

THE OAS MESSENGER



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CENTRAL PAYROLL

2011 W-2

*** We have identified an error on the 2011 W-2s for employees who made employee contributions to their HSA. The W-2 does not properly include the employee contribution amounts from the Ultimate payroll system. Paycor is working on identifying these incorrect W-2s and will be issuing a corrected W-2C for each employee affected.

This error only affects employees who made employee contributions to their HSA.

We will send out additional information regarding the timeframe of when employees should receive the W-2C soon. Please communicate this information to your employees and email centralpayroll@archindy.org with any questions. ***

Payroll Information

As a rule, please give ONE WEEK AFTER the pay date before submitting your next payroll. When your location payroll is submitted to Paycor, we are not able to make timely updates or changes (health, dental, etc.). This can cause employee benefit deductions to be doubled unnecessarily to catch up for the employee.

Previous Years' W-2

We now have access via our previous payroll software provider to employee W-2 data from years before 2011. Should an employee require a copy of a previous year's W-2 form or need that information for employment or mortgage verification, we can now provide that information. Please contact HR or Central Payroll at hr@archindy.org or centralpayroll@archindy.org with these requests. Please allow 2-3 business days for processing these requests. This does not impact the current year W-2 information. 2011 W-2 information will be available through the Paycor system.

Temporary Payroll Tax Cut Act

President Obama signed into law the Temporary Payroll Tax Cut Continuation Act of 2011 on December 23, 2011. This legislation extends the current 4.2% (reduced from 6.2%) Social Security Old-Age, Survivors, and Disability Insurance (OASDI) tax rate for employees to wages paid between January 1, 2012 and February 29, 2012. It is possible that the payroll tax cut will be extended through the end of 2012, as both the House and Senate have expressed interest in continuing the tax break for workers. The current extension of the law is scheduled to expire on February 29, 2012. Employers will continue to pay Social Security tax of 6.2% up to the taxable wage limit for each worker, as well as the 1.45% Medicare tax, with no limit. The Social Security wage limit for 2012 is \$110,100.

ACCOUNTING SERVICES

Paycor Contact

Now that we are more familiar with the Paycor system, our contact at Paycor is GiGi Gonzalez, GGonzalez@paycor.com or 513-345-6878. Gerri Smith can still assist when necessary, but GiGi should be contacted first with any issues.

Clergy Wages

Priest wages are billed to the parishes on the monthly billing assessment. All stipends and priest related pay and personnel changes for priests are processed through Central Payroll. Please submit these to Central Payroll at centralpayroll@archindy.org.

2012-2013 Budget Guidelines

Now that the New Year has arrived we frequently receive inquiries regarding when the new budget guidelines and appendices will be available. The budget guidelines will be posted to our website at <http://www.archindy.org/finance/parish/guidelines.html>. Much of the data we use for our estimates is gathered from third parties, of which we do not have control of deadlines. An e-mail will be sent to all business managers, administrators and bookkeepers included in our distribution list when the guidelines are available. If you are unsure if you are included on the e-mail distribution list and would like to ensure inclusion, please send a request to accountingservices@archindy.org.

Please share these newsletters with your fellow co-workers who normally would not receive through Accounting Services. There is always valuable information that can be shared throughout your parish, school or agency.



ACCOUNTING SERVICES

Mileage Reimbursement Rate

The IRS on Friday December 9, 2011 released standard mileage rates for use in 2012 (Notice 2012-1). Taxpayers can use the optional standard mileage rates to calculate the deductible costs of operating an automobile.

For business use of an automobile remains at 55½ cents per mile.

The Archdiocese reimburses employees for 75% of the IRS issued standard mileage rate. Effective for miles driven on or after July 1, 2011 (last date the reimbursement rate was modified), the Archdiocese mileage reimbursement rate continues to be **41.63** cents per business mile incurred. We recommend that parishes examine individual budgets carefully when determining a reimbursement rate.

Summary of Incorporation Information Action Items

Please verify that you have completed all Initial Incorporation Documents as well as the Annual Incorporation Meeting requirements with Charlie Feeney at cfeeney@archindy.org. Parishes may have received a notice from the State of Indiana regarding filing a Business Entity Report as a result of the incorporation. **This is an annual filing with the State of Indiana and has been completed by the Office of Accounting Services.** Any questions can be directed to Charlie or to accountingservices@archindy.org.

Fifth Third Pooled Checking Account

Fifth Third Bank Interest Bearing Checking Account is where catholic-related entities' funds are pooled together and invested to receive a higher rate of return each month. This account has been with the Archdiocese since 1993. Besides a higher rate of return than an average interest-bearing checking account, the advantages include no investment sweep fee, lower service charges, and the ability to increase the rate of return as the pool grows. Currently, the Indianapolis Pool has over 100 accounts with approximately \$35,000,000 invested. If your parish is interested in joining this account, please contact Paul Burch at Fifth Third bank at 317-383-2668 or Paul.Burch@53.com.

Charitable Contributions

The Archdiocese recommends that parishes, agencies and schools provide contribution statements to parishioners/donors at least annually even to those who give nothing. For tax deduction purposes, the IRS requires a written acknowledgement for one-time contributions of \$250 or more. For contributions made to the parish directly or contributions collected by the parish (when checks are made out to the parish) for special mission collections and/or relief collections, we encourage written acknowledgements. Checks made out to the Mission Office or a special mission directly do not require a written acknowledgement since this is provided by the receiving organization. Donors making gifts totaling \$250 or more to the Christ our Hope Appeal or Legacy for Our Mission will receive a tax letter from the Archdiocese of Indianapolis. Some facts to remember:

—If a donor receives a benefit in connection with their contribution (such as merchandise, tickets to a ball game or other goods and services), then the deduction is limited to the amount the payment exceeds the fair market value of that benefit.

—Donations of stock or other non-cash property are usually valued at the fair market value of the property. Clothing and household items must generally be in good used condition or better to be deductible

—Regardless of the amount, to deduct a contribution of cash, check, or other monetary gift, you must maintain a bank record, payroll deduction records or a written communication from the organization containing the name of the organization, the date of the contribution and amount of the contribution. For text message donations, a telephone bill will meet the record-keeping requirement if it shows the name of the receiving organization, the date of the contribution, and the amount given.

—To claim a deduction for contributions of cash or property equaling \$250 or more you must have a bank record, payroll deduction records or a written acknowledgment from the qualified organization showing the amount of the cash and a description of any property contributed, and whether the organization provided any goods or services in exchange for the gift. One document may satisfy both the written communication requirement for monetary gifts and the written acknowledgement requirement for all contributions of \$250 or more.



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ACCOUNTING SERVICES

Group Ruling

The current IRS Group Ruling exemption letter for is available on our website at <http://www.archindy.org/finance/files/parish/general/2011GroupRuling.pdf>.

2011 Financials

The 2011 Audited Financials, which include our financial position, cash flows, activities, along with additional supplementary information, are now available on our website at <http://www.archindy.org/finance/archdiocese.html>.

CATHOLIC EDUCATION

PRIVATE SCHOOL TAX DEDUCTION

Effective Jan. 1, 2012, IC 6-3-2-22 authorizes taxpayers to claim a retroactive \$1,000 state income tax deduction per dependent who is enrolled in a private school or who is home schooled in grades K-12 and incurs costs for tuition, fees, computer software, textbooks or school supplies. To claim this credit, you will need to provide the following information about the school attended: School Name and DOE School Number under the Archdiocese of Indianapolis Corp. #9200. Three PDF documents are posted: 1) Information about the deduction; 2) Form IT-40, Schedule 2 Deductions Form; 3) List of IDOE School Numbers. Find these at: www.archindy.org/oce/, Public Downloads, Misc., Private School Parent Tax Deduction, or click on: <http://www.archindy.org/oce//index.asp?action=ioi&catid=198>.

Scholarships and Vouchers

Up-to-date information on SGO Scholarships and State School Vouchers can be found at <http://www.archindy.org/oce/index.asp?action=ioi>. Please select 'SGO Scholarships and State Vouchers Information' on the drop down list.

HUMAN RESOURCES

Benefits Meetings

Ed Isakson from Human Resources would be glad to come to your parish or school to talk about employee benefits and answer questions. To schedule a meeting on a date and time convenient for your staff, please contact Ed at eisakson@archindy.org

Employee Auto-Saving

The IRS has increased the annual limits for health savings account contributions in 2012 to \$3,100 for single coverage and \$6,250 for family coverage. There is still a \$1,000 allowable catch-up contribution for people age 55 and over. The IRS has also raised the annual contribution limit for 403(b) retirement savings plans to \$17,000. There is also a \$5,500 catch-up contribution for people who are age 50 and over.

Pension Plan Changes

Employees were notified by mail of important changes to Archdiocesan pension benefits. It is important that business managers, principals and administrators understand the changes being made to effectively communicate this with all existing and future employees.

Current pension benefit changes: We intend to continue funding pension benefits for all current employees and for employees hired before January 1, 2012. It is the current intention of the Archdiocese to continue to make contributions to the pension for these employees. Please note, new employees hired on or after January 1, 2012 will NOT be covered by the pension plan.

Retirement savings 403(b) plan changes: Effective January 1, 2012, the Archdiocese will improve the matching contributions in our retirement 403(b) savings plan. The Archdiocesan match will be 50% of eligible contributions up to **8%** of pay (up from the previous 6% of pay). This improved matching contribution is available to both existing and newly hired employees (even those hired after 1/1/2012).

Contact Human Resources at hr@archindy.org with questions.

Send us your questions! Each month one or two questions will be addressed based on inquiries of the parishes.
Please submit any questions you would like answered to accountingservices@archindy.org.



RISK MANAGEMENT

Risk Management

Two exciting pieces of news this month. One is the final Self Inspection program will be up and running by March 1, 2012 and more info will be forthcoming and two we have a new web page. Now you can access all the insurance information by visiting <http://www.archindy.org/insurance/index.html>.

Regarding Boy Scouts and Insurance

We have met with the Field Director of the Crossroads of American Council, Boys Scouts of America regarding insurance issues. The council provides, through the national organization, Liability Insurance for the activities of the various scouting troops or packs. Automobile Insurance and Marine coverage is provided on an excess basis over and above the primary driver's insurance. The BSA plan also provides coverage for accident medical expenses and accidental death and dismemberment while participating in an official Scouting activity. And finally there is a policy for Camper's Accident and Sickness while attending a scouting event. If you have any questions please call Mike Witka at 317-236-1558 or email at mwitka@archindy.org.

Winter Hazards

As Winter is upon us it is time to make sure we are prepared. Check all sidewalks, ramps, and parking lots for obvious cracks, holes, bumps, that may be tripping hazards. Make sure your salt supply is adequate. Check snow blowers and plows for good operating condition that can be fired up at a moments notice. Have your plowing schedule ready. Check inside of buildings where ice might melt off shoes and boots causing slippery floors. And finally be very careful and help the elderly navigate the winter safely.

Risk Management Forms

We have had a number of late reported claims on both storms and workers comp. Please have someone on staff inspect your buildings after every storm that comes through, especially the roof, basements, windows, computers, phones and electrical systems. For workers comp claims there is a first report form that must be filled out immediately upon hearing of an injury. Please have these forms available in every department.

Event Rental Insurance

You have received by now a packet explaining the event rental insurance coverage. If you have any question contact Mike Witka at mwitka@archindy.org

ARCH CONTACTS

Do you know who to contact when...

Property insurance or risk questions?
ADLF?
Payroll?
Billing questions?
Parish budget or other questions?

Mike Witka—mwitka@archindy.org or (317) 236-1558
René Raychel—rachel@archindy.org or (317) 261-3370
centralpayroll@archindy.org
René Raychel—rachel@archindy.org or (317) 261-3370
accountingservices@archindy.org