary input to the Finance Council on priorities at the beginning of the budget process.
- 3 Giving input to the Finance Council during the process in response to specific priority questions/problems with the budget submissions.

C ROLE OF THE MINISTRY AREA LEADERS, COUNCILS AND COMMISSIONS

- 1 Submit budget proposal for specific area, within the guidelines provided by the Finance Council, which reflects the priorities of the parish as set by the Pastoral Council, respective Commission/Council and the needs and growth of the program.
- 2 When required by the Finance Council during the budget development process, provide input, explanations, and/or revised budget drafts that are integrated within the limits of the parish resources. Each ministry area will have a financial council liaison to assist them with the budget process.

VI CAPITAL FUND REQUEST AND ALLOCATION PROCESS

A REVIEW OF CAPITAL NEEDS

Minimally, every six months, a review of the parish capital needs by the Parish Facilities Director will be provided to the Finance Council and Pastoral Associate. The Parish Facilities Director will provide a written review of deferred maintenance expenditures that were allocated during the past six months. The Parish Facilities Director will provide a written review of deferred needs for the next six months.

B BUDGET PROCESS

- 1 During each budget development process, the Pastoral Associate will provide the Finance Council with a plan for approval detailing the capital improvement to occur during the forthcoming two years
- 2 All ministry areas (including the School) will provide capital improvement requests and/or needs during the budget-development process to the Facilities Director (for facility related requests) and to the Pastoral Associate (for non-facility requests)
- 3 The School Principal (with the School Facilities Committee) and Parish Facilities Director will work together to determine facility-related capital needs for the school for the forthcoming two years. An initial prioritization of needs should be made at this time.
- 4 The Parish Facilities Director will assist the Pastoral Associate in developing a budgetary request for capital needs and requests.
- 5 The Finance Council will review and recommend requests during the budget process. These recommendations will then go to the Pastor for approval. The Finance Council will insure a deferred maintenance fund is provided for capital items and repairs and renovations for all parish facilities (other than the school facilities. The school will establish a capital fund to pay for school-related requests (pending Finance Council approval on all requests). A separate fund for technology for the church ministries will be established.
- 6 If the amount request (for a single item or group of items) is under \$5,000, and money is available in the capital budget, then the allocation decision may be made by the Pastor or Pastoral Associate. Any allocation decisions will be reported to the Finance Council. If the amount is over \$5,000, the request must go before the Finance Council for approval. Over \$10,000, the request must go before the Diocesan Finance Council for approval.
- 7 If during the budgetary administration cycle, more money than what was allocated is needed, separate requests will need to go before the Finance Council for consideration.

C ADMINISTRATION OF THE PARISH CAPITAL FUNDS

Once the capital requests have been recommended by the Finance Council and approved by the Pastor, the funds will be administered in the following manner:

- 1 The Facility Director submits all approved deferred maintenance requests to the Pastoral Associate for allocation from the appropriate fund.
- 2 The Facility Director and the Principal are to consult with one another regarding prioritization of deferred maintenance requests for the school. If an agreement cannot be reached, the matter is then presented to the Pastoral Associate for a decision on the matter.
- 3 Other Ministry Areas leaders are to submit all approved non-facility-related capital requests to the Pastoral Associate for allocation from the appropriate fund.

D BUDGETARY OVERSIGHT

If the Pastoral Associate cannot resolve any disputes among parish personnel involving capital requests, he/she may seek the Finance Council consultation to

resolve the matter.

- 1 The Pastoral Associate should keep the Finance Council and the Pastor informed of capital requests, allocations and disputes as necessary and customary.

**Glossary of Leadership
As of November 2015**

Bishop of the Diocese of Grand Rapids Most Reverend Bishop David J. Walkowiak

St. Patrick Parish

Pastor	Rev. Larry King
Pastoral Associate	Deacon Don Sobolewski
Business Manager	Michael Johnson
Facilities Director	Michael Johnson
Facilities Committee Chair	(Plant and Grounds) Keith Schneider
Finance Council Chair	Diane Hafner
Pastoral Council Chair	Sue Van Lente



Introducing the St. Patrick Parish Estate Memorials of St. Patrick Parish, Portland, MI

The St. Patrick Parish Estate Memorials has been created to thank our parishioners who have remembered **St. Patrick Parish** in their wills or trusts. These parishioners have agreed to be the “*Guardian Angels*” of our parish family both on earth and in Heaven. A gift of a bequest entitles the donor to membership in this very special group of caring people who provide for the future of St. Patrick Parish, (including our Parish Endowment for our church ministries, school, child center or adult center) and serve as our guardians of St. Patrick’s ministries in the everlasting life.

The St. Patrick Parish Estate Memorials offers a number of benefits to its members, including: Special remembrance of all members at the Pastor’s Annual Mass for our *Guardian Angels* as well as your name remembered in our prayers and memorialized in a special way at St. Patrick Church.

After naming **St. Patrick Parish, Portland, Michigan** in your will or trust, all that needs to be done to accept this membership is to complete a confirmation form and deliver or mail it to the pastor.

Options and Suggested Language for Your Attorney to Use in Your Will or Trust

You may leave an unrestricted bequest of cash (a specific dollar amount), property, or a portion or the entire balance of your estate. The following language illustrates these options.

Bequest – Cash

I give, devise and bequeath to Most Reverend Bishop David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, Portland, Michigan in the sum of \$ _____ to be used at the discretion of the pastor, or to be used for (state the purpose) _____.

Bequest – Property

I give, devise and bequeath to Most Reverend Bishop David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, Portland, Michigan (describe property) _____ to be used at the discretion of the pastor, or to be used for (state the purpose) _____.

Bequest – Complete Balance of Estate

I give, devise and bequeath to Most Reverend Bishop David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, Portland, Michigan the balance of my estate to be used at the discretion of the pastor, or to be used for (state the purpose) _____.

Bequest – A Portion of the Balance of the Estate

I give, devise and bequeath to Most Reverend David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, Portland, Michigan _____% of the remainder or balance of my estate to be used at the discretion of the pastor, or to be used for (state the purpose) _____.

The legal name and address of St. Patrick Parish, Portland is:

Most Reverend Bishop David J. Walkowiak, as Bishop of the Diocese of Grand Rapids, his successors in office and assigns, a corporation sole, for the use and benefit of St. Patrick Catholic Church, 140 Church Street, Portland, Michigan 48875.

You are encouraged to consult your attorney in all matters related to your Estate Planning.

(Continued on vi)



Introducing the St. Patrick Parish Estate Memorials of St. Patrick Parish, Portland, MI

(Continued from page v)

(Confidential Confirmation Form)

A gift of a bequest entitles the donor to membership in this very special group of caring people who provide for the future of St. Patrick Parish, (including our Parish Endowment for our church ministries, school, child center or adult center) and serve as the guardians of St. Patrick's ministries in the everlasting life.

All that needs to be done to accept this membership is to name St. Patrick Parish in your will or trust and then complete this confirmation form and deliver or mail it to the pastor.

To help continue the mission and ministry to St. Patrick Catholic Church in Portland, Michigan, I (we) the undersigned have provided for a gift from my (our) estate. This information is being provided in confidence to help measure planned support for future years and no information will be released without my (our) prior written approval.

Name(s) _____
 Address _____
 City _____ State _____ Zip _____ Tel () _____

THIS BEQUEST IS IN THE FOLLOWING FORM:

- Cash Property

(Please Describe): _____

- Complete Balance of the Estate
- _____% of the Balance of the Estate

OPTIONAL: The current value of this bequest is: \$ _____

THIS BEQUEST, WHEN IT BECOMES AVAILABLE, IS FOR:

- St. Patrick Parish Endowment
- Unrestricted gift to be used for the greatest need
- Restricted gift

for: _____

Signature: _____ Date: _____

Please mail this form to:
 Fr. Larry King, Pastor
 St. Patrick Parish
 140 Church Street, Portland, MI 48875

APPENDIX B: DISCIPLESHIP GRANT

DISCIPLESHIP GRANT PASTORAL YEAR _____
LETTER OF AGREEMENT

Congratulations! We are pleased to inform you that you have been accepted to participate in St. Patrick’s Discipleship Program. This is our second year following a very successful pilot project. A grant is provided by the parish to a ministry, organization or individual who wishes to participate in a discipleship project outside the parish (such as Catholic Heart Work Camp, Sister Diocese Mission Trip, World Youth Day, March for Life, etc.). This grant requires individuals to perform a substantial amount of community service hours within the parish (some limited approved organizations outside the parish are available).

Name of the Discipleship Project: _____

Sponsoring Organization of the Project: _____

Date of Projects: _____

Project to be completed by: _____

Individual (or individuals, if family members) to work toward the Community Service hours:

Amount of hours to work: _____

Maximum amount of Grant: _____

Other Funding Sources:

AGREEMENT:

St. Patrick agrees to support _____’s endeavor on the above named Discipleship Project. St. Patrick agrees to make a donation to the 501(c)3 organization sponsoring the project on behalf of _____.

St. Patrick will make a \$_____ donation for each verifiable hour of community service performed by the individual, ministry organization up to the amount of the maximum grant.

In return, _____ will complete _____ hours of community service (Discipleship Hours) by _____. A signed-log accounting for the hours must be turned in before any amount of the grant will be disbursed by the parish.

_____ will be responsible for any costs to the 501(c)3 organization that are not covered by the amount of the grant. If _____ is unable to complete the total amount of hours, the parish will only pay for completed hours and the individual, ministry or organization will be responsible for the balance to the 501(c)3 organization.

The individual, ministry, or organization will complete their “Discipleship Hours” with the parish in the approved areas/projects listed below:

If more opportunities are needed to complete the community service hours, then the individual, ministry, or organization will contact either the Steward for Time, Talent & Evangelization or the Pastoral Associate for additional opportunities.

DISCIPLESHIP GRANT PASTORAL YEAR _____

LETTER OF AGREEMENT (CONTINUED FROM PAGE VII)

Parish and Diocesan Ministries are invited to offer discipleship hour opportunities for individuals, ministries and organization participating in this grant. Monies for Discipleship Grants are taken from the Sacrificial Giving Offerings of the parishioners. The parish will provide an accounting to our donors as to the use of these grants. Participants in the Discipleship Grant Program may be asked to give an accounting to the Finance Council, Pastoral Council or parish at-large.

THIS AGREEMENT ENTERED ON ____ OF _____, _____.

SIGNED BY:

PRINTED NAME:

ST. PATRICK PARISH REPRESENTATIVE:

PRINTED NAME:

INDIVIDUAL PARTICIPATING IN THE DISCIPLESHIP GRANT

(IF APPLICABLE):

NAME OF 501(C)3 ORGANIZATION SPONSORING DISCIPLESHIP GRANT

PRINTED NAME:

REPRESENTATIVE FROM THE 501(C)3 ORGANIZATION SPONSORING DISCIPLESHIP GRANT

APPENDIX C: SUMMARY OF FUNDRAISER REPORT

Please note, no future grants or fundraisers will be considered nor approved until this report is completed and an endowment contribution is made/designated. If your organization has not previously completed this Summary and returned to Parish Accounting Office, then this section must be completed before consideration to fundraise will be made. Once the endowment contribution is designated, the parish/school office will transfer the funds to the respective endowment.

Organization Name _____

Fundraiser _____ Date(s) _____ of _____ Fundraiser

Income

Income from Event

- (1) Ticket Sales \$ _____
- (2) Merchandise Sales \$ _____
- (3) Silent Auction \$ _____
- (4) Other _____ \$ _____
- (5) Other _____ \$ _____
- (6) Other _____ \$ _____

(A) TOTAL Income from Event (1)+(2)+(3)+(4)+(5)+(6) \$ _____

(B) Income from Donations \$ _____

(C) TOTAL INCOME (A) + (B) \$ _____

Expense

- (1) Publicity (bulletin inserts, etc) \$ _____
- (2) Purchase of items for sale \$ _____
- (3) Food \$ _____
- (4) Decorations \$ _____
- (5) Other _____ \$ _____
- (6) Other _____ \$ _____
- (7) Other _____ \$ _____
- (8) Other _____ \$ _____

(D) TOTAL Expenses (1)+(2)+(3)+(4)+(5)+(6)+(7)+(8) \$ _____

(E) NET INCOME (C) - (D) \$ _____

(Please check which endowment to contribute to:)

_____ Parish Endowment _____ School Endowment _____ Split between Parish & School

Please make check payable to St. Patrick Parish Endowment or St. Patrick School Endowment. Please return the endowment check and the Income-Expense report to the Parish Business Manager in the parish office within 30 days of your fundraising event or before your organization's next fundraising event is publicized, whichever comes first.

St. Patrick Parish
 140 Church Street
 Portland, MI 48875

Name of person reporting: _____
 Signature of person reporting: _____

Phone Number: _____

APPENDIX D: FUNDRAISING DONOR/VENDOR DONATIONS FORM

FUNDRAISING DONOR/VENDOR DONATIONS

St. Patrick Parish and School

Fundraiser _____

Account	Comment Line	Cash	Checks
	Totals:		
Grand Total			

Submitted By

Phone

Date

APPENDIX E: CHECK REQUISITION FORM

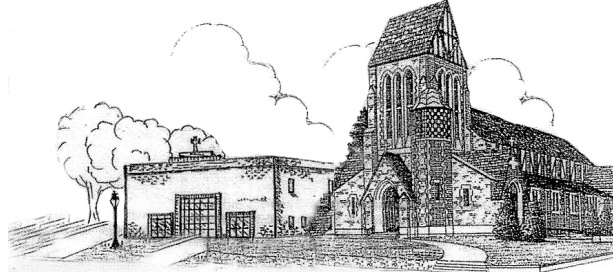
CHECK REQUEST FORM

St. Patrick Parish and School

Requested by:	Request Date:
Payable to:	
Pay from account number:	Due Date:
Pay from account number:	Amount:
Pay from account number:	Amount:
Pay from account number:	Amount:
Purpose:	
Project:	PO Number:
Receipts must be provided.	
Administrator Approval:	Date:
Additional Notes:	

APPENDIX F: LETTER OF AGREEMENT

SAINT PATRICK PARISH
140 CHURCH STREET
PORTLAND, MI 48875-1111
PHONE: 517-647-6505



Petty Cash Letter of Agreement

I _____, acknowledge receipt of \$ _____,

to be used for _____.

I will return either the money or supporting documentation as to how the money was spent as soon as our event is complete.

Signed _____ Date _____

Notes

APPENDIX G: PETTY CASH VOUCHER

Petty Cash Voucher

For:	Date:
By:	Amount:

SPP 02/05/16

APPENDIX H: 20 QUESTIONS

The following are IRS' 20 Common Law Factors (or “20 Questions”) to determine whether workers are employees. The answers most favorable to independent contractors and their clients follow in parentheses.

- 1 Is the person required to comply with instructions about when, where, and how the work is to be done? (No.)
- 2 Does the parish entity provide the person with training to enable the person to perform a job in a particular method or manner? (No.)
- 3 Are the services the person provides integrated into the parish entity’s business operation? (No.)
- 4 Must the services be rendered by the person personally? (No.)
- 5 Does the person have the capability to hire, supervise, or pay assistants to help them in performing the services under contract? (Yes.)
- 6 Is the relationship between the person and the parish entity a continuing relationship? (No.)
- 7 Who sets the hours of work? (The person not the parish.)
- 8 Is the person required to devote their full time to the work performed for the parish entity? (No.)
- 9 Is the work performed on the parish grounds? (No.)
- 10 Who directs the order or sequence in which the work must be done? (The person does.)
- 11 Is the person required to provide regular written or oral reports to the parish entity? (No.)
- 12 What is the method of payment — hourly, commission or by the job? (Contingency- or project milestone-based payments are ideal.)
- 13 Are business and/or traveling expenses reimbursed? (No.)
- 14 Who furnishes tools and materials used in providing services? (The person does.)
- 15 Does the person have a significant investment in facilities used to perform services? (Yes. The more substantial the investment, the better.)
- 16 Can the person realize both a profit or a loss? (Yes.)
- 17 Can the person work for a number of firms at the same time? (Yes.)
- 18 Does the person make their services available to the general public? (Yes)
- 19 Is the person subject to dismissal for reasons other than nonperformance of contract specifications? (No.)
- 20 Can the person terminate their relationship without incurring a liability for failure to complete a job? (It depends.)