



THE BYZANTINE CATHOLIC EPARCHY OF PARMA

FINANCE OFFICE

Memo

To: Pastors / Administrators
From: Eparchial Finance Office
Date: 12/21/2023
Re: 2023 Year-end procedures, 2024 Accounting & Updates to the Administration Guide

This memo includes important information regarding year-end procedures for all churches. Some information is new for this year so please review and share the information with those who create your year-end reports and tax-statements.

Secondly, there are pages to update Parish Administration Guide. These changes update these sections to current procedures being done in the Eparchy. If you have questions concerning these materials, please reach out to the Eparchial Finance Office.

WHO HAVE YOU PAID MORE THAN \$600 FOR WORK PERFORMED IN 2023?

When a company pays a non-employee or other entity, other than a corporation, \$600 or more in a calendar year for their services, the company must file an information return called a 1099-NEC tax form (*Note: A non-employee is anyone who does not have taxes being withheld from their pay*). To ensure the information returned is accurate, the person/entity needs to fill out a W-9 to gather all required information. If you need a blank W-9, they can be found at www.parma.org/parishfinance

Does the parish need assistance filing 1099-NEC returns? Contact the Eparchial Finance Office. We are glad to assist you. We will ask questions concerning payments and a copy of the W-9 form. **1099-NEC tax returns are due January 31, 2024.**

YEAR END CONTRIBUTIONS

Individual contributions of \$250 or more must be acknowledged, if not already done so during the year. An annual contribution statement may satisfy this requirement. The parish is not required to issue annual contribution statements, however, if requested, it must provide one. The contribution statement must include the full legal name of the parish, name of donor and detail each contribution made to the parish, including the date and amount of each contribution. It should include the statement that **“no goods or services were provided in exchange for this donation besides intangible religious benefits”**

When acknowledging non-cash gifts to the parish, the acknowledgement SHOULD NOT list a value of the item(s) donated. The acknowledgement should include the date of the donation, and a very detailed description of the item(s) donated.

How does a parish determine in which year a contribution should be recorded?

If the parish receives them at liturgy, it is straightforward:

- Contributions received on or before December 31, 2023 would be included on the 2023 contribution statement. The deposit date of the check does not matter. If you have the contribution in your possession on December 31st, it is included in 2023.
- Contributions received on or after January 1, 2024 should be shown as contributions in 2024. Regardless of the date on the envelope or check, if the church received it in 2024, it must be considered a 2024 contribution.

Contributions received in the mail require special handling:

- The date on the check does not matter. The parish must examine the postmark on the envelope. Contributions postmarked on or before December 31, 2023 must be recorded as 2023 contributions even though you may not have physically received the check until January.
- Alternatively, contributions postmarked on or after January 1, 2024 must be recorded as 2024 contributions regardless of the date on the check. It is best practice to retain the postmarked envelope as substantiation of the correct year of posting.

YEAR END REPORTING

Enclosed with this memo are pages to update Sections 16 and 17 in the Parish Administration Guide. They update procedures to what has been communicated over the last 2 years, and verbiage which is used in QuickBooks Online now that many of the churches have transitioned to using the web version of the software. Please follow the procedures in these pages.

Included with this memo is a letter template and the Parish Financial Details Spreadsheet, which you will need. Please pass along this important information to those who handle your bookkeeping. It is very important that the Annual Financial Package is submitted to the Eparchial Finance Office no later than February 29, 2024.

STIPENDS & FEES UPDATED PAGES

It came to our attention that the pages previously sent did not reflect changes made with the eparchial decree issued June 2021 regarding stipend amounts. We apologize for any confusion this caused. These enclosed pages reflect correct information.

2024 MILEAGE REIMBURSEMENT RATE

The IRS has announced the standard mileage rate for 2024 will be 67 cents per mile, up 1.5 cents from 65.5 cents in 2023. Issued in Notice 2024-8, on Dec. 14, 2023, it covers the business use of a vehicle and will come into effect Jan. 1, 2024. Please use this rate when reimbursing for travel of employees and priests. A reminder that a signed reimbursement form should accompany any reimbursements.

16. MONTHLY FINANCIAL REPORT

Each parish/mission should use the uniform Chart of Accounts and reporting requirements highlighted below. It is essential that each entity reconciles all bank accounts monthly. By entering revenue and expenses in the account ledger at least on a weekly basis and recording well documented notes in the memo line of transactions, this will be a relatively easy task.

- 1) After reconciling the bank account, the parish/mission should create financial reports using the reporting requirements outlined below. A copy of all reports should be shared with the entity's Pastor/Administrator, Financial Council and retained with the permanent records of the entity.
- 2) The entity should submit to the Eparchial Finance Office the following reports through email at finance@parma.org within 30 days after the last date of the month. These reports should be in Microsoft Excel or PDF format. The Eparchial Finance Office may request corrections or adjustments to financial reports or require additional information as necessary.
 - a) Statement of Financial Position (Balance Sheet) comparing current year to previous year
 - b) Statement of Activity (Profit & Loss) comparing current month to previous year
 - c) Statement of Activity (Profit & Loss) comparing year to date through current month to previous year (not required in January)
 - d) General Ledger or Transaction Journal from current month

17. ANNUAL FINANCIAL REPORTS

An annual parish financial report is to be distributed to the parishioners. At a minimum, the report should list all ordinary income and expenses of the parish and the net income of all other activities such as hall rentals, catering, bingo, parish fund-raisers, etc. (Statutes 184, 184.4)

In addition, each entity is required to submit an Annual Financial Package, with letter signed by the Pastor/Administrator and Financial Council, to the Eparchial Finance Office no later than the last day in February each year. The letter states the dates that the Pastor/Administrator and Financial Council met, confirms they reviewed and approve the financial reports, states whether a budget was created and states the date the Annual Parish Financial Report was/will be distributed to the parishioners. A template for this letter can be found at www.parma.org/parishfinance.

The contents of the Annual Financial Package, which should be in Microsoft Excel or PDF format, include:

- 1) Statement of Financial Position (Balance Sheet) comparing current year to previous year
- 2) Statement of Activity (Profit & Loss) comparing current year totals January - December to prior year totals
- 3) General Ledger for January - December of current year
- 4) Those parishes with a cemetery should include the above three reports for the cemetery
- 5) "Parish Financial Details" spreadsheet which can be found at www.parma.org/parishfinance

This document lists:

- a. Listing of bank and investment accounts held, purpose of the account, and the last 4 digits of the account number for identification purposes
 - b. Account balances of all bank and investment accounts (These may differ from what is listed in the ledger if checks or deposits have not cleared)
 - c. Ledger Balances of all accounts which are not listed on the Statement of Financial Position (including cash kept for unsaid liturgy intentions or petty cash).
 - d. Listing of outstanding Eparchial expenses and special collections not sent as of December 31st
- 6) Copy of the Parish Budget (if one is created)

STIPENDS AND FEES

<u>Service</u>	<u>Stipend</u>	<u>Recipient</u>
Divine Liturgy	\$20.00*	Priest
Presanctified Divine Liturgy	\$20.00*	Priest
Five (5) All Souls Saturdays	\$50.00*	Priest
Baptism	Whatever Offered	Priest
Wedding	At least \$100.00 \$ 50.00	Priest Cantor
Funerals	At least \$100.00 \$ 50.00	Priest Cantor
Panachida	Whatever Offered	Priest
Mirovanije	Whatever Offered	Priest
Blessing of Homes	Whatever Offered	Priest
Antimension	\$50.00	Chancery
Chrism	\$25.00	Sisters of St. Basil
Canonical Visitation by Bishop	No Stipend	
Visitation by the Protopresbyter	\$50.00	Protopresbyter
Substitute Clergy Sunday & Holy Days	\$75.00 Per Divine Liturgy, plus mileage consideration if over 50 miles one way	Priest
Baptismal & Marriage Certificates	No Charge	
Transfer of Ritual Church	No Charge	
Blessing, etc.	\$200.00	Bishop or his designate

** If the amount is greater than the set stipend, the priest is to forward the difference to the Eparchial Chancery for deposit into the fund for promotion of vocations and seminary education.*