



DIOCESSE OF SIOUX CITY

Chancery

Date: May 2, 2017

To: Pastors and Parish Bookkeepers

From: Julie Mahaney & Royce Ranniger

RE: Parish Bank & Investment Accounts / Contribution Software / Payroll
Change Effective July 1, 2017

The Financial Guidelines for Ministry 2025 were presented at the April 24 and April 26, 2017 Business Day meetings. As addressed in the guidelines, the below change takes place effective July 1, 2017 for **all** locations regardless of whether they are impacted by Ministry 2025 changes.

Parish Sponsored Organizations

The parish bookkeeper will handle the accounting for the parish organizations (i.e., men's, women's clubs, guild, rosary, altar, etc.) in the assuming parish financials following the Diocesan Financial and Internal Control Norms. This includes paying the bills, making the deposits, reconciling, etc. for the parish sponsored organization checking, savings and other bank or investment accounts.

Note: Prior to July 1, 2017, the parishes were provided an exception whereas the treasurer of these organizations could manage the accounting. As noted, this exception is no longer in place. The parish bookkeeper must provide regular financial reports to the treasurer. The bookkeeper will coordinate with the treasurer on the handling of receipts, payments, reporting financial information to the group, etc.

Cemetery

The parish bookkeeper will handle the accounting for the cemetery in the assuming parish financials. This includes paying the bills, making the deposits, reconciling, etc. for the cemetery checking, savings and other bank or investment accounts.

Other

The parish bookkeeper will handle the accounting for all parish accounts including choir, religious education, youth groups, endowments, hot lunch, food pantry, thanksgiving, investments, etc. This list is not all inclusive.

Note: Although several locations have allowed an individual outside of the business office to manage the cemetery and other parish accounts, unlike parish sponsored organizations, an exception was not in place for this handling.

Contribution Software

All parishes will be required to have a software program that manages their donations. Manual record keeping will not be allowed. Most parishes use Servant Keeper or Parish Soft. This is a local decision on the type of software used.

Pastor Compensation

Pastors will receive salary and benefits from one parish. The parishes in the grouping will reimburse the parish that processes the payroll on a pro rata basis for this and other shared expenses. Examples of shared expenses include salary, the parish paid portion of 401K, food, mileage, cell phone... In handling this way, the pastor receives one IRS Form W-2.

To achieve greater efficiencies, parishes should consider processing all payroll from one location in the Grouping with the other location's reimbursing.

Summary:

To recap, effective July 1, 2017, parish bank and investment accounts can no longer be managed outside of the business office with the bookkeeper simply recording the transactions in QuickBooks. The parish bookkeeper is responsible for performing the accounting function for **all** of the parish accounts in QuickBooks. Knights of Columbus, Catholic Daughters, and Forresters are not parish accounts, these groups use a tax identification number (TIN) separate from the parish.

The mass intention account is still an exception as this checking account belongs to the pastor, although it uses the parish TIN. The pastor can decide whether to manage this in QuickBooks.

QuickBooks will be used for the accounting for all parish accounts, separate QuickBooks companies should not be used for cemeteries, societies or other groups. The bookkeeper will write checks from QuickBooks recording each transaction and related information in QuickBooks. Manual checkbooks should not be used.

Parishes that are currently keeping manual records of contributions and donations will move to electronic by July 1, 2017.

Parishes that currently split the processing of priest payroll from more than one parish will move to pay from one location by July 1, 2017.

We recommend your parish take action now to ensure compliance by July 1, 2017.

Please contact us with questions, juliem@scdiocese.org or roycer@scdiocese.org.