

## *Compensation, Taxes and Our Friends at the IRS*

If you look up the definition of “compensation” you will find something like this: *Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required.* This is a pretty standard definition. You can split hairs over employee vs. Independent Contractor but essentially if you give somebody something for performing work for you it is compensation. *As we all know, compensation is taxed.*

Non-monetary compensation is taxable!! The compensation can be SCRIP cards, gift cards or, as a couple of our schools just found out, tuition credit. If you have a person doing any kind of work in exchange for tuition credit you are providing compensation to that individual and it must be reported appropriately to the IRS.

If the person is an employee and is doing the work in addition to his/her normal job, it must be added to the employee’s W-2. The hours spent on the extra work are hours worked and the payment must be included in Social Security, Workers Comp, pension, etc. An individual cannot be an employee and an Independent Contractor at the same parish/school.

If the person is not an employee, the normal differentiation criteria between employees and IC applies so the individual might be considered an IC. In that case, if the compensation exceeds \$600 annually, you must issue a 1099.

We know the IRS is looking at non-profits more closely now and have had or will be having several IRS parish audits. This is an area that can cost a lot of money if it is not handled correctly so make sure you are in compliance.

### **SPECIAL POINTS OF INTEREST:**

- ♦ Don’t forget to mark your calendars for the Annual PAA Gathering to be held April 25th and 26th. Registration forms and agendas will be sent out in the next couple weeks!



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## *Help Wanted*

The Accounting Department at the Chancery Offices for The Archdiocese of Seattle is looking to hire temporary personnel for processing the Annual Catholic Appeal fundraiser. There are two different areas of temporary employment being hired for:



- **Mail Sort and Bank Deposit** - Duties will include sorting the mail, reconciling parish summary sheets to enclosed pledge cards, categorizing donations, preparing batches for deposit, completing deposits to the bank, and other duties as assigned. Approximately 40 hours/week Monday thru Friday from 10am to 6pm.
- **Data Entry and Filing** - Duties include entering gift information into Raisers Edge database, filing completed gift batches, and other miscellaneous duties as assigned. Scheduled hours for data entry positions will be between noon and 8pm Monday thru Friday and may be less than 40/hours week.

Projected dates for this temporary employment are May 7, 2012 thru June 15, 2012. Depending on response to the fundraiser these dates could end prior to June 15<sup>th</sup> or extend beyond June 15<sup>th</sup>. Employment is contingent on passing a background check. Flexibility regarding number of hours worked each day is helpful as work is dependent on how much mail is received every morning. If interested, please send a completed Chancery application to the Human Resources Department by April 10, 2012. The position being applied for is "Appeal Temp". Hourly rate ranges from \$12 to \$15/hour. Training for Raisers Edge and other duties provided by the Archdiocese.

## *Improved Benefits Services Website*



The benefits website at [www.seattlearchbenefits.org](http://www.seattlearchbenefits.org) has been updated with a new look and easier navigation, including the ability to search the site for information. In addition, information specific to Parish Administrators and bookkeepers is available by selecting the Parish Administrator button on the home page. In that section you will find the Workers Compensation tool kit, copies of recent communications, payroll information, and much more to help you administer benefits for your employees and it's available 24/7. Check us out at [www.seattlearchbenefits.org](http://www.seattlearchbenefits.org)!

## *Parishioner Contribution Records—Stock*

All stock donations are processed through Parish Financial Services. When a parish receives a stock gift, the Pastor, Priest Administrator or Pastoral Coordinator will receive a letter stating the amount that was deposited into the PRF account, the name of the donor and the number of shares given. The donor will receive a copy of the same letter along with an official tax receipt.



Please do not include this contribution on the donor's year-end tax letter generated by the parish. Because a gift of stock is considered a "non-cash gift" we cannot assign a dollar value to the donation. It is the donor's responsibility to determine the value of the stock for tax purposes. We've received multiple calls from parishioners or their tax-advisors upset by the amount that was documented on the parish records. Donations of stock usually hit our accounts one to two business days after it leaves the donor's account. The value of the stock can vary dramatically in as little as 24 hours.

If you have any questions about stock donations, please contact Emily Lee at (206) 382-7316 or [emily.lee@seattlearch.org](mailto:emily.lee@seattlearch.org).

## 2012 Annual Catholic Appeal

**Don't miss out on a Leadership Session this year!**

If you have not attended OR have not yet registered for an upcoming session, please take a moment and register now at:

[www.seattlearchdiocese.org/leadership](http://www.seattlearchdiocese.org/leadership)

Here is a list of the remaining session dates and locations. All sessions begin with lunch at 12:00 Noon and the session concludes by 3pm.

Friday, February 24<sup>th</sup> – St. Joseph Center at Immac. Conception in Mt. Vernon  
 Wednesday, February 29<sup>th</sup> – St. Charles Borromeo, Tacoma  
 Friday, March 2<sup>nd</sup> – St. Cecilia, Bainbridge Is.  
 Wednesday, March 7<sup>th</sup> – St. Columban, Yelm  
 Friday, March 9<sup>th</sup> – St. Monica, Mercer Island  
 Wednesday, March 14<sup>th</sup> – St. Pius, Mountlake Terrace  
 Friday, March 16<sup>th</sup> – Isaac Orr, Seattle

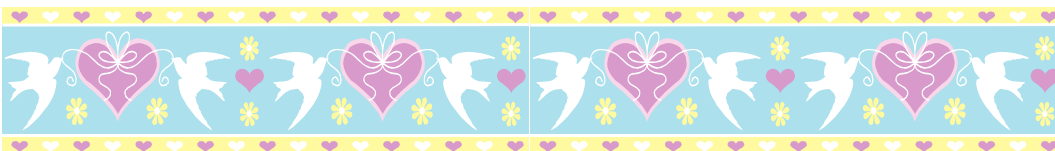
**Our team's objective** is to share the best practices and assist your parish in exceeding the assigned goal, thus securing a larger rebate. Each year, the success of the appeal is measured by the continued growth of the rebates. Since 2003, the rebates have gone from \$1.7 million to \$3.1 million this year! Join us at one of our upcoming Leadership Sessions where we will share how we can achieve a target goal this year of **\$3.5 Million in parish rebates!**

### 2012 TOPICS

Continuing Economic Environment and how it affects us all  
 Increasing Donor Participation  
 Increasing your Average Gift  
 Gathering and utilizing Email for fundraising communication  
 Driving donors to give their gift online

**With the continued economic environment**, the support of the parish leadership is **VERY CRITICAL** this year. We strongly encourage **ALL** key leadership people to attend an upcoming Leadership Session so we can **celebrate your success** and work towards a 10th record-breaking year.

THANK YOU!



## Rice Bowl/CRS Collection Handout

The Missions Office offers the attached helpful "comparison" of the Rice Bowl Lenten program and the annual CRS Collection (March 17/18 this year). This item and other Rice Bowl resources, from CRS and from the Missions Office, can be found at <http://www.seattlearchdiocese.org/Missions>. Questions, suggestions and requests for resources can be directed to Missions Office staff: [missionsoffice@seattlearch.org](mailto:missionsoffice@seattlearch.org). Thanks!

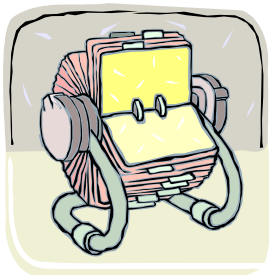
## ARCHDIOCESE OF SEATTLE

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*Parish Financial Services assists Parishes and Faith Communities in maintaining financial stability through:*

- *Supporting high quality financial, accounting, budgeting and reporting systems.*
- *Ensuring financial viability through the continual encouragement of prudent fiscal management.*



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## ***Safe Environment Updates***

### **SEP COORDINATOR WEB CONFERENCE**

There are still a few spots left for the SEP Coordinator Web Conference on **Tuesday, 28 February at 10am**. If you are a new SEP Coordinator, or were not able to join us for the first session, please join us.

Intended for all SEP Coordinators in the parishes, schools and archdiocesan programs, new or existing, this web conference will be an opportunity to talk about Safe Environment requirements, annual verification and the SETA Net Database.

Unfortunately, the session can only accommodate 40 SEP Coordinators. Please register **online on SETA Net**, to reserve your space. Only the SEP Coordinators who register in advance will receive the log-in instructions for the conference.

### **INDEPENDENT ORGANIZATIONS: BOY SCOUTS**

As you know, there are organizations that minister within the Archdiocese of Seattle which are independent and not part of the Corporation of the Catholic Archbishop of Seattle. In terms of Safe Environment, Independent Collaborators in Ministry must fulfill the requirements outlined by the *Charter for the Protection of Children and Young People* (USCCB, 2005) but they do so independently of the Archdiocese of Seattle. Parishes do not run their background checks, provide training or have them sign the Safe Environment Policies. (See page 11 of the [Safe Environment Program Coordinators Handbook](#) for more information.)

However, some groups are less obvious whether they are a parish program or an independent organization. For example, Boy Scouts have some troops that are parish troops and some that are independent, which can be confusing. We hope this may clarify their Safe Environment status.

**Parish Chartered Troops** — If a Boy Scout troop is “chartered” by the parish, then it is considered an official parish program. As with all other parish programs, all Safe Environment policies of the Archdiocese of Seattle must be followed and the parish is responsible to ensure Safe Environment compliance.

**Non-Parish Chartered Troops** — However, some troops are not chartered by the parish. They are completely independent and simply use a room in the parish to meet. These troops will not participate in the archdiocesan Safe Environment Program. However, they must have a signed “Facility Use Agreement” which also states that they have met the obligations of the *Charter* (background checks, abuse prevention training and abuse prevention policies) in accordance with the policies of Boy Scouts of America.

A “Facility Use Agreement” is available from the Office of Property & Construction.



## Global Solidarity during the season of Lent: CRS' Operation Rice Bowl and the Catholic Relief Services Collection (CRS Collection)

During Lent, Catholic Relief Services provides two opportunities for Catholics in the United States to live in true communion with our brothers and sisters worldwide through CRS' Operation Rice Bowl and the USCCB's national CRS Collection.

### What is CRS' Operation Rice Bowl?



CRS' Operation Rice Bowl offers simple yet powerful ways for parishes, schools and families to bring our Catholic faith

to life during the holy season of Lent.

The program provides resources for use in parish and school community settings, with complementary materials for families to foster their faith life in the home.

By participating in the traditional Lenten practices of prayer, fasting, and almsgiving through CRS' Operation Rice Bowl, the faithful in our diocese are making a positive difference in the lives of our brothers and sisters who are most in need.

CRS' Operation Rice Bowl begins on **Ash Wednesday, February 22, 2012**; and ends with **Easter Sunday, April 8, 2012**.

**Resources are available at [orb.crs.org](http://orb.crs.org).**

### What is the CRS Collection?



The CRS Collection is one of the twelve national collections established by the bishops of the United States and represents our

community of faith at work in the world. The CRS Collection theme, *Jesus in disguise*, reminds us of the presence of Christ in every one of our brothers and sisters in need.

The bishops encourage us to view the national collection in the light of stewardship and sharing. It is right and just that we give something back, helping people in our nation and worldwide to live better and grow in the love of Jesus.

The national date for the CRS Collection is always Laetare Sunday, the fourth Sunday of Lent. This year, the CRS Collection falls on the weekend of **March 17-18, 2012**.

**[www.usccb.org/crscollection](http://www.usccb.org/crscollection)**

## Beneficiaries

### Who benefits from CRS' Operation Rice Bowl?

CRS' Operation Rice Bowl contributions support projects that assist the poor both overseas and here in the United States. 75 percent of CRS' Operation Rice Bowl contributions are sent to Catholic Relief Services and help fund development projects overseas that help increase and maintain communities' access to food. 25 percent of the contributions remain in the dioceses in the U.S. and are used to fund local poverty and hunger alleviation programs.

### Who benefits from the USCCB's CRS Collection?

The Catholic Relief Services Collection supports five Catholic organizations (*Catholic Relief Services; USCCB's Department of Justice, Peace, and Human Development; USCCB's Migration and Refugee Services; Catholic Legal Immigration Network, Inc.; and the Holy Father's Relief Fund*) that advance the international social ministry of the Catholic Church.

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## Promote CRS' Operation Rice Bowl and the USCCB's CRS Collection

### How can I promote full participation in CRS' Operation Rice Bowl?

Inform your parishes and schools about CRS' Operation Rice Bowl materials, which contain resources to incorporate the four components of the program - prayer, fasting, learning and giving - into participants' Lenten celebrations.

- **Parishes:** Resources include homily notes, bulletin announcements, Prayer of the Faithful, Stations of the Cross, Lenten soup supper activities, and more to bring the program into all aspects of the parish Lenten celebration.
- **Schools:** Resources include lesson plans for grades 1-12, videos, and additional online resources to use in the classroom.
- **Families & Individuals:** Resources help bring CRS' Operation Rice Bowl into the prayer life at home.

By using a combination of these resources in the parish, school, and home, participants experience an enriched Lenten celebration with our brothers and sisters around the world.

Visit [orb.crs.org](http://orb.crs.org) for more information on the full range of resources available through CRS' Operation Rice Bowl.

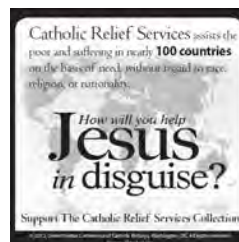
### How can I fully promote the USCCB's CRS Collection?

- Encourage pastors to mention the CRS Collection during Mass, and invite their parishioners to respond to the Gospel call to love our neighbors throughout the world through their participation in the collection.
- Make sure parishes received their CRS Collection materials, encourage them to display the poster and use the bulletin inserts, and ask whether they would be interested in having a speaker for Appeal Sunday.
- Make sure pastors know about the *Parish Resources*, available online at [www.usccb.org/crscollection](http://www.usccb.org/crscollection), which include Homily Helps, Quotes, and Bulletin Announcements.

**Thank you for contributing to the success of these two important initiatives!**



**CRS' Operation Rice Bowl**  
**[orb.crs.org](http://orb.crs.org)**



**CRS Collection**  
**[www.usccb.org/crscollection](http://www.usccb.org/crscollection)**