

DIOCESE OF JOLIET
FINANCIAL POLICIES
AND
PROCEDURES MANUAL
FOR
PARISHES

— FORWARD —

The responsibility to use wisely the temporal goods of the Church is a solemn bond between the institution, its members, and the Lord, Himself.

Those entrusted with this challenge should use the virtues of prudence and justice in the management of these goods.

The day to day financial operations must be viewed in the light of these Christian values and the teachings of the Church.

The Bishop holds in trust the assets of the Church within his diocese but shares the administration of these temporal goods with the appointed pastors/administrators, and duly authorized lay representatives of the parish. The pastor, with the assistance of finance council, assumes responsibility for the management of the resources for the local church.

Set forth in this document is a uniform set of policies and procedures with regard to financial matters and accounting practices. It is also designed that the uniqueness of each parish as well as the diversity can be accommodated. The "chart-of-accounts" is structured with 'control' accounts followed by subsidiary accounts. Smaller parishes need use only the control accounts; whereas larger parishes may wish to use the subsidiary accounts or even add a few to meet the needs of an individual program.

It is the hope that as this document is used, the experience will suggest modifications (additions/deletions) in the financial policies and procedures. As changes are approved, the manual will be updated. Only with such flexibility can the manual continue to assist all parishes and institutions in the diocese with their administrative responsibility for temporal goods.

Be assured that the uniformity, contained therein, will provide the assurance that the parishes are meeting their responsibility.

Financial Policies and Procedures Manual for Parishes

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DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH FINANCIAL AND ADMINISTRATIVE RESPONSIBILITY	POLICY A	PAGE 1 OF 1
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STATEMENT OF POLICY

The pastor with the advice of the Parish Finance Council shall be financially and administratively responsible for the overall operation of the parish. The pastor shall exercise sound stewardship and management of the financial and physical resources entrusted to him. He shall employ sound business practices in conducting all financial and administrative matters of the parish.

Canon Law requires that all parishes establish a finance council. Canon Law is clear that the Parish Finance Council does not substitute for the pastor as the chief administrator of the parish's financial affairs. Parish Finance Council Guidelines, as approved by the Presbyteral Council, should be followed by the pastor.

A permanent record of business conducted by the finance council (meeting minutes) should be maintained and on file at the parish. Also, the parish business manager or bookkeeper should attend the meetings in order to provide financial information that will aid the council members in appropriately advising the pastor.



DIOCESE OF JOLIET

Finance Council Resources

DIOCESE OF JOLIET

Finance Council Resources

Diocese of Joliet Finance Office
16555 Weber Road • Crest Hill, Illinois 60403
Phone 815.221.6202 • Fax 815.221.6083

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Parish Finance Council Overview

The relationship between the members of the Parish Finance Council and the pastor demonstrates the sense of church as a community. By using the various gifts and skills in a collaborative and faithful manner, the members can fulfill their responsibilities by being directed by the values of the Gospel as well as by good business practices.

Required by Canon Law

The Parish Finance Council was mandated by Canon Law to be established at every parish. The two canons which are referenced in the Diocese of Joliet Parish Finance Council Guidelines as approved by the Presbyteral Council on Oct. 5, 2005 are as follows:

*“The Pastor represents the parish in all juridical affairs in accord with the norm of the law; he is to see that the goods of the parish are administered in accord with the norms of canons 1281 - 1288.”
(Canon 532)*

“Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescriptions of canon 532.” (Canon 537)

Every parish is required by Canon Law to have a Parish Finance Council that is advisory and consultative to the pastor. The Finance Council is to assist the pastor in the administration of the temporal goods of the parish. The Canon makes it clear that the Finance Council does not substitute for the pastor as the chief administrator and legal representative of the parish's goods. The Council should assist the pastor in keeping the financial administration of the parish in harmony with the mission of the parish.

The Finance Council must work in an atmosphere where open and honest discussion is encouraged. The relationship between the pastor and Parish Finance Council should be one of support and collaboration. Although the pastor is obligated to consult the Parish Finance Council, he is not obligated to follow its recommendations. The pastor should not, however, act against such advice, especially when there is a consensus. But, if the pastor in good conscience believes that he cannot accept the recommendations of the Council, he should fully and frankly communicate this disagreement to the Council's members.

Membership

Council members should be drawn from the parish community and have expertise in accounting, finance, management, or a combination of these skills, such as Certified Public Accountants (CPAs), attorneys, and real estate professionals. To fulfill the responsibility of financial oversight, the parish should ensure that the majority of Council members are professionals with experience in financial matters.

The members should consist of individuals who are registered and participating parishioners and should reflect the ethnic make-up and economic strata of the parish community. Members should not be parish staff or be related to any member of staff or the priests. In addition, members should not be related to each other.

Communication

Good communication between the Parish Finance Council and the Parish Pastoral Council is extremely important and essential for the growth and wellbeing of the parish. These councils should work together to avoid conflict. The Parish Finance Council should be aware of the mission and goals established by the Parish Pastoral Council. Finance Council members should also be able to work together with the parish staff, especially the business manager or bookkeeper.

Duties

- 1.** Provide advice to the pastor on any meaningful financial matters including staffing and any significant commitment of parish

resources. (The pastor is obligated to inform the Council of commitments in excess of \$20,000.)

2. Review financial reports.
3. Assist with preparing and finalizing the budget, (parish/school/RE/Cemetery/etc.).
4. Review the parish's annual report submission to the diocese and ensure that a parish financial report is published for parishioner information.
5. Serve as a liaison between parishioners and the pastor.
6. Review the findings of the financial audit and ensure the recommendations are implemented.

Code of Conduct and Confidentiality Conflict of Interest

Members of the Parish Finance Council should observe strict confidentiality concerning all matters discussed at the meetings. Members should always speak and act, both inside and outside of the Finance Council, in a manner supportive of the parish so that parishioners know that they are trustworthy. Members should also be visible in the parish so that parishioners can bring up their concerns to council members.

Members shall avoid conflict of interest or the appearance of conflict of interest with the parish. A conflict of interest is defined as “any business or transaction with the Parish in which a member shall have a beneficial interest, whether between a member or a member’s business and known to the member prior to entering said business transaction.”

The parish should adopt a written agreement that each member should sign prior to accepting his or her position on the council. The agreement should include both the parish’s code of conduct and confidentiality and its policy regarding conflict of interest.

Parish Finance Council Structure

I. Purpose

The pastor is responsible for the administration of all parish goods, and in each parish, there should be an active Parish Finance Council to assist the pastor with this responsibility.

II. Formation of the Parish Finance Council

A. Qualifications of the Council Members

1. Practicing Catholic
2. Expertise and ability to fulfill responsibilities based on background and skills
3. Members should generally have accounting and finance experience
4. Reflect parish diversity
5. Members should not be parish staff or related to staff or priests

B. Term Limits

1. Odd number of members between 3 and 11
2. 3-year terms for a maximum of two terms
3. Terms should be staggered
4. Terms should commence on October 1

C. Non-voting Participants

1. Business manager or bookkeeper should attend every meeting to provide financial information and to answer questions
2. Principal, religious education, music director, and parish staff can attend as needed

D. Member Selection

1. Recruited based on time and talent survey, ministry workshop, by referral, or by personal expression of interest
2. Appointed by the pastor

E. Conflict of Interest

Conflicts of interest or the appearance of conflicts should be avoided. See pages 12 and 13 for examples of agreements.

III. Authority, Duties, and Responsibilities

A. Responsibility for Annual Budget, Capital Projects, and Review of Organizational Accounts

1. Pastor has ultimate responsibility; Business manager/bookkeeper and Finance Council are advisory to pastor
2. Budget for school, religious education, cemeteries etc. must be overseen by number one from above
3. Oversee organizational accounts such as parent groups, athletics, CCW, etc. and fundraising

B. Financial Records and Reporting

1. Review monthly financial reports
2. Compare current year with budget and previous year
3. Review any unpaid invoices
4. Ensure bank reconciliations are completed and review as needed, including organizational accounts
5. Semi-annual or annual review of parish organizations
6. Review parish annual report
7. Assist with preparing, presenting, and communicating relevant or important financial information (including organizations) to parishioners
8. Monitor payments of taxes, loans and assessments for timeliness
9. Monitor contribution trends and enhance stewardship as needed

C. Strategic Planning

1. Assist the pastor with developing a long-term parish capital improvement, implementation, and funding sources plan
2. Assist the pastor with developing a program for the care and maintenance of all parish facilities

3. For parishes with schools, assist the pastor with ensuring the management and health of its endowment program
4. Assist with developing and maintaining job descriptions for parish staff
5. Serve as a resource to advise the pastor on significant expenditures prior to their purchase or lease
6. Assist the pastor or staff with communicating with the diocesan office where appropriate

D. Internal Controls

1. Assist with developing and reviewing a system of internal controls in accordance with diocesan policy
2. Review and audit financial reports for all parish operations and organizations with bank accounts, as necessary
3. When there is a pastor or administrator change, assist the new pastor or administrator with a complete report of the parish's financial condition

IV. Officers

A. Minimum should be Chairperson and Secretary (Vice Chair where deemed appropriate)

1. Chairperson responsibilities:
 - a. Preside at all meetings
 - b. In consultation with the pastor, be responsible for selecting the hour and location of meetings
 - c. Prepare the meeting agenda
 - d. Other duties as assigned by the pastor
2. Secretary responsibilities:
 - a. Record and distribute council meeting minutes
 - b. Notify members of upcoming meetings
 - c. Maintain a permanent record of business conducted by the council and each member's tenure
 - d. Other duties as assigned by the chairperson
3. Vice Chair (if applicable) responsibilities:
 - a. In the absence of the chairperson, should preside at any meeting
 - b. Perform any other duties assigned by the chairperson or pastor

B. Appointment of Chair and Election of Officers

The pastor shall appoint the chairperson to a three-year term. Each term, the council will elect a secretary (and vice chairperson if applicable) to serve three-

year terms. Terms for officers normally commence at the beginning of the fiscal year.

V. Meetings

Regular meetings shall be held at least quarterly and more frequently if necessary, at a time and place established by the pastor and chairperson. Special meetings may be called by the pastor or the chairperson with the pastor's concurrence upon two days' notice. A majority of the members shall constitute a quorum. A schedule of annual meetings should be proposed and agreed upon at the first meeting of each fiscal year. Minutes of all meetings should be maintained by the parish.

VI. Council Committees

The chairperson with the consent of the pastor may establish such subcommittees or task forces as are necessary to conduct the parish finance council's business.

VII. Communication

A. Parish Council and Finance Council

1. Recommended Finance Council member be appointed to Parish Council and vice versa
2. Recommended School Board member be appointed to Finance Council and vice versa (if parish operates a school)

VIII. Confidentiality

A. Strict Confidentiality

1. See sample agreements on pages 12 and 13
2. Limited access to parishioner contribution records

IX. Meeting Management and Decision-making

A. Robert's Rules of Order (majority vote)

1. Determine who is a voting and non-voting member
2. Establish level of vote: resolution, recommendation, approvals

B. Consensus (reach common ground)

C. Pastor is final decision maker

X. Bylaws

Recognize that councils conduct business more efficiently if performed within defined parameters. There are no specific parameters to follow. Each council/pastor may enact their own protocols. Parishes should determine.

XI. Financial Policies

Diocesan financial policies can be found on the Diocese of Joliet Web site at:
<http://www.dioceseofjoliet.org/financeparish/sectioncontent.php?secid=6>

Finance Council Calendar of Meeting Dates

Term of office: October 1, 20__ – September 30, 20__

Fiscal year: July 1, 20__ – June 30, 20__

MONTH	DATE	LOCATION
OCTOBER *	October 25	Parish Center
	Agenda: Welcome new members Review financial report to be published in bulletin	
November	November 15	Parish Center
	Agenda:	
December	NO MEETING	
JANUARY *	January 24	Parish Center
	Agenda: Verify that required year-end filings are complete Semi-annual review of parish organization accounts	
February	February 28	Parish Center
	Agenda: Budget preparation begins	
March	March 27	Parish Center
	Agenda: Continuation of budget process	
APRIL *	April 24	Parish Center
	Agenda: Finalize budget for next fiscal year	
May	May 22	Parish Center
	Agenda: Approve budget for next fiscal year	
June	June 26	Parish Center
	Agenda:	
JULY *	July 24	Parish Center
	Agenda: Election of officers for the fiscal year Review meeting calendar for the fiscal year Semi-annual review of parish organization accounts	
August	August 23	Parish Center
	Agenda: Review and sign diocesan annual report	
September	September 27	Parish Center
	Agenda:	

* **Quarterly meetings** – If the council meets only four times per year, financial information should be sent to members monthly for their review. Additional meetings may be necessary to approve the budget and to review the diocesan annual report.

Note: The calendar begins in October because that is the beginning of the suggested term year. Many committees and councils change members in the late spring or summer. But that does not work well with the finance council because members should finish their term after the fiscal year ends and after the final activity for the year is reported which does not happen until late summer. Therefore, it makes sense to have new members join in the fall.

Finance Council Meeting Agenda

EXAMPLE

Time	Topic	Person
7:00	Call Meeting to Order	Chairperson
7:00 – 7:05	Opening Prayer	Pastor
7:05 – 7:10	Review and approve prior meeting minutes	Secretary
Etc.	Review meeting agenda and change as agreed	Chairperson
	Old Business Updates	Individual
	Committee Reports	Committee Chairs
	Financial Reports	Parish Finance Administrator
	New Business	Council members
	Pastor's Comments	Pastor
	Closing Prayer	Pastor
	Adjournment	Chairperson

Note:

Financial reports along with the agenda and other pertinent information should be provided to the Council members at least one week before the meeting. The meeting is more productive if each member reviews this information prior to the meeting. The time allotted for each topic should be used for answering questions, clarifying points, and discussion. Financial reports should consist of:

- Statements of income and expenses that include current year activity, current year budget, and prior year activity
- Statement of Position
- Listing of any unpaid invoices
- Additional information at the request of the council that is necessary to fulfill their responsibility and to accurately advise the pastor

Bank statements with reconciliations and a listing of the balance of parish accounts at month end should be available for review at the meeting.

The pastor, and therefore the council, is responsible for reviewing the activity of all parish bank accounts. This includes organization accounts (CCW, Parent/Teacher Assoc., Athletics, etc.). The school principal, DRE, music director, and any other ministry or parish organizations whose activity affects the financial position of the parish should update the Finance Council about their activity. The frequency of these reports should be determined by the pastor and Council. These reports could be made after the opening prayer and then the representatives can be excused from the remainder of the meeting. Alternatively, these reviews could be done at a separate meeting.

Typical Parish Financial Filings

MONTHLY	
Pension Filings	Monthly report to Christian Brothers. Payments to Christian Brothers and the diocese
Financial Reports	For the pastor and finance council's review
QUARTERLY	
Payroll Filings - Federal & Illinois Unemployment	Filing completed by 3rd party payroll vendor, Paylocity
Financial Reports	For the pastor and finance council's review
YEARLY - Calendar year-end (Dec. 31)	
W-2 / W-3 / 1095 Payroll Filings - Federal and Illinois	Filing completed by 3rd party payroll vendor, Paylocity
Filings - Federal	1096 and 1099 forms filed according to IRS requirements. (Completed by parish.)
Payroll Filings - Diocese	Copy of W-2 for all clergy to Finance Office
YEARLY - Fiscal year-end (June 30)	
Parish Budget	Due in June to the Diocesan Finance Office.
Diocesan Annual Report	Due in September to the Diocesan Finance Office. Includes the reporting of the fiscal year actual information
Parishioner Report	Published in the bulletin by December

FUNDRAISERS

Depending on the fundraiser, a license and Federal and Illinois filings may be required. Refer to the IRS and Illinois guidelines to ensure compliance.

ADOPTION AGREEMENT
Conflict of Interest, Code of Conduct and Confidentiality
(Name of Parish) Finance Council

The undersigned Member of the Finance Council of *(Name of Parish)*, hereby agrees to be bound by the Conflict of Interest, Code of Conduct and Confidentiality as adopted by the *(Name of Parish)* Finance Council on the _____ day of _____, 20 __, and all amendments thereto and agrees to honor said Code, its amendments and all Finance Council policies adopted in promulgation and modification thereof.

IN WITNESS THEREOF, the undersigned has set his or her hand in acknowledgement and agreement of on this _____ day of _____, 20 ____.

(SIGNATURE)

(PRINTED NAME)

CONFLICT OF INTEREST
CODE OF CONDUCT AND CONFIDENTIALITY
For the
(Name of Parish) Finance Council

It shall be the obligation of the Finance Council and its sub-committees to subscribe to the following:

While serving and thereafter, Members shall keep confidential all matters of record or reference, whether or not communicated or discussed in meetings or among those serving, until such time as such matters are officially publicized. Trust, sensitivity and candor shall be observed.

Members shall always speak and act, inside and outside of the Finance Council or its subcommittee meetings, in a manner supportive of the Parish. While honest and healthy reflection is respected, comments of derision or embarrassment to the Parish shall be avoided.

Members shall avoid conflict of interest, or the appearance of conflict of interest with the Parish. A conflict of interest is defined as, any business or transaction with the Parish, in which a Member shall have a beneficial interest, whether between a Member or a Member's business (defined as ownership of over 5% of the entity by a Member or Member's family, the fourth degree of consanguinity or affinity) and known to the Member prior to entering said business transaction. Any business engagement resultant from prior competitive bidding, or qualifying Requests for Proposal, secured by the best acceptable bid with at least two other competitive entities bidding shall not require prior disclosure. Any such transaction or series of transactions in any one year shall be reported by the Member to the Pastor and the Finance Council at prior to March 1 of the following calendar year. The monetary limitation shall be established periodically by the Finance Council.

IN WITNESS THEREOF, on the ____ day of _____, 20__ the Reverend _____, Pastor of *(Name of Parish)*, has promulgated the foregoing Code of Conduct and Confidentiality which shall be adopted and subscribed to by the members of the *(Name of Parish)* Finance Council and its subcommittees.

Reverend (Name)
Pastor
(Name of Parish)

Diocese of Joliet
Parish Finance Council Guidelines

Approved by the Presbyteral Council October 5, 2005

“The Pastor represents the parish in all juridical affairs in accord with the norm of the law; he is to see that the goods of the parish are administered in accord with the norms of canons 1281 - 1288.” (Canon 532)

“Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescriptions of canon 532.” (Canon 537)

A) General

1. Every Parish is required by Canon Law to have a Parish Finance Council that serves in an advisory and consultative role to the pastor.
2. The pastor, in consultation with the Parish Pastoral Council, should develop specific guidelines for the Parish Finance Council adapted to local needs.

B) Membership

1. After consultation with the Parish Pastoral Council, members are appointed by the pastor for a three-year term and may be reappointed for one additional term or removed in this role by the pastor.
2. Members of the Parish Finance Council should be drawn from the parish community and be chosen based on demonstrable skills or expertise in management and/or finance. The requirement of membership in the parish community may be waived in the event of special expertise if all other conditions of membership are met.
3. Membership should consist of no less than three members and should not include as members any persons who may have a conflict of interest in the view of other services, paid or unpaid, rendered to the parish, nor of any person related to a parish employee or the pastor.
4. Members of the Parish Finance Council may serve in other volunteer service roles in the parish on other committees or boards such as the Parish Pastoral Council Administration Commission if, in the judgment of the pastor, such dual service will not create conflict of interest situations.
5. Officers of the Parish Finance Council may be chosen, as determined by guidelines established by the Parish Pastoral Council (see A.2 above).

C) Duties

1. The pastor is obligated to consult with the Parish Finance Council in the following matters, although he remains the juridical authority for final decisions.
 - a) Any commitment of parish resources in excess of \$20,000.00 before permission for such expenditure is requested of the Chancery.
 - b) Review of the annual budget and annual parish report before submission to the Chancery. To the extent practical, they should be involved in the preparation of both reports.
 - c) Provide assistance and review of the annual parish financial report to parishioners, as required by canon 1287.2.
2. The Parish Finance Council and the Parish Pastoral Council should work together so as to insure the work of the Parish Finance Council does not overlap or conflict with that of the Parish Pastoral Council. To facilitate ongoing interaction, members of the Parish Finance Committee may serve on committees or subcommittees of the Parish Pastoral Council according to the needs of each particular parish.

D) Other Considerations

1. The purpose of the Parish Finance Council is to assist the pastor in his administrative responsibilities through fiscally prudent management of parish finances and in the administration of parish goods and resources.
2. Good communication between the Parish Finance Council and the Parish Pastoral Council is essential for the growth and well being of the parish. The Parish Finance Council should be aware of the mission and goals established annually by the Parish Pastoral Council.
3. The pastor is obligated by Canon Law to consult the Parish Finance Council on certain matters (see C.1 above). Although the pastor is not obliged to follow the recommendations of the Parish Finance Council, the pastor should not act against such advice, especially when there is a consensus, unless there is an overriding reason. A prudent pastor would not ignore the advice of the Parish Finance Council unless there is a serious reason to do so.
4. When appropriate, outside advice and counsel can be sought when specific expertise is needed. The Parish Finance Council may draw upon the skills of parishioners who are knowledgeable in business, law, accounting and communication. Persons with professional knowledge and experience in engineering, construction, maintenance and purchasing could also make a significant contribution and should be consulted when advisable.
5. Meetings should be convened at least four times per year, or more frequently as deemed necessary by the pastor.

6. Members of the Parish Finance Council should observe strict confidentiality concerning all matters discussed at Council meetings, or provided to them in confidence. Members shall always speak and act, inside and outside of the Parish Finance Council in a manner supportive of the Parish.
7. Diocesan Financial Policies should be available to assist the work of the Parish Finance Council.
8. The Dean may be consulted in areas not addressed by these guidelines.

DIOCESE OF JOLIET FINANCIAL POLICIES

ACCOUNTING SYSTEM	POLICY B	PAGE 1 OF 1
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STATEMENT OF POLICY

ParishSOFT ConnectNOW accounting software is to be used by all parishes and schools.

PROVISIONS

1. Modified Accrual basis of accounting should be used and recorded on a 12-month fiscal year, July 1- June 30. See Policy B-1.
2. A Standard Chart of Accounts has been established. See Policy B-3.

DIOCESE OF JOLIET FINANCIAL POLICIES

RECORDING FINANCIAL TRANSACTIONS	POLICY B - 1	PAGE 1 OF 1
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STATEMENT OF POLICY

The following policy provides an overview of the recording of parish financial and business transactions.

PROVISIONS

1. Accounting Period - The parish accounting period for recording financial transactions is a 12 month fiscal year beginning on July 1 and ending on June 30. All operating units of the parish as well as parish organizations will observe the same accounting period for recording financial transactions.
2. Modified Accrual Basis - Financial transactions are recorded using the double entry method on a "modified accrual basis". Revenue is recognized when cash is received. Expenses are recorded when the invoice is received, not when paid. To better reflect the financial position of the parish, the following exceptions should be followed:
 - a) The recognition of revenue in the parish books for certain monies received should be deferred when a contingent liability on the part of the parish exists. Services must be performed before such monies received are earned. Examples would be money received as prepayment for school or religious education tuition.
 - b) Any major expense which has been incurred but not paid at the end of the fiscal year should also be accrued. An example would be payroll and related expenses for a parish that pays its employees on a bi-weekly basis or school staff over 12 months.

DIOCESE OF JOLIET FINANCIAL POLICIES

ACCOUNTING AND FINANCIAL RECORDS	POLICY B - 2	PAGE 1 OF 2
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STATEMENT OF POLICY

Following the provisions outlined below, the parish shall maintain complete, accurate accounting records.

PROVISIONS

1. The following basic accounting records that provide evidence or attest to the occurrence and propriety of financial transactions should be maintained by the parish:
 - Deposit tickets
 - Supplier invoices
 - Record of adjusting journal entries
 - Payroll records
 - Bank statements & reconciliations
 - Copies of detail trial balances and financial statements
 - Other documentation that provides information regarding financial transactions
2. All permanent parish financial and accounting records shall be located at the parish rectory or business office, whichever is appropriate or possible.
3. All current parish financial and accounting records which are kept and maintained at different locations in the parish during the fiscal year, i.e., school office, religious education office, etc. shall be turned over to the parish rectory or business office for permanent safekeeping at the end of each fiscal year.
4. No original financial and accounting record shall be taken off the premises of the parish, e.g. brought home to be worked on. If parish circumstances necessitate that work be done from home, exceptions are allowed with the pastor's approval. Controls must be in place to ensure the security of the information at all times.
5. Financial and accounting records shall be destroyed / discarded only upon the approval of the pastor and after the lapse of the prescription period as set forth by Law. (A timetable for record retention is shown in Record Retention P-1).
6. All parish permanent records shall be safely kept in fire resistant vaults. Duplicate off-site storage is highly recommended.

DIOCESE OF JOLIET FINANCIAL POLICIES

ACCOUNTING AND FINANCIAL RECORDS	POLICY B - 2	PAGE 2 OF 2
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7. All backups for the ParishSOFT financial software are performed by ParishSOFT. All non-ParishSOFT software and data files should be backed-up on a periodic basis and a copy maintained off-site.

DIOCESE OF JOLIET FINANCIAL POLICIES

STANDARD CHART OF ACCOUNTS (COA)	POLICY	PAGE
	B – 3	1 of 2

STATEMENT OF POLICY

Parishes are to use the Standard Chart of Accounts as established in the ParishSOFT ConnectNOW accounting software.

The COA Structure

The following represents the COA structure used in the ParishSOFT system:

Entity	Cost Center	Category	Account	Sub-Account
X-	XX-	XX-	XXXX-	XX

Segments:

- Entity - Identifies the main parish "departments"
- Cost Center - Identifies "departments" within an Entity
- Category - Identifies the Account Category
- Account - Identifies individual accounts within a Category
- Sub-Account – Allows the parish to create customized accounts within a Category using the established account structure

Accounts by Financial Statements

Statement of Financial Position (commonly called Balance Sheet)

- Assets
- Liabilities
- Net Assets (commonly called Equity)
- Dedicated Accounts

Statements of Activities (commonly called Income Statement or P & L)

- Revenue
- Expenses

Note: The COA structure is the same for all accounts except for Assets, Liabilities, and Net Assets. These accounts do not have a Cost Center segment because the Statement of Financial Position is not produced by Cost Center. Typically, one combined Statement of Financial Position that includes all entities is produced for the parish.

The COA accounts have been standardized to ensure consistency. However, the parish has the ability to add sub-accounts under each established account. This will give the parish the flexibility it needs to meet its budget and reporting requirements.

DIOCESE OF JOLIET FINANCIAL POLICIES

STANDARD CHART OF ACCOUNTS (COA)	POLICY	PAGE
	B - 3	2 of 2

List of Entities and Cost Centers

<u>Entity</u>	<u>Cost Center Name and Number</u>	<u>Shortcut</u>
CHURCH (1)	ADMINISTRATION (10)	CHAD
	MUSIC (11)	CHMU
	LITURGY/WORSHIP (12)	CHLIT
	MINISTRY (13)	CHMIN
	ADULT EDUCATION (14)	CHAE
	PARISH CENTER (15)	CHPC
	RECTORY/CONVENT (16)	CHREC
	CAPITAL PROJECTS (17)	CHPROJ
	INVESTMENT IN EDUCATION	INVCH
RE (2)	RE ELEMENTARY (20)	RE
	RE JR. HIGH (21)	REJR
	RE HIGH SCHOOL (22)	REHS
	YOUTH MINISTRY (23)	YM
	RCIA (24)	RCIA
	INVESTMENT IN EDUCATION	INVRE
SCHOOL (3)	SCHOOL ELEMENTARY (30)	SC
	PRESCHOOL (31)	PRE
	EXTENDED DAY (32)	EXT
	SCHOOL CAFE/LUNCH (33)	SCCAF
	ATHLETICS (34)	SCATHL
	PARENT ORGANIZATION (35)	SCPAR
	FINE ARTS	SCFA
	INVESTMENT IN EDUCATION	INVSC
CEMETERY (4)	CEMETERY (40)	CEM
ORGANIZATIONS (5)	ORGANIZATION 1 (51)	ORG1
	ORGANIZATION 2 (52)	ORG2
	ORGANIZATION 3 (53)	ORG3
	ORGANIZATION 4 (54)	ORG4
	ORGANIZATION 5 (55)	ORG5
OTHER (9)	OTHER (90)	OT
DEDICATED ACCOUNTS	DEDICATED (95)	

DIOCESE OF JOLIET FINANCIAL POLICIES

FINANCIAL REPORTS & BUDGETS	POLICY C	PAGE 1 OF 1
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STATEMENT OF POLICY

Financial reporting is the key element in communicating the financial condition of the parish to its members and contributors.

The primary objectives of parish financial reporting are as follows:

- To accurately report the financial activity of the parish on a timely basis.
- To summarize financial transactions in a simple, concise and consistent manner.
- To show parishioners how their contributions are used to finance the operations and ministries of the parish.
- To inform parishioners of the overall financial position of the parish.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH FINANCIAL REPORTS	POLICY	PAGE
	C – 1	1 OF 1

STATEMENT OF POLICY

All parishes, together with their operating units, shall report periodically and annually the results of their financial operations.

PROVISIONS

1. The parish financial reports shall reflect a complete and accurate accounting of all parish financial transactions.
2. The parish shall submit the Annual Report form to the diocese.
 - a. The report should be reviewed and approved by the pastor and Finance Council.
 - b. The signed reports shall be submitted to the Diocesan Finance Office no later than September, or the specified date established by the Finance Office each year. (See Policy C-2 for budget information)
 - c. The parish financial reports shall be reviewed by the Diocesan Finance Office as to their correctness, completeness, and accuracy.
 - d. The Diocesan Finance Office has the authority to return parish financial reports for corrections and adjustments or to require additional information as deemed necessary based on the review of the parish financial reports.
3. Parishes and their operating units shall provide periodic (monthly and/or quarterly) financial reports to their finance council.
4. The total offertory from the prior week is to be published in the bulletin on a weekly basis.
5. The annual financial information should be published in the bulletin each year by December. The bulletin report should detail the sources and amounts of income and expenses. It should also include the balances of all unpaid bills, loans and all bank accounts (local and diocesan). See policies C-1.1 thru C-1.4 for sample Bulletin Report Formats and guidelines.

DIOCESE OF JOLIET FINANCIAL POLICIES

FINANCIAL REPORT TO PARISHIONERS	POLICY C-1.1	PAGE 1 OF 1
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GUIDELINES – PARISHIONER FINANCIAL REPORT

Three sample templates are provided:

- Small Parish – For parishes with small staffs, the salary and fringe benefits lines are combined. (Policy C-1.2)
- Large Parish – Salary and fringe benefits are reported on separate lines. (Policy C-1.3)
- Segregated Restricted Activity – Large parish format with restricted activity segregated from operating activity. (A small parish can use this format by simply combining the salary and fringe benefits.) (Policy C-1.4)

Parishes are encouraged to expand and customize the report. The goal is to provide a transparent, accurate report of the parish's financial activity and position.

When customizing the report, the following should be considered:

1. The parish subsidy to the RE and School must be clearly displayed and labeled.
2. The RE, school and cemetery must have separate columns.
3. All amounts, including the "bottom line" (revenue less expenses), must reconcile to the ParishSOFT financial statements.
4. If using the Segregated Restricted Activity template, the "Restricted Account Name" headings should be replaced with the names of funds used by the parish. Smaller funds can be combined and named "Restricted Activity – Other".
5. If a debt reduction collection is utilized, the parish may want to create a separate section that reports both the donations received and payments (principal & interest) made on the loan.
6. A narrative should be included. This narrative can take the form of a letter by the pastor and/or Finance Council and should include highlights from the fiscal year and provide an explanation of the parish's financial position.

PARISH FINANCIAL REPORT
Twelve Months Ending June 30, 20XX

	<u>Actual</u>				<u>Budget</u>
	<u>Church</u>	<u>Rel Ed</u>	<u>School</u>	<u>Total</u>	<u>Total</u>
Revenue:					
Sunday Collections	\$ -	\$ -	\$ -	\$ -	\$ -
Other Collections	-	-	-	-	-
Fundraisers	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Other Unrestricted Revenue	-	-	-	-	-
Debt Reduction/Capital Campaign	-	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:					
Salaries/Fringes/Administrative	\$ -	\$ -	\$ -	\$ -	\$ -
Repairs & Maintenance	-	-	-	-	-
Services	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities	-	-	-	-	-
Diocesan Assessment	-	-	-	-	-
Other Operating Expense	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Loan Principal	-	-	-	-	-
Loan Interest	-	-	-	-	-
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue - Expenses					
Parish Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus / (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information

Account Balance - Checking	\$ -
Account Balance - Savings	\$ -
Diocesan Loan - Principal Balance	\$ -
Accounts Payable - Diocese	\$ -
Accounts Payable - Other	\$ -

Capital Campaign

Beginning Balance	\$ -
Receipts	\$ -
Expenses	\$ -
Ending Balance	<u>\$ -</u>

NOTES: (Small Parish - One employee in Dept. - Combined Sal/Fringe Reporting)

The above categories would be the **minimum** reporting requirements for parish bulletins. The parish should expand descriptions and account headings where applicable to better inform their parishioners. Displaying comparative columns of Actual vs. Budget is recommended. Some type of narrative recapping the year's activity should accompany these financials.

PARISH FINANCIAL REPORT
Twelve Months Ending June 30, 20XX

	<u>Actual</u>				<u>Budget</u>
	<u>Church</u>	<u>Rel Ed</u>	<u>School</u>	<u>Total</u>	<u>Total</u>
Revenue:					
Sunday Collections	\$ -	\$ -	\$ -	\$ -	\$ -
Other Collections	-	-	-	-	-
Fundraisers	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Other Unrestricted Revenue	-	-	-	-	-
Debt Reduction/Capital Campaign	-	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-
Services	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities	-	-	-	-	-
Diocesan Assessment	-	-	-	-	-
Other Operating Expense	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Loan Principal	-	-	-	-	-
Loan Interest	-	-	-	-	-
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue - Expenses					
Parish Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/ (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information

Account Balance - Checking	\$ -
Account Balance - Savings	\$ -
Diocesan Loan - Principal Balance	\$ -
Accounts Payable - Diocese	\$ -
Accounts Payable - Other	\$ -

Capital Campaign

Beginning Balance	\$ -
Receipts	\$ -
Expenses	\$ -
Ending Balance	<u>\$ -</u>

NOTES:

The above categories would be the **minimum** reporting requirements for parish bulletins. The parish should expand descriptions and account headings where applicable to better inform their parishioners. Displaying comparative columns of Actual vs. Budget is recommended. Some type of narrative recapping the year's activity should accompany these financials.

PARISH FINANCIAL REPORT
Twelve Months Ending June 30, 20XX

	Church	RE	School	Total	Budget
<u>Revenue:</u>					
Sunday Collections					
Other Collections					
Fundraisers					
Tuition and Fees					
Other Unrestricted Revenue					
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Expenses:</u>					
Salaries					
Fringe Benefits					
Repairs & Maintenance					
Services					
Materials & Supplies					
Rentals					
Insurance					
Utilities					
Diocesan Expenses					
Other Operating Expense					
Capital Expenditures					
Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Surplus / (Deficit)	-	-	-	-	-
Parish Subsidy					
Loan Payments (Principal & Interest)				-	
Unrestricted Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Restricted Donations/Expenditures*</u>					
Restricted Account Name					
Donations					
Expenditures					
Restricted Account Name					
Donations					
Expenditures					
Restricted Account Name					
Donations					
Expenditures					
Restricted Surplus / (Deficit)	\$ -	\$ -		\$ -	-
Total Surplus / (Deficit) - Operating & Restricted	\$ -	\$ -		\$ -	-
<u>Additional Information (as of 6/30)</u>			<u>* Restricted Fund Balances (as of 6/30):</u>		
Account Balance - Checking	\$-	Restricted Account Name	\$-		
Account Balance - Savings	\$-	Restricted Account Name	\$-		
		Restricted Account Name	\$-		
Diocesan Loan - Principal Balance	\$-				
Accounts Payable - Diocese	\$-				
Accounts Payable - Other	\$-				

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BUDGETS	POLICY	PAGE
	C – 2	1 of 1

STATEMENT OF POLICY

Each parish, together with their operating units, shall prepare a budget of anticipated income, expenses and capital improvements prior to each fiscal year. The parish budget shall be prepared in accordance with the goals and objectives, priorities and plan of action, as determined jointly by the Pastor and the Finance Council.

PROVISIONS

1. The parish shall prepare its budget objectively and realistically, keeping in mind that it has to operate within its means.
2. The parish shall submit the budget to the diocese.
 - a. The parish's budget shall be reviewed and approved by the pastor and Finance Council
 - b. The signed budget shall be submitted to the Diocesan Finance Office no later than June 1st or the specified date established by the diocese each year.
 - c. All parish budgets shall be reviewed by the Diocesan Finance Office as to accuracy, completeness and other matters of consideration.
 - d. The Diocesan Finance Office has the authority to return parish budgets for corrections and adjustments or to require additional information as is deemed necessary based on the review process.
3. The parish budget shall serve as the financial plan of operation for the parish.
4. The authorization for an expenditure to be incurred and/or an actual disbursement to be made shall rest with the Pastor, except for capital items, which should be approved by the Finance Council. See Policy E-3.
5. Actual expenditures shall be limited as close as possible to budgeted amounts. For this purpose, the parish should review its budget on a periodic basis, at least quarterly, in relation or comparison with actual operating results.
6. Any unfavorable deviation from the budget of 10% or more in actual operating income and expenditures, adjusted seasonally, shall be addressed immediately by the Pastor and the Finance Council. Any deviation that is anticipated to create a deficit which would require borrowing from the Diocesan Deposit and Loan should be reported immediately to the Diocesan Finance Office for the necessary corrective actions or measures.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME	POLICY	PAGE
	D	1 OF 1

STATEMENT OF POLICY

All income received by the individual operating units of a parish shall be considered as parish income. Distinctions made for income on a per operating unit basis, i.e., church, religious education, school, etc. are for purposes of accounting only and should not be construed as a segregation of funds.

PROVISIONS

1. The applicable policy provisions under each income source are outlined in the various supplements to this policy.
2. Qualifying Unrestricted and Restricted Revenues

The donor and ONLY the donor may place the restriction on a contribution. The pastor may designate where general donations may be spent or how these funds are used but the pastor CANNOT make any funds restricted.

In summary, the pastor can designate unrestricted revenue; the pastor cannot restrict unrestricted revenue.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPT CONTROLS	POLICY	PAGE
	D - 1	1 OF 2

STATEMENT OF POLICY

The accounting and internal control procedures for parish receipts shall be as follows:

1. The cash handling function, i.e., accounting and depositing of funds received should be segregated from the bookkeeping function. Parish staff should not be involved in the counting of the week-end collection.
2. Volunteer money counters should count the donations received, complete and sign the tally sheet, and prepare the bank deposit. These donations include those received for: Sunday offertory, Diocesan special collections and parish special collections. The following is required (It's possible for smaller parishes, less than 100 families, to request a diocesan exception):
 - Establish a minimum of two teams of three or more volunteers.
 - The teams should be scheduled on a rotating basis.
 - No team should consist solely of related family members.
 - If preferable, one team of five or more volunteers can be established. (A rotating schedule is not necessary with teams of this size.)
3. All offertory collections should be counted and deposited intact on the same day they were received or at the latest on the following banking day. Other collections, including but not limited to: Mass intentions, funeral stipends, tuition, raffle and other fundraising proceeds, are to be deposited at a minimum weekly. (See Policies D-2.1 through 2.3 for procedures regarding counting, logging and classifying collections.)
4. Tamper evident bags are required to secure offertory collections and other receipts where appropriate. The use of the bags does not prevent theft, but if used properly, ensures evidence of impropriety. To maintain the integrity of the process, the following must be adhered to:
 - Bags must be sequentially numbered.
 - Bags must be sealed properly (i.e. flat and securely).
 - Bags must be inspected before opening.
 - Bags must be cut as indicated on the bag (to maintain the integrity of the seal).
 - A bag log must be maintained. The log must contain: a sequential list of bag numbers, a description of the bag's condition upon opening, the initials of the person who sealed it, and initials of the person who inspected it. See Policy D-1.1 for a sample form.
 - Used bags should be retained for at least one month, longer if space allows.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPT CONTROLS	POLICY	PAGE
	D - 1	2 OF 2

- To ensure proper internal controls, duties should be segregated. No one person should have multiple responsibilities.

All bags that are unsealed or show evidence of being manipulated or tampered with should be reported to the head counter, business manager, and/or pastor.

5. A record of donations received for Mass intentions, stole fees, etc. should be maintained. A receipt book should be used to document the receipt of cash donations.
6. Collections that could not be deposited on the day of receipt should be kept in a safe in the business office or parish rectory. Access to the safe should be limited to the pastor, associate and business manager.
7. All checks received should immediately be endorsed to the credit of the parish or its individual units as the case may be. Endorsement should be made by rubber stamp bearing the words "For Deposit Only" with the unit's name and bank account number.
8. Cashing of any checks from collections should be disallowed. Using currency and loose change from collections for expenditures is also inappropriate. Discretionary reductions of collections are not allowed.
9. The disposition of checks deposited but returned by the bank as Non-Sufficient Funds (NSF) or for any other reason should be followed up with the payer or check issuer.
10. For the school and religious education units, all payments received for tuition and other fees should be listed by item and the student/family record updated with the funds deposited by the next business day. The receipting should be done:
 - a. By only one person who should be so designated by the pastor; this control procedure would establish responsibility over monies received
 - b. In sequential order by date received
 - c. With a permanent copy of the receipt retained and matched to the corresponding tuition/fee detail; this is maintained and filed as part of the parish financial records

A comparison of amounts received during the day as logged or receipted should be compared with amounts actually deposited. A reconciliation of student tuition records to the specific revenue account should be performed on a periodic basis.

Diocese of Joliet
Tamper Evident Bag Tracking Form

Name of Parish _____

Collection Type Codes	Bag Condition Codes
SS = Saturday/Sunday	S = Sealed
SC = Second Collection	NS = Not Sealed
HD = Holy Day	T/R/O = Torn, Ripped or
O = Other	Other

Line No.	Bag Number	Collection Type	Mass Date	Mass Time	Bag Condition	Usher Signatures or Initials	Count Team Initials
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT	POLICY	PAGE
OFFERTORY COLLECTIONS	D – 2	1 OF 1

STATEMENT OF POLICY

Under Policy D, the provisions for offertory collections shall be as follows:

1. Parishioner contributions shall be on a voluntary basis only.
2. Tuition and other school fees shall not be considered as offertory collections in compliance with tax rules and regulations.
3. The parish shall maintain on a calendar basis a detailed list of contributions made by each parishioner. Parishioner contribution statements should be mailed or made available to parishioners at the end of the year. A one-time donation of more than \$250 should be recognized by a timely tax acknowledgement in writing, stating the amount and date of the contribution.
4. Offertory collections in the form of stock certificates, bonds and real estate shall be treated as follows:
 - a. Stock certificates and/or bonds shall be received or endorsed in the name of the diocese. These shall be liquidated, sold, or redeemed in cash by the diocese with the proceeds returned or credited to the parish account as soon as possible. A stock power should be signed by the donor.
 - b. Real property shall be received and registered in the name of the Diocese of Joliet. These shall be recorded as non-cash offertory collections at the time of receipt using the fair market value of said property.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPT PROCEDURES	POLICY D – 2.1	PAGE 1 OF 1
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STATEMENT OF POLICY

The collection Breakdown Sheet, Policy D-2.2 and the Procedures for Counting and Recording Receipts, Policy D-2.3 are designed to strengthen control over Sunday, diocesan, or special collections taken during Masses.

The purposes of the collection Breakdown Sheet are:

1. To segregate loose from envelope collections

This segregation makes possible the comparison of envelope receipts with the total amount posted to the individual parishioner's records. It also establishes a check as to the accuracy of such records and the correctness of amounts deposited.

2. To segregate monies received into their proper income classification
3. To aid and serve as a source document in recording receipts in the cash receipts journal/book
4. To aid in the accounting (cash account) of receipts and in the preparation of the deposit slip
5. To aid the parish for whatever purpose the form may serve

DIOCESE OF JOLIET FINANCIAL POLICIES

COLLECTION BREAKDOWN SHEET — SAMPLE — VARIATIONS OF THIS FORM ARE ALLOWED	POLICY	PAGE
	D - 2.2	1 of 2

DATE _____

ACCT #	ACCOUNT TITLE	LOOSE	LOOSE	ENVELOPES	TOTAL
		CASH	CHECKS		
4131	Sunday Offertory	610.75	220.00	1,510.00	2,340.75
4946	Baptism	60.00			60.00
2511	Retired Religious	210.50	60.00	410.00	680.50
	TOTALS	<u>881.25</u>	<u>280.00</u>	<u>1,920.00</u>	<u>3,081.25</u>

CASH:

CURRENCY	Quantity	Total	COINS	Quantity	Total
\$100 x	_____ =	0.00	1.00 x	_____ =	0.00
\$50 x	2 =	100.00	0.50 x	6 =	3.00
\$20 x	15 =	300.00	0.25 x	_____ =	0.00
\$10 x	25 =	250.00	0.10 x	_____ =	0.00
\$5 x	30 =	150.00	0.05 x	5 =	0.25
\$1 x	123 =	123.00	0.01 x	_____ =	0.00
	TOTAL	<u>923.00</u>		TOTAL	<u>3.25</u>

Total Checks 2,155.00

TOTAL DEPOSIT - CURRENCY + COINS + CHECKS = \$ 3,081.25

Signatures of Counting Team
Members _____

RECEIPT BREAKDOWN SHEET

DATE _____

ACCT #	ACCOUNT TITLE	LOOSE CASH	LOOSE CHECKS	ENVELOPES	TOTAL
TOTALS					

CASH:				COINS			
CURRENCY		Quantity	Total			Quantity	Total
\$100	x	_____	= _____	1.00	x	_____	= _____
\$50	x	_____	= _____	0.50	x	_____	= _____
\$20	x	_____	= _____	0.25	x	_____	= _____
\$10	x	_____	= _____	0.10	x	_____	= _____
\$5	x	_____	= _____	0.05	x	_____	= _____
\$1	x	_____	= _____	0.01	x	_____	= _____
TOTAL			=====	TOTAL			=====

Total
Checks _____

TOTAL DEPOSIT - CURRENCY + COINS + CHECKS = \$ _____

Signatures of Counting Team
Members _____

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPTS - COUNTING AND RECORDING PROCEDURES	POLICY D – 2.3	PAGE 1 OF 3
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STATEMENT OF POLICY

The breakdown sheet should be completed by the counting team. The sheet should be used by the bookkeeper when recording receipts in the Cash Receipts Journal or when posting to revenue accounts. It should also be used when posting contributions to the individual donor records. It establishes a check as to the accuracy of such records and the correctness of amounts deposited.

Suggested Money Counting Procedure for Counting Teams:

1. Assemble all necessary supplies in the counting area. The counting area should be free of distractions and limited to only those involved in the counting process. If a priest or staff member is present, they should oversee the counting process; they should not be involved in the actual counting of the collections.
2. Complete the tamper evident bag tracking form. Note any irregularities of the bag on the tracking form and report to the business manager or pastor.

Please note: For larger parishes or large weekly donations, it is recommended the counting team break the process down by Mass time in order to accurately complete the counting process. All special collections should be set aside and counted last. To further facilitate the process, the counting team should prepare a breakdown sheet for each Mass and the special collections in these instances.

3. Open the tamper evident bag(s) and separate collections based on category: Sunday offertory, special parish collection, Diocesan collection, etc. For each collection, the following procedure should be followed:
 - a) Loose cash, loose checks, and envelopes are separated into stacks. The envelopes are then opened and segregated between cash and check envelopes.
 - b) Check envelopes are separated into batches of 25-50 envelopes. The amount of the check is written on the front side of the envelope. If already listed, the amount should be double checked for accuracy. An adding machine tape should be run on both the checks and envelopes to ensure the accuracy of the envelope batch. The two amounts must balance. The two adding machine tapes are rubber-banded to the stack of checks and envelopes with the balance total circled.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPTS - COUNTING AND RECORDING PROCEDURES	POLICY D – 2.3	PAGE 2 OF 3
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- c) The same procedures as stated in (2) above should be followed for the cash envelopes.
 - d) On the breakdown sheet, a description of the collection (i.e., Sunday) is written in the column marked "ACCOUNT TITLE". The check and cash envelope batch amounts are totaled and written in the appropriate column.
 - e) A copy of all loose checks is made or a list of names, addresses and amount received is prepared. An adding machine tape is run on the copies or the list and on the stack of checks. These two amounts must balance. The two adding machine tapes are rubber-banded to the stack of checks and list of names (or copies of checks) with the balance total circled. The total amount is written in the appropriate column on the breakdown sheet labeled "LOOSE CHECKS".
 - f) Loose cash is counted and verified by two people. The total amount is written in the appropriate column on the breakdown sheet labeled "LOOSE CASH".
4. Repeat this procedure for all special collections.
 5. When all monies have been counted, the currency and coin should be categorized by denomination and that specific section of the breakdown sheet should be prepared. The total of all checks should be listed on the line marked "CHECKS".
 6. The amounts are added for a final total at the bottom of the sheet marked "CURRENCY + COIN + CHECKS = TOTAL DEPOSIT." This total should match the total of all collections in the top section of the breakdown sheet. If these two numbers do not match, double checks figures and/or recount coins, cash and checks until balanced.
 7. The backs of all checks are endorsed to the credit of the parish. Endorsement should be made by rubber stamp bearing the words "For Deposit Only" with the parish's name and bank account number.
 8. A bank deposit slip is prepared using the breakdown sheet. A copy of the deposit slip should be attached to the breakdown sheet. If multiple breakdown sheets are used, a separate deposit slip should be prepared for each sheet.
 9. The breakdown sheet is dated and signed by all counters and forwarded to the bookkeeper.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH RECEIPTS - COUNTING AND RECORDING PROCEDURES	POLICY D – 2.3	PAGE 3 OF 3
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Suggestions for Bookkeeper:

1. Post the receipts to the revenue accounts according to the breakdown sheet.
2. When the validated deposit slip is received from the bank, it should be attached to the breakdown sheet.
3. Consistent or large overages and shortages between the breakdown sheets and the bank deposit receipts should be reviewed to determine if additional counting team members should be recruited or if duties should be changed.
4. The breakdown sheet with the bank deposit slips attached should be filed by date and retained for seven years.

Suggested Procedure for Posting Amounts to Parishioner Records:

1. Use the empty envelopes, the list or copies of loose checks, and the breakdown sheet when recording the parishioners' contributions to their individual record.
2. Post the contribution amounts to the individual parishioner records using the empty envelopes. When all are posted, the total entered should match the total of the adding machine tape and the amount listed on the breakdown sheet in the "ENVELOPE" column.
3. Post the contribution amounts using the list or copies of loose checks. The non-parishioner checks can be posted in total or individually. When all are posted, the total entered should match the total of the adding machine tape and the amount listed on the breakdown sheet in the "LOOSE CHECKS" column.
4. Post the amount entered on the breakdown sheet in the "LOOSE CASH" column to the individual record that has been set up in the name "LOOSE CASH".
5. Verify that the total entered for the given date equals the total amount listed on the breakdown sheet.

DIOCESE OF JOLIET FINANCIAL POLICIES

INTRODUCTION TO GIFT ACCEPTANCE POLICY	POLICY D – 3	PAGE 1 OF 1
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STATEMENT OF POLICY

The Diocese of Joliet has established a Gift Acceptance Policy which provides a clear set of guidelines and polices for the solicitation and acceptance of all types of gifts by the diocese and each of its affiliated agencies. In addition, the policy establishes a Gift Acceptance Committee that will have direct oversight and authority over certain types of gifts. The policy can be found under Policy D-3.1.

The policy reaffirms the right of each agency, including parishes, to accept unrestricted gifts such as cash, marketable securities and tangible personal property without prior review by the committee. Such gifts received by the diocese or parish continue to be outside of the scope of the committee. These types of gifts are referenced in Policy D-3.1, Section V., Letter A., as Routine Gifts.

Complex Gifts, which are defined as gifts of real estate, encumbered assets or closely held business interests or gifts made through charitable remainder or charitable lead trusts must be referred to the Gift Acceptance Committee for approval prior to acceptance. The committee's role is to ensure that all complex gifts accepted are in the best interest of the diocese and to ensure proper handling of all legal and tax matters. The committee will also ensure that complex gifts are consistent with the mission of the diocese. All gifts are subject to certain rules established by the committee, which are attached as Exhibit C to Policy D-3.1. The Bishop retains the authority to remove and replace any individual on the committee at any time and has final authority over any decision of the committee.

Any real property approved by the committee must be received and registered in the name of the Diocese of Joliet. It should be recorded as a non-cash donation at the time of receipt using the fair market value of said property.

In addition to the foregoing, various other rules and guidelines applicable to all gifts are set out in Article IV of the policy.

DIOCESE OF JOLIET FINANCIAL POLICIES

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I. Introduction

THE ROMAN CATHOLIC DIOCESE OF JOLIET was established by a Trust Agreement entered into on the 31st day of December, 1949, between the Catholic Bishop of Chicago, a corporation sole, created and existing under and by virtue of a Special Act of the Legislature of the State of Illinois, as Settlor, and Martin D. McNamara, Bishop of the Roman Catholic Diocese of Joliet, in the State of Illinois, as Trustee (the “Diocese”), for the benefit of its parishes and institutions and for the religious, educational and charitable purposes of the Diocese of Joliet.

The Bishop of the Diocese of Joliet is the Trustee of the Trust. All bishops who succeeded the original trustee, Bishop Martin D. McNamara, are deemed to be Successor Trustees. The current Trustee is BISHOP RONALD A. HICKS.

This Gift Acceptance Policy (the “Policy”) will guide the employees, agents and volunteers of the Diocese and its related institutions primarily in the negotiation and establishment of Complex Gifts (as defined below). This Policy is adopted to protect the interests of prospective donors, to guard against the possibility that a Complex Gift will have a negative effect on the core mission of the Diocese and its related institutions, and to maximize the revenues from Complex Gifts.

It is the policy of the Diocese to encourage the solicitation and acceptance of all forms of gifts to the parishes, schools and institutions of the Diocese that are consistent with the Policy stated in this document, with the mission of Diocese, and with the values and beliefs of the Roman Catholic Church.

The Diocese will not accept gifts which are too restrictive in nature. Gifts that are too restrictive are those that are too difficult to administer, or gifts that are for purposes outside the mission of the Diocese of Joliet. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Trustee based upon the recommendations of the Gift Acceptance Committee.

Each gift covered by this Policy is classified in the following two ways: (1) each gift is classified as either a Routine Gift or a Complex Gift, and (2) each gift is classified as either a Restricted Gift, an Unrestricted Gift or a Solicited Gift. Each of these gift classifications is defined in Article VI below.

II. Scope and Applicability

- A. This Policy distinguishes between Routine Gifts and Complex Gifts. Routine Gifts may be solicited, accepted or rejected at any time without regard to the determinations of the Gift Acceptance Committee. Certain Complex Gifts are subject to the prior review and approval of the Gift Acceptance Committee or prior review by the Chief Financial Officer, as provided below in Section V.

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- B. This Policy shall be the definitive policy governing the solicitation and acceptance of all gifts made to the Diocese or to any separate entity that is a part of the Diocese or that is controlled by the Diocese or by the Trustee, whether controlled pursuant to Illinois law or Canon law, (each, a “Related Institution”).
- C. This Policy, and any and all amendments thereto, shall be approved by the Trustee and adopted by each Related Institution.
- D. The Trustee reserves the right to depart from this Policy in specific cases where the Trustee believes such departure is in the best interests of the Diocese.
- E. This Policy applies to any and all gifts accepted by the Diocese or by any Related Institution after the date of the Policy’s approval by the Trustee.

III. Gift Acceptance Committee

- A. The Trustee shall establish a Gift Acceptance Committee to have such duties as are set forth in this Policy, which Committee shall have the power to (1) authorize the acceptance of a gift (or not) including those at variance with this Policy, and (2) prohibit the acceptance of any gift for any reason, in all cases subject to the approval of the Trustee.
- B. The Gift Acceptance Committee shall, initially, consist of the following six (6) individuals:
 - Chief Financial Officer of Diocese
 - Chief Development Officer of Diocese
 - One representative from Catholic Education Foundation
 - One representative from Catholic Charities
 - One member from Diocesan Finance Council
 - One pastor from a parish with a school

The Gift Acceptance Committee will at all times act with the best interest in mind of the Diocese of Joliet as opposed to the special interest of any one institution or agency within the diocese.

- C. Subject only to the actions of the Trustee, the decision of a majority of the members of the Gift Acceptance Committee shall govern and control as to each decision the Gift Acceptance Committee is authorized to make.
- D. Notwithstanding any other provision herein to the contrary, the Trustee shall have full power and authority to make any decision or take any action on behalf of the Gift Acceptance Committee, or to alter, amend or reject any decision the Gift Acceptance Committee is otherwise authorized to make.

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- E. The Trustee may from time to time increase or decrease the number of individuals acting on the Gift Acceptance Committee. In addition, the Trustee may at any time and for any reason remove or replace any member of the Gift Acceptance Committee.

- F. The Gift Acceptance Committee shall be authorized to make rules with respect to the review and acceptance of all Complex Gifts made to the Diocese and Related Institutions, and to create such additional policies and procedures for the acceptance of gifts as the Gift Acceptance Committee determines shall be in the best interests of the Diocese and Related Institutions. Any such policies or procedures issued by the Gift Acceptance Committee shall be dated and attached as Exhibit C hereto. In addition, the Gift Acceptance Committee shall make recommendations to the Trustee and Related Institutions on gift acceptance issues where appropriate.

- G. The Gift Acceptance Committee shall have the full power and authority necessary to prohibit, reject or require the Diocese or any Related Institution to refuse to accept any Complex Gift for any reason that it deems sufficient.

- H. The Gift Acceptance Committee shall be responsible for keeping the Trustee reasonably informed about the Committee's actions.

- I. No employee or agent of the Diocese or a Related Institution may accept a gift at variance with this Policy without the express authorization of the Gift Acceptance Committee.

- J. No employee or agent of the Diocese or a Related Institution may accept a gift that is expressly prohibited by the Gift Acceptance Committee.

- K. The Trustee reserves the right to overturn any decision made by the Gift Acceptance Committee.

IV. General Policies and Guidelines Applicable to Gifts

- A. The Diocese and each Related Institution will comply with the Model Standards of Practice promulgated by the Partnership for Philanthropic Planning, attached as Exhibit A hereto, and the AFP Code of Ethical Principles and Standards, attached as Exhibit B hereto.

- B. Any agreement to make a gift or contribution to the Diocese or a Related Institution that obligates the Diocese or any Related Institution (other than to act in accordance with its mission and purposes) shall be subject to the prior written approval of the Gift Acceptance Committee.

- C. The Diocese and all Related Institutions are committed to balancing the interests and concerns of donors and prospective donors with the interests of the Diocese and the Related Institutions.

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- D. Each of the Diocese and Related Institutions acknowledge the right of donors to restrict the use of gifts for appropriate purposes and, if accepted in accordance with this Policy, agree to at all times use Restricted Gifts for their designated purposes. Notwithstanding the foregoing, however, any restriction imposed on a Restricted Gift must be documented in writing by the donor to be binding on the Diocese or Related Institution.
- E. The Diocese and each Related Institution agree to at all times use Solicited Gifts for their restricted or designated purposes. There is no requirement hereunder that such restrictions be in writing, provided that they are clearly expressed.
- F. Pledged gifts that are to be fulfilled over a period of time must always be documented in writing.
- G. The Diocese and each Related Institution reserves the right to refuse any gift for any reason, including but not limited to such gift's inconsistency with the mission of the Diocese, its lack of marketability or illiquidity, the costs or liabilities associated therewith, or the likelihood that its acceptance would jeopardize the tax exempt status of the Diocese or Related Institution.
- H. All prospective donors of Complex Gifts shall be strongly urged to seek the assistance of independent legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Under no circumstances shall the attorneys, officers or staff of the Diocese or any Related Institution serve as legal counsel to a donor in contemplation of a gift to the Diocese or to any Related Institution and when discussing Complex Gift options, each employee or agent of the Diocese or Related Institution shall disclose to the donor that he or she is not rendering legal or financial advice. All written materials conveyed to donors in connection with such discussions shall include such disclosure in writing.
- I. The donor shall be solely and personally responsible for securing and paying for any appraisal of gifted property, whether secured pursuant to the terms of this Policy or for any other reason, unless otherwise determined by the Gift Acceptance Committee.
- J. This Policy is not intended in any way to alter the duties or responsibilities of the Trustee regarding the investment decisions of the Diocese.
- K. This Policy is not intended in any way to alter the governance of any Related Institution or the duties or responsibilities of any party responsible for making investment decisions therefor.
- L. Legal counsel should be consulted by the Diocese and Related Institutions as they or the Gift Acceptance Committee deem appropriate.

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- M. No employee or agent of the Diocese or of any Related Institution may receive any private benefit arising out of any gift, whether complex or routine.
 - N. Requests for anonymity shall be honored to the extent permitted by law or applicable government regulations, and no gift for which anonymity was requested shall be announced or made public in any way without the consent of the donor. All such requests shall be documented in the files of the Diocese or Related Institutions.
 - O. All information obtained by the Diocese or by a Related Institution from individual prospects or donors shall be held confidential to the greatest extent possible, provided however that such information may be shared with the Diocese and all Related Institutions as necessary and appropriate. The Gift Acceptance Committee shall be provided with all information necessary for each member to perform his or her duty in evaluating potential Complex Gifts.
 - P. Written notification shall be provided to donors or their representatives at any time that a Complex Gift is accepted or declined. Donors shall also be provided with required documentation and substantiation to facilitate their tax planning and compliance.
 - Q. Neither the Gift Acceptance Committee nor the Diocese shall be liable to any Related Institution for any act or failure to act hereunder in the absence of bad faith.
 - R. Although the Gift Acceptance Committee may authorize the acceptance of Complex Gifts, the final decision with respect to the acceptance of any gift so authorized shall be the sole burden and responsibility of the donee (whether the Diocese or a Related Institution), and each such donee shall be separately and independently responsible for examining, evaluating, and accepting any such gift.
 - S. Notwithstanding any prior provision herein to the contrary, however, in no event shall any Complex Gift that is expressly prohibited by the Gift Acceptance Committee be accepted by the Diocese or a Related Institution.
- V. Rules for Accepting Gifts**
- A. **Routine Gifts.** Routine Gifts may be accepted by the Diocese or a Related Institution in its own discretion without the prior review or approval of the Gift Acceptance Committee. For example, Unrestricted Gifts of publicly traded securities, including mutual fund shares, may be accepted by the Diocese or a Related Institution in its own discretion without the prior review or approval of the Gift Acceptance Committee. Notwithstanding the foregoing, however, unless otherwise determined by the Gift Acceptance Committee, all publicly-traded securities shall be sold upon receipt.
 - B. **Restricted Gifts.** Subject to the terms of this Policy, the Diocese or a Related Institution may accept Restricted Gifts in its own discretion, provided, however, that any such gift that falls into one of the categories described below shall be referred to the Chief Financial Officer of the Diocese (or such other person as the Trustee shall from time to time designate) (the “CFO”) for review prior to acceptance. Upon any such referral, the

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CFO shall review the offered gift and promptly determine that either (1) the gift is suitable for acceptance, or (2) the gift is not suitable for acceptance without the explicit prior approval of the Gift Acceptance Committee. Gifts in the following categories must be referred to the CFO prior to acceptance:

1. Restricted Gifts that are valued at greater than or equal to \$100,000.
2. Restricted Gifts that are (i) inconsistent with the teachings or mission of the Catholic Church, or (ii) inconsistent with a publicly stated mission, purpose or goal of the Diocese or Related Institution.

C. Gift Acceptance Committee Review of Certain Types of Complex Gifts.

Notwithstanding any other provision of this Policy to the contrary, the following types of Complex Gifts shall be considered on a case-by-case basis and may be accepted by the Diocese or a Related Institution only upon the prior review and approval of the Gift Acceptance Committee and subject to any terms and conditions specifically set forth in this Policy:

1. Stock in closely held corporations, limited partnership interests, or limited liability company interests
2. Real estate interests
3. Encumbered assets
4. Non-paid-up life insurance
5. Charitable remainder trusts
6. Charitable lead trusts
7. Charitable gift annuities

D. Complex Gifts Not Reviewable by Gift Acceptance Committee. All Complex Gifts not listed in paragraph C above may be accepted by the Diocese or a Related Institution in its own discretion, provided that all such Complex Gifts are subject to such additional policies and procedures as shall from time to time be issued by the Gift Acceptance Committee (which shall be attached as Exhibit C hereto). The following is a noninclusive list of types of complex gifts not subject to prior review by the Gift Acceptance Committee:

1. Newly established endowments under \$100,000
2. Retirement accounts/pension plans

VI. Definitions

A. Routine Gifts. The term “Routine Gifts” shall mean and include all gifts other than Complex Gifts, including without limitation Unrestricted Gifts (including Solicited Gifts) of cash or marketable securities and items of tangible personal property that do not create

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obligations or liabilities on the part of the Diocese or Related Institutions (defined below).

- B. **Complex Gifts.** The term “Complex Gifts” shall include Restricted Gifts and any gift that involves a written agreement, gifts that obligate the Diocese in some way or impose current or potential future liability on the Diocese in some way, and gifts that have a deferred realization of value, including without limitation interests in closely held businesses, interests in real property and certain planned gifts.
- C. **Restricted Gifts.** The term “Restricted Gifts” shall mean and include those gifts that are restricted in their use or application as a result of terms or conditions created by the donor, other than gifts restricted for the general use of the Diocese or a Related Institution. A Restricted Gift is always a Complex Gift.
- D. **Unrestricted Gifts.** The term “Unrestricted Gifts” shall mean and include all gifts other than Restricted Gifts (including, without limitation, Solicited Gifts). All gifts not specifically restricted are deemed Unrestricted Gifts. An Unrestricted Gift may be either a Complex Gift or Routine Gift. An Unrestricted Gift consisting of cash or marketable securities is a Routine Gift.
- E. **Solicited Gifts.** The term “Solicited Gifts” shall mean and include all gifts that are restricted in their use or application only as a result of terms or conditions imposed by the Diocese or a Related Institution. Gifts in response to annual appeals, second collections or publically discussed fundraising or development activities (and which do not include additional restrictions imposed by the donee) would be Solicited Gifts. A Solicited Gift is a type of Unrestricted Gift. A Solicited Gift consisting of cash or marketable securities is a Routine Gift.

Examples:

- 1) A cash gift to the Diocese (or a Related Institution) that is to be used for its general purposes would be a Routine Gift.
- 2) A bequest to the Diocese (or a Related Institution) of cash made via a decedent’s will would be a Routine Gift.
- 3) A cash gift to the Diocese that is restricted, by the Donor, for use to assist with seminarian education would be a Restricted Gift, and therefore would also be a Complex Gift.
- 4) A cash gift to the Diocese that is restricted, by the terms of the diocese (or a Related Institution), for use to assist with seminarian education would be a Solicited Gift, and therefor would also be a Routine Gift.
- 5) A gift of real property to the Diocese (or a Related Institution) that is to be used for its general purposes would be a Complex Gift, even though it is also an Unrestricted Gift.

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EXHIBIT A

Partnership for Philanthropic Planning Model Standards of Practice

PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as “Gift Planners”), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor’s choice.

VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor’s objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity’s input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor’s family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

**Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991.
Revised April 2022 (Bishop Trustee update).**

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EXHIBIT B

AFP Code of Ethical Principles and Standards



ETHICAL PRINCIPLES • Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

MEMBER OBLIGATIONS

1. Members shall not engage in activities that harm the members' organizations, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

SOLICITATION AND USE OF PHILANTHROPIC FUNDS

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

PRESENTATION OF INFORMATION

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

COMPENSATION AND CONTRACTS

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

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EXHIBIT C

POLICIES AND PROCEDURES

Effective as the of the date hereof, the following policies and procedures are hereby established by the Gift Acceptance Committee:

1) Additional Policies and Procedures.

Restricted Gifts

- The Diocese and Related Institutions acknowledge the right of donors to restrict the use of gifts for appropriate purposes and, if accepted in accordance with this Policy, agree to at all times use Restricted Gifts for their designated purpose.

Gifts by or through Trusts

- Neither the Diocese nor any Related Institution may act as sole trustee for any trust but may serve as co-trustee, to the extent permitted by law, if the donor selects an institutional trustee for primary custody and management of the assets placed in the trust, and the Diocese or such Related Institution is the sole irrevocable beneficiary.
- All fees for establishing a trust will be paid for by the donor. Ongoing fees will be paid by the donor or the trust itself, as appropriate.
- Any decision to serve as a co-trustee must be approved by the Gift Acceptance Committee.

Charitable Gift Annuities

- Charitable Gift Annuities may only be accepted if the payout rates for a “Single Life Annuity” or “Two Life Annuity” agreement does not exceed those suggested by the American Council on Gift Annuities as updated on their website – www.Acga-web.org.

Gifts of Life Insurance

- All insurance policies shall be reviewed by the donee upon receipt and annually thereafter.
- Gifts of paid-up life insurance may be readily accepted.
- The Diocese or Related Institution should be named as both the owner and beneficiary on any life insurance gifted thereto.

Gifts of Non-Paid-up Life Insurance

- With respect to gifts of non-paid-up life insurance, donors will be encouraged to pay an annual contribution in the amount of the premium for the policies

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not fully paid up, but the Diocese or a Related Institution may accept financial responsibility for the cost of the premium upon approval of the Gift Acceptance Committee. However, if the donor agrees to pay these premiums and is later unable or unwilling to make annual contributions equal to the premium payments, the Gift Acceptance Committee will determine on a case-by-case basis if the policy should be surrendered.

- 2) **Additional Considerations for Certain Complex Gifts.** When making decisions regarding the acceptance of certain types of gifts, the Gift Acceptance Committee shall consider the following factors:

Closely Held Corporations

- Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in Limited Liability Partnerships (LLPs) and Limited Liability Companies (LLCs) or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee. However, gifts must be reviewed prior to acceptance to determine that:
 - there are no restrictions on the security that would prevent the Diocese from ultimately converting those assets to cash, and;
 - the security will not generate any undesirable tax consequences for the Diocese.
- If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee and legal counsel where necessary. Every effort will be made to sell non-publicly-traded securities as quickly as possible.

Real Property Interests

- Any gifts of real property shall require the approval of the Gift Acceptance Committee.
- Among other factors, the Gift Acceptance Committee shall consider the following factors:
 - Whether the property is developed or undeveloped.
 - The existence of prior or other interests in the property.
 - The existence of restrictions, reservations, easements or other limitations.
 - The potential for liabilities or risks, such as possible environmental liabilities.
 - The property's marketability.
- Prior to acceptance of real estate, an initial on-site inspection of the property is required by the Diocese's Director of Building and Properties.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT MASS INTENTIONS AND OTHER PRIESTLY MINISTRATIONS	POLICY D – 4	PAGE 1 OF 1
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STATEMENT OF POLICY

Under Policy D, the provisions for Mass intentions and other priestly ministrations shall be as follows:

1. The parish shall maintain a permanent and detailed record of all Mass offerings and the fulfillment of these offerings. All Mass offerings are considered parish funds and should be deposited in the parish central bank account and recorded in their own revenue account as unrestricted. The exception to this would be those Mass offerings identified in number 2 below.
2. As stated in Bishop Conlon's January 2017 Decree, the following applies:
 - a. Twice within each week, each parish or mission is permitted to combine the intentions of more than one person at a particular Mass. All persons whose intentions are combined must agree to the combining in advance.
 - b. The parish or mission may place in its "Mass Offering" account only ten dollars (\$10.00) for each of these Masses. Any additional offerings must be either 1) deposited in the parish cemetery account, if the parish has a cemetery whose long term care is underfunded, or 2) transmitted to the diocesan Finance Office for the maintenance of diocesan cemeteries. (Refer to Policy D-4.1 for the full Decree)
3. Offerings received for priestly ministrations such as baptisms, funerals and marriages are considered parish funds and must be deposited in the parish central bank account and recorded in their own revenue account as unrestricted.



DECREE

CONCERNING COLLECTIVE MASS INTENTIONS

For the good of the faithful and for the proper administration of Mass offerings within the Diocese of Joliet, and after lengthy consultation with the Presbyteral Council, I hereby decree the following:

1. Twice within each week, each parish or mission is permitted to combine the intentions of more than one person at a particular Mass. All persons whose intentions are combined must agree to the combining in advance.
2. The parish or mission may place in its "Mass Offering" account only ten dollars (\$10.00) for each of these Masses. Any additional offerings must be either a) deposited in the parish cemetery account, if the parish has a cemetery whose long term care is underfunded, or b) transmitted to the diocesan Finance Office for the maintenance of diocesan cemeteries.

This Decree regarding collective Mass intentions is granted in accord with the Decree of the Congregation of the Clergy promulgated on March 22, 1991. The ten dollar (\$10.00) limit is in accord with Canon 951, which allows a priest to keep only one Mass offering per day.

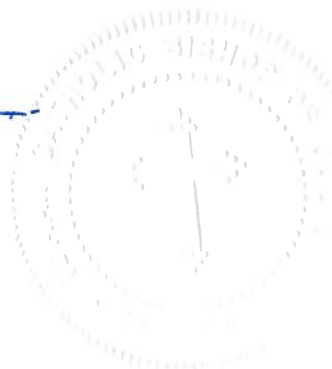
Pastors and those who assist them with the temporal administration of parishes are reminded that "offerings given by the faithful for a certain purpose can be applied only for that same purpose". (Canon 1267§3) Also, parishes may not accept intentions which cannot be satisfied within a year. (Canon 953)

This Decree will take effect on March 5, 2017, the First Sunday of Lent. Commitments for collective Mass intentions that have already been made beyond that date may be satisfied; however, the disposition of offerings in all cases is to be carried out in accord with this Decree no later than March 5, 2017.

Given at Joliet, Illinois on the eleventh day of January, 2017.

+ 

Most Reverend R. Daniel Conlon
Bishop of Joliet-in-Illinois





Sister Judith A. Davies, OSF
Chancellor

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT FUNDRAISING INCOME	POLICY D – 5	PAGE 1 OF 3
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STATEMENT OF POLICY

Under Policy D, the provisions for fundraising income shall be as follows:

1. All fundraising activities, whatever purpose and notwithstanding whether these are administered/operated by professional groups, parish units/organizations or students, shall be conducted under the auspices of the parish.
2. All transactions for fundraising activities shall pass through the parish central bank account. The only exception to this requirement are Bingo transactions (See Bingo Bank Account: Policy F-3.1)
3. All fundraising income shall be treated and recorded as church income, notwithstanding the purpose for which it was raised. The proceeds from these activities shall be used for the purpose for which the activity was undertaken except where limitations are specified, i.e. school support (see church subsidy to parochial schools). The only exceptions to this requirement are as follows:
 - a) Fundraising activities, conducted among and limited to the general membership of a parish organization (not the general membership of the parish) with funds generated from member contributions or from the proceeds of small games and raffles among the members, shall not be considered as a parish fundraising activity, therefore they are not recorded as church income.
 - b) Minor intra-school fundraising activities that are sponsored, or managed by students themselves, shall not be considered as church income. Any profit from these activities shall be treated as fundraising income.
4. An accounting of each parish fundraising activity shall be made to the Parish Council by the Finance Council at the completion of such activity.
5. Applicable licenses, insurance and tax withholding requirements shall be complied with at all times in all parish fundraising activities.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT	POLICY	PAGE
FUNDRAISING INCOME	D – 5	2 OF 3

6. Amusement contractors during festivals shall be required to have casualty and liability insurance. Where food and liquor are sold during festivals, the appropriate licenses must also be secured and sales taxes paid as required.
7. Prizes awarded via raffles represent taxable income to the winners, thus parishes must meet certain requirements set forth by the IRS and IL Dept. of Revenue as follows:
(Further explanation of gambling instructions can be found in the Gaming Publication for Tax-Exempt Organizations 3079. See <http://www.irs.gov/pub/irs-pdf/p3079.pdf>)

FEDERAL

- a) The parish is obligated by law to withhold federal income tax of 25% (2012 percent) for prizes paid out on raffles, festivals, etc., if the winnings, less the amount wagered, exceed \$5,000 or have a fair market value of \$5,000 or more.
- b) If the prize is a car or other non-currency item, the 25% withholding shall be calculated based on the fair market value of such item. Thus, the winner shall be required to put up 25% of the value of the item prior to receiving the prize. Verify the current percentage of withholding via the IRS link in section “d” below.
- c) The person who is to receive payment of winnings subject to withholding is required to furnish the parish with his/her name, address and taxpayer identification number (social security number).
- d) If there are multiple winners on one ticket, the total prize amount, not each individual’s share of the prize, is used to determine the reporting requirements. The total prize is to be paid to one of the winners. It is that winner’s responsibility to distribute the prize winnings to the other winners. However, it is the parish’s responsibility to issue a Form W2-G to each winner. Federal Form 5754 must be completed and retained by the parish. Refer to the instructions for Form 5754 (<http://www.irs.gov/pub/irs-pdf/iw2g.pdf>) for more information.
- e) Federal reporting required:
 - Remit federal withholding

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT	POLICY	PAGE
FUNDRAISING INCOME	D – 5	3 OF 3

- Federal Form 945 (remit Federal withholding with form by January 31 following the year of payment if less than \$2,500 in withholding)
- W-2G (by January 31 following the year of payment) for the following situations:
 - the amount won is at least \$600 but not more than \$5,000; and is at least 300 times the amount of the wager; **OR**
 - the amount won exceeds \$5,000 (less the amount of the wager).
- Refer to the IRS website <http://www.irs.gov/pub/irs-pdf/iw2g.pdf> for further filing requirements.

STATE

- a) Form IL-5754 should be completed and retained by the parish for winnings over \$1,000. See <http://www.revenue.state.il.us/taxforms/Withholding/IL-5754.PDF>
- b) The parish should withhold Illinois tax at a rate of 5% for Illinois residents. Reporting, withholding, and filing requirements can be found at the following link: <http://tax.illinois.gov/Publications/Pubs/Pub-130.pdf> (pages 7 & 8)

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT RENTAL INCOME	POLICY D – 6	PAGE 1 OF 2
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STATEMENT OF POLICY

Under Policy D, the provisions for rental income shall be as follows:

1. Contracted Leases

- a. The decision to lease parish property shall be made jointly by the pastor with the finance council and the parish council upon due discussion with the Diocesan Director of Buildings and Properties.
- b. All leases of buildings, facilities and equipment that are not one-time rentals, shall be covered with an appropriate lease contract. A copy of the duly executed and signed lease contract shall be retained by the parish, one copy given to the tenant and one copy kept on file with the Diocesan Director of Buildings and Properties.
- c. The Bishop of Joliet shall sign all lease agreements since all diocesan property is in his name. The pastor or Parish Council Chairman cannot sign lease contracts.

2. Special Events

- a. The lease of parish properties for one-time special events such as parties, wedding receptions, etc. need not be covered by a lease contract. However, an application to use parish property shall be required from prospective lessees. The application shall be duly signed by the applicant/lessee and approved by the pastor.
- b. The applicable rental fee and a security deposit to cover possible damages shall be required in advance from the prospective lessee. The security deposit shall be returned to the lessee upon completion of the event but only after inspection of the rented property. If damage/breakage has occurred, the cost to repair and/or replace damaged property shall be taken from the security deposit or insurance proceeds.
- c. Parishes should discourage the rental of parish property to those who are not parishioners or parish operating units/organizations for activities which are not parish sponsored such as wedding receptions, private parties, etc. Refer to Policy D-6.1 (Facility Usage/Indemnity Agreement) for the criteria an organization must meet to be parish sponsored or affiliated.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH INCOME SUPPLEMENT	POLICY	PAGE
RENTAL INCOME	D – 6	2 OF 2

- d. Any rental or use of parish property for non-sponsored parish events must provide a certificate of insurance as approved by Catholic Mutual and a signed Facility Usage/Indemnity Agreement (See D-6.1). Alternatively, special event insurance can be purchased from Catholic Mutual (See D-6.2). It is the parish's responsibility to ensure that the insurance requirements are met. Any questions should be directed to Catholic Mutual.

Catholic Mutual. . . “CARES”

FACILITY USAGE/INDEMNITY AGREEMENT

The Facility Usage/Indemnity Agreement must be used when non parish sponsored or affiliated groups use parish facilities on a short-term basis such as one day or a week. The following groups are examples of non parish sponsored or affiliated groups that should sign the Facility Usage/Indemnity Agreement:

1. Girl Scouts, Knights of Columbus, American Legion or other similar organizations that use parish facilities for meetings or fundraisers.
2. AAU sport teams or non-parish sponsored sport classes/clinics.
3. Parishioner and non-parishioner families that rent or use parish facilities for wedding receptions, family reunions, anniversary parties or other similar activities. (In lieu of signing the Facility Usage/Indemnity Agreement, a parishioner or non-parishioner family would be eligible to purchase “special event” liability coverage through your parish via Catholic Mutual.) Please note that funeral luncheons are parish sponsored events.
4. Any other organization, municipality or county organization that uses parish facilities for a meeting or function that is non-parish sponsored.

The Facility Usage/Indemnity Agreement requires the facility user to provide the parish with a certificate of insurance documenting general liability coverage in the amount of \$1,000,000 per occurrence. This certificate of insurance must name your parish and the Arch/Diocese as an additional insured. It is not adequate to obtain a certificate of insurance, which names the parish as a “certificate holder.”

It is often asked what criteria an organization must meet to be parish sponsored or affiliated. In the event of an insurance claim involving a potential non-parish sponsored activity, the following questions would be asked to further determine if a group was parish sponsored and eligible for insurance coverage:

1. Did the parish have full control over the group or function?
2. Did any costs or fees associated with the function flow through parish accounts?
3. Was the function or group open to all parish members?
4. Was the purpose of the function or group to facilitate learning, raise revenue for the parish or provide a social service on behalf of the parish?
5. Was the teacher or leader of the group a parish volunteer or employee?

In general, a group, which does not meet the definition of an affiliated organization or is unable to answer the above five questions in the affirmative would not be parish sponsored. Accordingly, that group must sign the Facility Usage/Indemnity Agreement and supply the parish with the necessary insurance documentation.

FACILITY USAGE/INDEMNITY AGREEMENT

PARISH: _____

PARISH is understood to include the Arch/Diocese of _____

FACILITY USER: _____

DATES OF FACILITY USAGE: _____

TYPE OF FACILITY USAGE: _____

The above named FACILITY USER agrees to defend, protect, indemnify and hold harmless the above named PARISH against and from all claims arising from the negligence or fault of the above named FACILITY USER or any of its agents, family members, officers, volunteers, helpers, partners, organizational members or associates which arise out of the above identified FACILITY USAGE at the above named PARISH.

FACILITY USER agrees to provide a certificate of insurance to the PARISH, which provides evidence of general liability coverage of not less than one million dollars (\$1,000,000) per occurrence. FACILITY USER also agrees to have the PARISH named as an "Additional Insured" on its general liability policy for the DATE(S) OF FACILITY USAGE in relationship to the TYPE OF FACILITY USAGE for claims which arise out of FACILITY USER'S operations or are brought against the PARISH by FACILITY USERS' employees, agents, partners, family members, students, customers, function attendees, guests, invitees, organizational members or associates. FACILITY USER also agrees to ensure that its liability insurance policy will be primary in the event of a covered claim or cause of action against PARISH.

If FACILITY USER fails to comply with the above (second) paragraph, then the above named FACILITY USER agrees to protect, defend, hold harmless and fully indemnify the above named PARISH for any claim or cause of action whatsoever arising out of or related to the usage which takes place during the above identified DATE(S) OF FACILITY USAGE that is brought against the PARISH by the above named FACILITY USER or its employees, agents, partners, family members, students, customers, function attendees, guests, invitees, organizational members or associates, even if such claim arises from the alleged negligence of the PARISH, its employees or agents, or the negligence of any other individual or organization. This paragraph does not relieve FACILITY USER's responsibility to comply with the above (second) paragraph.

If any sentence or paragraph of this agreement is held invalid, it is agreed that the balance thereof, shall continue in full legal force and effect.

SIGNED BY: _____

(Must be an official agent of FACILITY USER)

NAME (Please print): _____

DATE: _____

DIOCESE OF JOLIET - 0183
APPLICATION FOR SPECIAL EVENTS COVERAGE

Coverage Limit: \$1,000,000 Combined Single Limit Bodily Injury and Host Liquor Liability, \$500,000 Property Damage Liability. Includes \$100,000 for Defense Costs for Sexual Misconduct, excluding overnight events (see below for purchase options). Coverage provided is per event (not per claim). Submission of application does not bind coverage - all events are subject to approval.

Coverage underwritten by Nationwide Mutual Insurance Company; Policy No. on file with C.M.G. Agency, Inc.

Cost of Coverage: \$95 Per Event (Overnight Stays - \$125)

TO AVOID DELAY OR DENIAL OF COVERAGE, PLEASE ENSURE THAT EVERY FIELD IS COMPLETED.

Name of Parish or Institution:

Street (Physical) Address (NO P.O. BOXES):

City/State: _____ ZIP Code: _____

Phone No.: _____

Lessee (Additional Insured) Information:

Name of Sponsoring Organization or Individual Requesting Coverage

(Please Print Lessee Name(s) or Organization)

Lessee (Additional Insured) Contact Person:

Name: _____

Street Address: _____

City/State: _____ ZIP Code: _____

Telephone: _____

To receive approval notification please print e-mail(s):

(Please Print E-mail(s) Clearly)

Date of Event: _____

Type of Special Event (Example: wedding reception, anniv. party, etc. If it's a FUNDRAISER, be specific about what is occurring):

Time of Event: From _____ To _____

Is this an overnight event? Yes _____ No _____

Approx. Number of Participants: _____

Is Food Being Served? Yes _____ No _____

Is Liquor Being Served? Yes _____ No _____

If liquor is to be sold (or cost included in ticket price) and/or a license or permit is required in order for you to serve or furnish alcohol, you must obtain LIQUOR LIABILITY coverage by separate application.

Does this event require the additional coverage? Yes _____ No _____

To Note: If liquor liability coverage is NOT purchased and an alcohol related claim results, the claim will be excluded if it is determined that a liquor liability policy should have been purchased.

COVERAGE DOES NOT APPLY TO CERTAIN EVENTS, SUCH AS, BUT NOT LIMITED TO:

- Any carnival event
Fireworks & fireworks displays
Events involving 'BYOB' (Bring your own bottle)
Events involving pool or lake activities
Events involving recreational vehicles
Events with attendance of more than 1,000 persons
Rap/Hip-Hop/Alternative music (non-religious bands)
Events organized or operated by professional promoters/performers
Organized sporting events, including tournaments & camps (some sporting activities are allowed and must be pre-approved).
Events where a fee or admission is charged, unless all proceeds go to charity
Political Rallies
Amusement rides, including mechanically operated devices, trampolines, & rebounding devices

DEFENSE COSTS FOR SEXUAL MISCONDUCT FOR OVERNIGHT EVENTS - \$100,000 LIMIT

Coverage does not automatically apply for overnight events, however, you have the option to purchase this coverage by separate application. Additional charge may apply.

Do you want to apply for this coverage? Yes _____ No _____

ADDITIONAL CHARGES WILL APPLY FOR:

- Events which exceed 3 days in duration (charge TBD)
Inflatable Amusement Device (A charge of \$100 per device applies. Must be pre-approved, picture required.)

MAKE CHECK PAYABLE TO: DIOCESE OF JOLIET

COMPLETE AND RETURN WITH FORM TO:

MR. Jim Wright, Claims/Risk Manager
CATHOLIC MUTUAL GROUP
16555 WEBER ROAD
CREST HILL, IL 60403 Email: jwright@catholicmutual.org FAX: 815-834-4079 Phone: 815-838-2142

IN THE EVENT OF A CLAIM, PLEASE CONTACT C.M.G. AGENCY CLAIMS DEPT: 800-228-6108

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH TUITION INCOME SUPPLEMENT	POLICY	PAGE
SCHOOL TUITION AND FEES	D - 7	1 OF 2

STATEMENT OF POLICY

Under Policy D, the provisions for school tuition shall be as follows:

1. The rate of tuition and school fees assessed for education and auxiliary services provided by the school shall be determined and established by taking into consideration the following:
 - a. A realistic cost to operate the school, including auxiliary services in relation to total enrollment.
 - b. The limitation on parish subsidy to a parochial school as established by the pastor and Finance Council.
 - c. Utilize the percentage guidelines as stated in the Diocese of Joliet Catholic Schools Handbook of Policies, Appendix 3 A (Financial Policy D-7.2), to assist in determining sources of revenues for their school.
 - d. Funds that are expected to be derived from other sources.
2. The realistic rate for tuition and other fees as determined shall be the amount charged and collected for the education and auxiliary services provided by the school. Organizations should not collect or impose mandatory school fees.
3. Tuition and school fees shall not be charged, collected and treated as part of offertory collections by reducing the rate for tuition and other school fees to offset the reduction by establishing a mandatory, minimum offertory contribution for parishioners with children attending the parochial school. (See D-7.1 USCCB School Tuition vs. Donation¹)
4. Tuition and school fees shall not be reduced by applying tuition credits through:
 - a. The reduction of the salaries of employees with children attending the school in proportion to tuition and fees that should be paid.

¹ Excerpted from [USCCB Diocesan Financial Issues - November 2006](#)

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH TUITION INCOME SUPPLEMENT	POLICY	PAGE
SCHOOL TUITION AND FEES	D-7	2 OF 2

- b. Other tuition credit plans including lunchroom and playground supervision and bingo workers, except manna/scrip discounts.
5. The school shall maintain a detailed list of students attending the school, together with payments received from them for tuition and other school fees.

XVIII. School Tuition vs. Donation

Payments made to a parish by parents of children enrolled in a Catholic school may qualify as deductible contributions if they are gifts, *i.e.*, if they are voluntary transfers of funds made with no expectation of obtaining commensurate benefit. Specifically, enrollment in the school must in no manner be contingent on making the payment; the payment must not be made pursuant to a plan (whether express or implied) to convert nondeductible tuition into charitable contributions; and the receipt of the benefit (schooling or reduced tuition payments) must not otherwise be dependent upon making the payment. Rev. Rul. 83-104, 1983-2 C.B. 46, cites the following factors as creating a presumption that a payment is NOT a charitable contribution:

1. The existence of a contract (express or implied) whereby a taxpayer (i.e., parents, etc.) agrees to make a —contribution and which insures school admission for the taxpayer's child;
2. A plan allowing taxpayers either to pay tuition or make —contributions in exchange for schooling;
3. The earmarking of contributions for the direct benefit of a particular individual; or
4. The otherwise unexplained denial of admission/readmission of children of taxpayers who are financially able but who do not contribute. Additional adverse factors include:
 5. the absence of a significant tuition charge;
 6. Substantial or unusual (different from that applied to non-parents) pressure applied to parents of children attending school;
 7. Contribution appeals made as part of the admissions or enrollment process;
 8. The absence of significant school revenue sources other than parent contributions; and
 9. Other factors suggesting a contribution policy created as a means of avoiding characterization of payments as tuition.

Situation 6 of Rev. Rul. 83-104 sanctions differential tuition for parishioners and non-parishioners in certain limited circumstances. The parish received contributions from all its members. These contributions are available to support all parish activities, a substantial portion of which are unrelated to the school. The parish has full control over the use of the contributions it receives. Most parish members do not have children in the school. The methods of soliciting contributions from parishioners with children in the school are the same as the methods of soliciting members without children in the school. No tuition is charged to parishioners, but non-parishioners are charged tuition. In this situation, IRS concluded that the contributions made by parishioners with children in the school are ordinarily deductible, unless there is a showing that

contributions by parishioners with children in the school are significantly larger than those of other parishioners. The IRS has indicated in other rulings that it will compare parental giving levels to non-parental giving levels in evaluating deductibility of payments.

Any attempt to link school enrollment or tuition reductions/benefits to parish contribution or level of parish contribution jeopardizes the deductibility of contributions by parishioners who benefit from such practices. Various labels given to parish contributions, *e.g.*, sacrificial giving, tithing, negotiated tuition, stewardship, minimum giving, etc., are not determinative of deductibility. Further, parishes cannot qualify under Situation 6 by defining parish —membership (or otherwise qualifying for reduced or no tuition) according to level of contribution. All such practices undercut parish claims that parish contributions are —gifts, the *sine qua non* of charitable deductibility.

DIOCESE OF JOLIET FINANCIAL POLICIES

SCHOOL SUBSIDY	POLICY	PAGE
SCHOOL CRITERIA	D – 7.2	1 OF 1

STATEMENT OF POLICY

As stated in the Handbook of Catholic School Policy:

APPENDIX 3A

GUIDELINES FOR FUNDING

CATHOLIC SCHOOLS

The following guidelines are presented to pastors, principals and local board members to assist in determining sources of revenue for the school. These guidelines become effective for the 2009/2010 school year.

- > Tuition will be set at each school, so that at a minimum, 50% of the total school cost is covered by tuition
- > No more than 25% of the operating budget is covered by parish investment
- > Tuition and third-source funding cover at least 75% of the operating budget

DIOCESE OF JOLIET FINANCIAL POLICIES

RELIGIOUS EDUCATION TUITION AND FEES	POLICY D – 8	PAGE 1 OF 1
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PROVISION

Under Policy D, the provisions for Religious Education tuition shall be as follows:

1. Tuition and fees, if charged, shall be collected in full.
2. The Religious Education unit of the parish shall maintain a detailed list of students/adults attending religious education and other classes, and shall record payments received from them. These payments should be periodically reconciled with the parish's general ledger to assure proper recording.
3. Religious Education includes Youth Ministry and RCIA.
4. Religious Education tuition and fees shall not be charged, collected and treated as part of offertory collections by reducing the rate for tuition and other fees to offset the reduction by establishing a mandatory, minimum offertory contribution for parishioners with children attending the program.
5. Any discounted RE tuition should be approved in advance by the parish administration, applied consistently, and displayed as such on the tuition statements. Possible discounts can be for family volunteers in the RE program, active volunteerism in the parish, regular mass attendance and activity in the life of the parish to name a few. Additional suggestions or questions should be discussed with the Diocesan Director of RE.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENTS	POLICY E	PAGE 1 OF 1
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STATEMENT OF POLICY

All parish disbursements or expenditures shall be made in accordance with the framework of the policies and directives of the Diocese of Joliet.

PROVISIONS

1. The policy provisions for each parish supplement classification are presented under each specific supplement of Policy E.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENT CONTROLS	POLICY	PAGE
	E- 1	1 OF 2

STATEMENT OF POLICY

The accounting and internal control procedures for parish disbursements shall be as follows:

1. All checks should be pre-numbered and duly accounted for.
2. The supply of unused checks should be adequately safeguarded.
3. Signature stamps **cannot** be used.
4. Checks should not be signed in advance or issued without indicating the amount in words and numbers (blank).
5. Checks must be issued and recorded in sequential order by number and date. Checks must not be issued in advance, antedated or post-dated.
6. Parishes are not allowed to incur finance charges or late fees.
7. Electronic withdrawals should be avoided. They are allowed in cases where routing certainty exists and proper internal controls are in place.
8. The person who prepares the checks should not reconcile the bank account, unless Policy F-1 has been followed.
9. All disbursements should be duly substantiated by supporting documents, e.g. supplier's bills, invoices, etc. In absence of said supporting documents, disbursements should be covered by duly approved disbursement vouchers (check requests). Under no circumstances should payment be made from a statement.
10. All mutilated/voided checks should be retained and placed with the paid and cancelled checks for the month. Also, in voiding checks, the space provided for the check signer should be torn off.
11. Checks should not be made payable to cash. This control procedure also applies to parish organizations in order that the recipient of the proceeds of all parish checks can be clearly identified.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENT CONTROLS	POLICY	PAGE
	E- 1	2 OF 2

12. Checks made out to employees other than payment of salaries should be clearly identified as to the purpose.
13. While parishes may elect to use credit cards to facilitate purchases, it is imperative that adequate controls governing access, signoff, and documentation of type and purpose of purchase be monitored. The following guidelines should apply:
- a. Parishes are not allowed to incur finance charges on a credit card.
 - b. Parishes are obligated to pay any outstanding balances at the end of each billing cycle.
 - c. The account should be reconciled, purchases supported by receipts, filed with the statement and classified monthly.
 - d. All major planned purchases should follow the normal check request cycle (See Policy E-2). If an emergency major purchase is necessary, the appropriate pre-authorization must be obtained before purchasing the item.
 - e. Statements should be addressed to the parish office/rectory.
 - f. The cards should not be used for personal purchases.
 - g. A list of cardholders should be maintained detailing name, account number, credit limit and expiration date. This list should be reviewed and updated as needed.
 - h. The parish should collect all credit cards at the time of employee dismissal.
14. Parish debit cards are not allowed.

DIOCESE OF JOLIET FINANCIAL POLICIES

CHECK REQUESTS	POLICY E - 2	PAGE 1 OF 1
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STATEMENT OF POLICY

The purpose of establishing a check request system is:

1. To facilitate the disbursement process
2. To ensure that each expense paid is duly approved, documented and supported
3. To aid in the bookkeeping process

The following procedures shall apply:

1. The check request form or a rubber stamp containing the same information as the form should be used.
2. All supporting documents for the requested payment should be attached to the check request.
3. After completion of the check request, it shall be forwarded to the authorized approving person.
4. After approval, the documents shall be forwarded to the bookkeeper or business manager. Thereafter, the regular procedure for check writing and approval shall be followed.
5. The check number and date should be indicated on the request.
6. Disapproved check requests shall be discarded. Approved and paid requests along with all supporting documents should be kept on file.

DIOCESE OF JOLIET FINANCIAL POLICIES

CHECKS AND CASH PAYMENTS FOR SERVICES	POLICY E – 2.1	PAGE 1 of 2
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STATEMENT OF POLICY

The IRS requires that a Form 1099-NEC be prepared and issued to any individual or vendor who: 1) is not an employee of the parish; 2) is considered self-employed for income tax purposes or is unincorporated; 3) is paid \$600 or more in the calendar year; and 4) has provided a service to the parish. This would include, but is not limited to: cooks, musicians, extra priests, deacons or religious, vendors providing services such as snow removal, landscape maintenance and cleaning, accounting/computer consultants, referees, athletic directors and any vendor who is not incorporated.

This policy applies to payments made from all parish and organizational accounts.

The following procedures shall apply:

1. A form W-9 should be completed by any individual or vendor who will provide a service to the parish. A Substitute W-9 form is acceptable when it includes the payee's name, address and tax identification number and the payee is not subject to backup withholding and is a U.S. person.
2. The preferred and recommended form of payment is by check.
3. In very limited circumstances, when it is difficult to issue a check in a timely manner, i.e., payments to sports officials, it may be acceptable to make payments in cash if approved by the pastor.

Cash payments may be made when:

- a) The pastor is confident that controls and procedures are in place to properly account for the cash payments, and such controls and procedures are being followed.
- b) The amount paid is small (generally less than \$100).

DIOCESE OF JOLIET FINANCIAL POLICIES

CHECKS AND CASH PAYMENTS FOR SERVICES	POLICY E – 2.1	PAGE 2 of 2
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- c) A record of all payments is maintained on file at the parish. It should include the date, the amount, the name and signature of the recipient and the name of the staff member who authorized the payment. Record of Cash Payments, Policy E-2.2, is a suggested form to be used for this purpose.
4. At the end of the calendar year, a list of all payments made to service providers from all accounts should be compiled. Any individual or unincorporated vendor who was paid \$600 or more in the year must provide the required W-9 information to the parish for issuance of a 1099-NEC.
5. The parish must file appropriate forms according to IRS requirements.

DIOCESE OF JOLIET FINANCIAL POLICIES

RECORD OF CASH PAYMENTS	POLICY	PAGE
	E – 2.2	1 OF 1

RECORD OF CASH PAYMENTS

Month _____

Date	Amount Paid	Recipient's Printed Name	Recipient's Signature *	Staff Member Approving Payment

* Your signature confirms receipt of payment. It also confirms that you agree to complete a Form W-9 or provide your address and Social Security number if requested by the parish for issuance of Form 1099-MISC.

DIOCESE OF JOLIET FINANCIAL POLICIES

CAPITAL EXPENDITURES APPROVAL	POLICY	PAGE
SPENDING REQUIREMENT	E- 3	1 OF 1

STATEMENT OF POLICY

Upon mutual consent/agreement of the pastor and the Parish Finance Council, the parish may spend a maximum of \$40,000 on a given project, provided that such projects are financed through internally raised funds and/or with parish funds kept with the Diocesan Deposit and Loan Fund. If any project is to be financed with borrowed funds, authorization must be obtained in accordance with the provision of this policy.

PROVISIONS

1. Projects in excess of \$40,000 must be approved by the Bishop of Joliet. The only exceptions to this are expenses related to the purchase of automobiles, telephone systems and computer systems.
2. Approval of capital improvements/expenditures shall cover the total project cost regardless of the length of time of the various stages.
3. Any excess spending over the approved original project cost shall require prior approval as follows:
 - a. Submission of a revised project cost highlighting the reason(s) for the increase in cost.
 - b. All change orders in contracts need to be approved by the Diocesan Director of Buildings and Properties and the Bishop of Joliet.

DIOCESE OF JOLIET FINANCIAL POLICIES

CLERGY COMPENSATION AND RETIREMENT	POLICY	PAGE
	E – 4	1 OF 2

PROVISIONS

1. The financial compensation for priests shall be:
 - a. Priests assigned to serve within the Diocese of Joliet shall receive financial support in accordance with the scale approved by the Bishop. This compensation schedule is updated annually.
 - b. The scale for priest compensation includes:
 - i. Base support
 - ii. Service increment
 - iii. Mass Stipend
 - iv. Social Security Allowance

The above compensation should be included on form W-2 at the end of the calendar year. These wages are not included as Social Security or Medicare wages. Priests are self-employed for IRS purposes.
 - v. Ministerial Expense Allowance – not included as wages
2. The benefits to be provided to priests in addition to their financial compensation shall be as follows:
 - a. Room and board (if a priest is paid a food allowance, that amount is taxable)
 - b. Health and dental insurance
 - c. Pension plan
3. Set dollar limits are established for reimbursable expenses for physical exam, retreat, and continued education. These expenses to be reimbursed based upon receipts provided.
4. It is required that the compensation of order priests be issued to their order, i.e., Franciscan Order.

DIOCESE OF JOLIET FINANCIAL POLICIES

CLERGY COMPENSATION AND RETIREMENT	POLICY	PAGE
	E - 4	2 OF 2

5. Foreign priests may elect to be paid directly. The parish should contact the diocese for verification.

NOTE – See Policy E-4.1 and E-4.2 for complete details regarding priestly compensation and reporting.

DIOCESE OF JOLIET FINANCIAL POLICIES

COMPENSATION - PRIESTS	POLICY E- 4.1	PAGE 1 of 1
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COMPOSITION OF SALARY

1. The salaries of diocesan priests are made up of four components: Base salary, longevity, Mass stipend, and an allowance for social security. In addition, those priests who are pastors of parishes or heads of diocesan agencies receive an additional allowance, which is determined annually. Each year all components of the compensation schedule are adjusted according to various components of the Cost of Living Index and reviewed and approved by the bishop of the diocese after consultation with the Presbyteral Council. All changes in compensation are effective July 1st of each year.
 - a. The base salary is a flat amount and paid to all diocesan priests at the same rate.
 - b. A longevity allowance determined annually is added to the base salary for each priest according to the number of years ordained.
 - c. All diocesan priests receive a monthly Mass stipend as part of compensation rather than receiving separate stipends based on Masses said. These stipends are to be included in salary and not separately paid.
 - d. Priests are personally responsible for one-half of their self employment tax (social security tax). One-half of the self employment tax is paid by the parish as an inclusion in the salary of a priest. This amount is computed on the base salary, longevity, Mass stipends and the social security allowance, which is grossed up to cover the social security tax paid on that amount. A housing allowance is also considered in the calculation of that figure.
2. Social Security is not to be deducted from a priest's salary. Clergy are subject to self-employment tax instead of social security.
3. Withholding of income tax from a priest's salary is not mandatory. It is permissible by law if a priest so requests.

DIOCESE OF JOLIET FINANCIAL POLICIES

REPORTING PRIEST COMPENSTION	POLICY E – 4.2	PAGE 1 of 2
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The following are procedures to be followed when reporting income and taxes.

1. Form W-2

A. All priests are to receive a Form W-2 for income and any income taxes withheld.

1. Unlike lay employees, priests are subject to self-employment tax, therefore, no Social Security or Medicare tax withholding is reported on the W-2.

- * Self-employment tax for priests is paid when they file their tax return and complete Schedule SE.
- * Priestly compensation is not included in wages subject to Social Security and Medicare on quarterly payroll tax returns.

2. A priest's taxable income is comprised of but not limited to the following:

- * Salary
- * Stole fees and honoraria
- * Mass stipends and fees
- * Personal use of parish-owned vehicles

3. Ministerial Allowances for priests

- * Non-taxable – Do not include in income if priest provides parish with written statement declaring that all of the ministerial allowance was used for expenses associated with priestly ministry.
- * Taxable – Include in income if no statement, as indicated above, is provided by the priest.
- * Partially Taxable – Include in income only the amount that the priest did not use for expenses, if the funds were not returned to the parish.

4. Housing Allowance for priests

- * Non-taxable for income tax purposes and not included on the W-2.
- * Subject to self-employment tax that is calculated on the priest's tax return.

5. Food Allowance for priests

- * Taxable – Include in income if the parish provides a food allowance and priest takes his meals off the premises of the parish. Buying groceries or carryout

DIOCESE OF JOLIET FINANCIAL POLICIES

REPORTING PRIEST COMPENSTION	POLICY E – 4.2	PAGE 2 of 2
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food from the cash food allowance and eating it on the premises does not circumvent this rule.

- * Non-taxable – Do not include in income if a “meal” is provided at the rectory, where the priest resides and if he is considered working (on call) while taking the meal.
- * In all cases the priest is responsible for providing the parish documentation, including receipts and notations of individuals attending meals, to support the food expenses.
- * Subject to self-employment tax that is calculated on the priest’s tax return.

B. Retirement plans for priests

- * Box 13 of Form W-2 must be checked for priests who are enrolled in the Diocese of Joliet Clergy Retirement Plan and/or make contributions to the Christian Bros. 403(b) annuity plan through payroll deductions.

2. Form 1099-NEC

- A. In no instance should a diocesan priest receive a Form 1099-NEC for his duties as a pastor, associate pastor, agency head or chaplain. The policy of the Diocese of Joliet is to treat priests as employees and not independent contractors.
- B. Priests not assigned to a parish, agency or hospital that are paid stipends are to receive a Form 1099-NEC if the total stipends paid for the year amount to \$600 or more (i.e. visiting priest duties).
- C. If a diocesan priest receives a Form 1099-NEC for his services as a pastor, associate pastor, agency head or chaplain, he is considered an independent contractor. As such, taxable income includes salary, health insurance premiums, pension contributions, retreat and education allowances, physical examinations and ministerial allowance. These benefits are non-taxable to employees and taxable to non-employees.
- D. If religious or priest salaries are paid directly to a religious order, a Form 1099-NEC is not to be issued because the religious order is tax-exempt.

DIOCESE OF JOLIET FINANCIAL POLICIES

COMPENSATION AND BENEFITS FOR RELIGIOUS	POLICY E – 5	PAGE 1 OF 1
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STATEMENT OF POLICY

Under Policy E, the provisions for the compensation of religious are as follows:

1. The compensation package for services provided by members of religious orders will be determined annually by the diocese.
2. The compensation and fringe benefits for the religious includes the following:
 - a. Base stipend
 - b. Annual retirement allocation
 - c. Social Security equivalency
 - d. Health/dental insurance
 - e. Housing and transportation (negotiable at the parish level)
 - f. Vacation, retreat time, sick pay and holydays/holidays
3. Based on the requirements of their respective communities, payments for religious compensation and benefits will be made to their communities. If compensation is made payable to the individual religious, a 1099-MISC should be issued to the individual.

DIOCESE OF JOLIET FINANCIAL POLICIES

COMPENSATION AND BENEFITS FOR LAY PERSONNEL	POLICY E - 6	PAGE 1 OF 1
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STATEMENT OF POLICY

Under Policy E, the provisions for the compensation and fringe benefits of lay personnel are as follows:

1. Lay personnel salaries should be determined and approved annually by the pastor. See Policy E-6.1 for a sample Salary Change Form. This form should be completed and signed by the pastor before the beginning of the new fiscal year. It should be filed in a separate folder with the personnel records of the parish.
2. For lay teachers and principals in parochial schools, the compensation and fringe benefits scale shall be in accordance with the policy directives of the Catholic Schools Office.
3. The fringe benefits required to be provided to lay employees are as follows:
 - a. Pension Plan¹- All parish lay employees who work 30 hours or more per week (1,500 hours per year) shall be enrolled in the plan. The parish shall make contributions to the plan based on a percentage of the gross compensation paid to eligible employees. (Refer to the Diocesan Budget Guidelines for the current percentage.)
 - b. Medical / Dental Plan¹ – All employees whose normal work week is 30 hours or more per week (1,500 hours per year) shall be covered. The premium for coverage provided to other members of the employees' family will be determined by the Diocesan Insurance Office.
 - c. Social Security – The parish shall contribute as its share 100% of the amount contributed by the employee for social security. The amount of contribution shall be in accordance with the rates set by the federal government.
 - d. Unemployment Compensation – The eligible requirements and the rate of contributions shall be made in accordance with the directives of the Diocese of Joliet.

¹ Part-time benefitted employees who were eligible for benefits under the policy of 20 hours per week (Policy Change 7/1/00) or 25 hours per week (Policy Change 7/1/09) are grandfathered

DIOCESE OF JOLIET FINANCIAL POLICIES

COMPENSATION AND BENEFITS FOR LAY PERSONNEL	POLICY E - 6	PAGE 1 OF 1
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into the policy as long as they continue to work a minimum of 20 or 25 hours per week (whichever is applicable).

SALARY CHANGE FORM

AS OF _____

<u>Name</u>	<u>Job Title</u>	<u>New Salary/ Hourly Rate</u>	<u>Prior Salary/ Hourly Rate</u>	<u>% Change</u>	<u>Comments *</u>

* Comments - Use to explain any unusual changes

Pastor Signature _____

Date _____

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENTS	POLICY	PAGE
SUPPLEMENT: PAYROLL AND OTHER TAXES	E - 7	1 OF 3

STATEMENT OF POLICY

Under Policy E, the provisions for payroll and other taxes are as follows:

1. Churches and related religious activities under their control are generally exempt from most taxes. However, parishes may be exposed to, must pay or must collect some of the following taxes:
 - a. State, federal and local income taxes
 - b. Social Security/Medicare taxes
 - c. Real estate property taxes
 - d. Income taxes on unrelated business income
 - e. Sales taxes on items purchased for resale (See Policy E-7.1 for sales tax exemptions)
2. All parishes and organizations listed in the Official Catholic Directory published annually by Kenedy & Sons, New York, are exempt from federal income taxes, under Internal Revenue Code Section 501(c)(3). Contributions made to them are tax deductible by the donors for federal income tax purposes.
3. Unrelated business activities are subject to normal business taxes.
4. Churches and related activities are exempt from real estate property taxes. However, property, which is not used, vacant or used for unrelated business purposes, may not be exempt from taxes.
5. Churches are not exempt from the payment of various licenses, permits and fees, i.e., bingo licenses, automobile license plates, inspection fees, building permits, etc.
6. The IRS recognizes the Roman Catholic Diocese of Joliet, as organized for religious purposes. Consequently, sales of any kind to this organization are exempt from the Retailers Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax and Service Use Tax in Illinois.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENTS	POLICY	PAGE
SUPPLEMENT: PAYROLL AND OTHER TAXES	E - 7	2 OF 3

7. Although the Illinois Sales Tax Act authorizes churches to purchase tangible personal property for church use and consumption without the application of sales tax, there is not exemption allowed when tangible personal property is purchased for resale purposes unless the purchaser is licensed as a retailer for the purpose of paying tax on the receipts derived from the subsequent *resale*. (See Policy E-7.1 for sales tax exemptions)
8. The Diocese of Joliet has been assigned a tax identification number. This number must be provided to suppliers when purchasing tangible personal property for organizational use. This exemption may not be used by individual members to make personal purchases. The current state sales tax exemption letter is available to all parish business managers and from the Diocesan Finance Office upon request, .
9. Payroll taxes: Lay employees are required to have Federal, State, and Social Security/Medicare taxes withheld on their total earnings in accordance with the rates and limits set by the Federal and State government. Total earnings must include benefits paid to an individual that are not part of a diocesan or non-discriminatory benefit plan. (For Priests and Religious withholding, see Policy E-4 in this manual.)
 - a. Social Security/Medicare taxes must be withheld on each employee's earnings in accordance with the rates and limits set by the Federal government. The employer must match the amount withheld from the employee and both must be remitted to the Federal government.
 - b. Using the third-party payroll provider, Paylocity, parishes must ensure that all employees annually receive accurate W-2's and that required reports are filed on a timely basis.
 - c. Parishes must also report compensation of \$600 or more paid during the calendar year to all persons who are considered self-employed for income tax purposes. The parish must issue a Form 1099-MISC to the individual at year end. (See Policy O-1) When an independent contractor is initially engaged, form W-9 should be signed and kept on file.
 - d. Failure to comply or pay proper tax liabilities can result in severe penalties.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH DISBURSEMENTS	POLICY	PAGE
SUPPLEMENT: PAYROLL AND OTHER TAXES	E - 7	3 OF 3

- e. All payments, including cash gifts and bonuses, to parish/school staff must be issued through parish payroll with the appropriate tax deductions. The following applies to all gifts and bonuses:
- i) Cash gifts include gift cards and gift certificates. The IRS considers gift cards as a "cash equivalent" and therefore they must be reported through the parish's payroll system regardless of the amount.
 - ii) Parish organizations exist under the umbrella of the parish and are responsible for following the same reporting requirements. Other than reimbursements, any parish organization payments to parish employees should be issued through the parish account. (See Policy F-2, 9.)
 - iii) Some *non-cash* gifts of nominal value may be excluded from the reporting requirements if the value of the award is so small that accounting for it would be difficult. The Internal Revenue Service has not set a specific dollar maximum at which an item becomes taxable. The diocese has set the de minimis value of these items at under \$25.
- f. Timesheets are required for all hourly employees or those employees/independent contractors paid by event, i.e., musicians, substitute teachers. There are no exceptions. Employees must complete and sign the timesheet before submitting it to the supervisor for payroll processing.

Illinois Retailers' Occupation Tax (Sales Tax) for Parishes and Schools of the Diocese of Joliet

by Wayne M. Lenell, C.P.A., Ph.D.

2007

Parishes and schools incur Retailers' Occupation Tax (sales tax) liability when they engage in selling tangible personal property at retail (i.e., to the end consumer) except in seven situations. These rules apply to diocesan organizations using the exempt status of a parish, school, or diocesan agency, not to outside organizations. Therefore, if a parish allows the Knights of Columbus to use the parish hall for fish fries, it is the responsibility of the Knights of Columbus to determine whether the event is subject to sales tax, not the parish.

If a parish or school sells tangible personal property at retail, and does not qualify for one of the exemptions, the parish or school must register with the Illinois Department of Revenue and remit sales tax.

Exception I.

Since the parish or school becomes liable for sales tax when selling **tangible personal property**, a few common items are exempt because the items are not tangible personal property such as:

Gift certificates	Car washes	Card party admission
Table/gate fees for bazaars	Dance admissions	Tickets to dramas/musicals
Gate fees for athletic events	Golf outings	Scrip
Entrance fees	Textbook rental fees	

Exception II.

The second exception to sales tax liability are "sales to members" (parishioners and students) **primarily for the purposes of the parish or school**. The regulations define "primarily for the purposes of . . ." very narrowly.

Examples of exempt items under this exemption include:

Missals	Rosaries	Scapulars
Advent candles	"Why Catholic?" DVDs	Spirit wear

Examples of sales to members that do **not** qualify for this exemption include:

- Sales of school books and supplies to students (because the State of Illinois deemed sales of books as primarily for the purposes of the students rather than the school)
- Sales of sweaters, tee shirts, sweatshirts, gym shoes, and jackets **not bearing school insignia**
- Sales through gift shops, bookstores, and thrift/resale stores
- Concession stand sales at non-school Bingo, or non-school athletic events

E-7.1

Exception III.

The third exception to sales tax liability is for sales by parishes and schools to the public that are “noncompetitive with business establishments.” The Attorney General has outlined four criteria to assist in determining whether sales are noncompetitive as follows:

1. The sales must be conducted by members or students, and not by outside salespeople or promoters.
2. All proceeds must go to the charity, and not a portion accruing to the individuals running the sale.
3. The sale must not be a continuing one, but rather should be held either annually or a reasonably small number of times within a year.
4. The dominant motive of the purchase must be the making of a donation to the parish or school, not the acquisition of property.

Examples of sales qualifying for this exemption include:

Parish anniversary books	Fall fruit sale	“Put Christ in Christmas” magnets
Poinsettias/wreaths	Yearbooks	Window clings

Examples of sales **not** qualifying for this exemption include:

Wrapping paper	Greeting cards
Book fairs	Hats (without school insignia)

Exception IV.

The fourth exception to sales tax liability are meals for members. To qualify for exemption, all profits must be used for charitable purposes, the meals are confined to the members and guests and are not open to the general public, and the serving of the meals is connected with some religious service or function. There is no limit on the number of events qualifying under this exemption.

Examples of meals qualifying for this exemption include:

School cafeterias	Donuts after Mass	Card party luncheon
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Exception V.

The fifth exception to sales tax liability are for sales by “Teacher-sponsored student organizations.” Such organizations include student councils, student clubs, choral and band groups, etc. This exemption does not extend to sales by the school itself, a school bookstore, or a PTA or PTO.

Examples of sales qualifying for this exemption include:

Sales of magazines, candy, calendars, etc. by a student organization for the benefit of that organization.

E-7.1

Exception VI.

The sixth exception provides a broad exemption for schools. Sales of donated merchandise or food prepared by a volunteer fundraising group, for an event utilizing volunteers including parents and teachers, approved by a school, and for the benefit of a school, are exempt from sales tax. There is no limit on the number of events qualifying under this exemption. Diocesan parochial schools and central high schools qualify, but Religious Education programs do not.

Examples of sales qualifying for this exemption include:

Fish fries, spaghetti dinners, bake sales, school concession stand sales, etc. in which volunteers make the food **and** the proceeds benefit a school. Also, rummage sales or auctions in which all items are donated qualify.

Examples of sales **not** qualifying for this exemption include:

Fish fries, spaghetti dinners, bake sales, concession stand sales, etc. in which the proceeds do **not** benefit a school. If the Catholic Women's Association of a parish operates a fish fry during lent, with the proceeds benefitting the parish, it does not qualify under this exemption because the proceeds do not benefit a school.

Catered events or sales of ready-to-sell items such as greeting cards, wrapping paper, holiday ornaments, candy bars, and frozen pizzas for resale from a supplier who profits from the sale to the fundraising group.

Exception VII.

The seventh exception to sales tax liability are "occasional dinners and similar activities." If a parish or school sells food or merchandise that does not meet one of the six exceptions listed above, the parish or school is allowed **two events annually** without incurring sales tax liability.

Examples of events qualifying for this exemption include:

- A school fundraising dinner that is catered
- A parish carnival, bazaar or fun fair
- A parish bake sale, pancake breakfast, spaghetti dinner, or fish fry
- A parish rummage sale, barn sale or garage sale

When counting the number of events for a calendar year, parishes and schools must aggregate all activities utilizing the exemption of the parish or school. For example, if the parish has a barn sale, the parish elementary school has a catered fundraising dinner, and if the parish Altar and Rosary Society has a bake sale, one of those events incurs sales tax liability.


The attached flowchart may be of assistance in determining whether a parish or school incurs sales tax liability for a particular activity.

It is the intention of the Diocese of Joliet to comply with all tax regulations of the State of Illinois.


Determining Sales Tax Liability For Parishes and Schools of the Diocese of Joliet

Answer the following questions until you reach a “stop,” which means that you have not incurred sales tax liability. If you answer question number 7 without reaching a “stop,” you must collect and remit sales tax to the Illinois Department of Revenue.


1. Are the proceeds derived from selling tangible personal property (food or merchandise)?

- Yes, continue ↘ No  .
You are exempt from sales tax


2. Are items sold only to members (parishioners or students) for the purposes of the parish or school?

- No, continue ↘ Yes.  .
You are exempt from sales tax


3. Are the sales noncompetitive with business establishments, **and** sold by parishioners or students, **and** with all proceeds accruing to charity, **and** not continually operated, **and** sold with a dominant motive of making a donation rather than the purchaser acquiring merchandise?

- No, continue ↘ Yes  .
You are exempt from sales tax


4. Are they meals for members connected with a religious service or function?

- No, continue ↘ Yes  .
You are exempt from sales tax


5. Are they sold by students of a teacher-sponsored student organization?

- No, continue ↘ Yes  .
You are exempt from sales tax

6. Are they sales of donated merchandise or food prepared by a school fundraising group sold primarily by volunteers including parents and teachers, for the benefit of a school?

- No, continue ↘ Yes  .
You are exempt from sales tax

7. Is this the third or more sale for the year not passing any of the above criteria?

- Yes, There are no more exceptions. You must pay sales tax. No  .
You are exempt from sales tax

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BANK ACCOUNTS	POLICY	PAGE
	F	1 of 2

STATEMENT OF POLICY

Each parish shall establish and maintain a bank account (which shall be referred herein as the parish central bank account) through which financial transactions of the parish shall be entered.

The following may be opened:

Bingo Account

Cemetery Checking Account

Payroll Account

PROVISIONS

1. The Parish Central Bank Account shall be established and maintained with the Pastor and at least one additional signer as the primary authorized signatories. The additional signer designated by the pastor should be considered in the following order where applicable:
 - a. Associate priest
 - b. Religious or Deacon on staff
 - c. Member of Finance Council
 - d. Parish staff not involved with the financial reporting. If a parish staff is selected, the employee should not be responsible for signing checks for purchases they authorized. (i.e. RE Director signing checks for RE books)
2. The parish bookkeeper and/or business manager must not be designated as authorized signatory.
3. The parish central bank account shall be established and maintained as an interest earning checking account.
4. Excess operating funds (those over 90 days) should be deposited at the Diocese. Funds collected for capital campaigns or building funds should be deposited at the Diocese.
5. The organizations and activities that place their funds in the Parish Central Bank Account shall have full control of their funds. Deposits and expenditures will be made only upon

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BANK ACCOUNTS	POLICY	PAGE
	F	2 of 2

instructions and approval of their designated officers. Funds will not be utilized for any other parish purpose. Separate ledger accounts will be established and maintained, for all funds, in parish records. Monthly or quarterly statements will be provided for each individual group.

6. As part of the Parish Bank Account Policy, the Parish Council shall issue a charter to each organization and/or activity. This charter shall state the office name, purpose, goal, and intended plan of operation.
7. Before a check is issued the following documents shall be provided:
 - a. Supplier invoice approved by the authorized person.
 - b. Check requisition form, approved by authorized person if payment is for a service.
 - c. Where equipment, supplies, etc. are involved a Purchase Order and/or Purchase Requisition, signed by an authorized person.
 - d. Receiving report indicating satisfactory condition and proper quantity signed by authorized person.
 - e. Parish account to which expenditure is to be charged.
8. *All* parish bank accounts shall be opened in the name of the Roman Catholic Diocese of Joliet, along with the name of the parish and account designation.

Example: Roman Catholic Diocese of Joliet

St. Thomas Parish

Bingo Account

DIOCESE OF JOLIET FINANCIAL POLICIES

BANK ACCOUNT CONTROLS	POLICY	PAGE
	F - 1	1 OF 1

STATEMENT OF POLICY

The accounting and internal control procedures for each bank account maintained by the parish shall be as follows:

1. The central parish bank account and all supplementary bank accounts should be reconciled each month upon receipt of the bank statement.
2. The reconciliation should be performed by a person who has no cash receipt or disbursement responsibility on the account being reconciled. However, in recognition of the circumstances where the bookkeeper is assigned to multiple financial responsibilities, these functions could be assigned to him/her provided that the pastor shall adhere to number 3 and 4 below.
3. All bank statements together with the accompanying paid and cancelled checks and bank memoranda, if any, should be forwarded to/received unopened by the pastor. Subsequently, he or a designated employee/person, other than the person responsible for writing out the checks and/or accounting for and depositing collections, should:
 - a. Examine the paid and cancelled checks as to authorized signatures and alterations.
 - b. Compare paid and cancelled checks with the check register as to date, payee and amount and irregular endorsements.
 - c. Compare date and amount of deposit on bank statements to cash receipts journal.
4. The pastor should review the completed bank reconciliation.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BANK ACCOUNTS SUPPLEMENTARY	POLICY	PAGE
PARISH ORGANIZATION BANK ACCOUNTS	F - 2	1 of 2

STATEMENT OF POLICY

In conjunction and addition to the provisions for the establishment, maintenance and operation of the parish bank account, the following are the provisions for parish organization supplementary bank accounts:

1. Any parish chartered organization or activity that wishes to have its own bank account may do so with the pastor's permission and the pastor must be added as a signer. Being a signer on the account gives the pastor authority over the account. The pastor may decide to allow a member of the chartered organization or activity to sign checks if he is confident the policies regarding these accounts will be followed. This type of account will be known as "supplementary Bank Account."
2. Parish chartered organizations may not have commercial savings accounts nor invest in securities or C.D.'s.
3. The parish chartered organization checking account shall be maintained and used for purposes of handling financial transactions arising from their internal activities. Examples include: the collection of membership dues, the payments received for work performed in administering parish fund raising activities, the raising of funds among the general membership of the organization from member contributions or from the proceeds of small games and raffles played among themselves, and the use of organization funds for themselves, parties, meeting refreshments, the purchase of jackets or uniforms for themselves, etc., or for a specific undertaking/purpose.
4. Financial undertakings that involve the whole parish shall be accounted through the central bank.
5. All bank statements shall be addressed to the parish office/rectory.
6. Parish organizations are required to complete monthly bank reconciliations. The reconciliations should be reviewed by the business manager/bookkeeper or finance council member to ensure compliance. The organizations should also file semi-annual financial statements (monthly if requested) including all receipts and expenditures to the pastor, if chartered by the parish to do their own accounting.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BANK ACCOUNTS SUPPLEMENTARY	POLICY	PAGE
PARISH ORGANIZATION BANK ACCOUNTS	F – 2	2 of 2

7. At the end of the fiscal year, financial and accounting records such as check stubs, cancelled checks, voided checks, bank statements, books of accounts, bills, invoices, etc. of each parish organization shall be turned over to the parish rectory or business office for safekeeping.

8. Those organizations established to provide financial support and fundraising for the school/parish should transfer their excess funds to the parish at the end of the fiscal year. An amount of \$500 or the minimum amount required to start next year's activities should remain in the account. If an organization is unsure of its status they should consult the pastor.

9. If funds are earmarked for a specific purpose that:
 - a. Contribute to the general welfare of the parish e.g. to purchase altar furnishings, school equipment, capital improvements, etc., or
 - b. Represent payments to an employee or individual e.g. bonus, gift, lunchroom monitor, any additional compensation, etc.,such funds shall be transferred by the organization to the parish for purchase or issuance.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH AUXILIARY BANK ACCOUNTS	POLICY	PAGE
	F - 3	1 OF 1

STATEMENT OF POLICY

PROVISIONS – AUXILIARY BANK ACCOUNTS

1. The auxiliary bank accounts, Bingo, Cemetery, and Payroll shall be established in compliance with diocesan or governmental regulations.
2. Transactions in auxiliary bank accounts shall be treated and recorded in the same manner as that prescribed for the parish central bank account and/or the applicable policies, procedures, and other requirements as set forth in this manual.

DIOCESE OF JOLIET FINANCIAL POLICIES

BINGO BANK ACCOUNT	POLICY	PAGE
	F – 3.1	1 OF 2

STATEMENT OF POLICY

PROVISIONS – BINGO BANK ACCOUNT

In conjunction and addition to the general provisions and requirements for the establishment, maintenance and operation of auxiliary bank accounts, the following are the supplemental provisions for the bingo bank account:

1. As required by State regulations, a separate bingo bank account shall be maintained.
2. The bingo bank account shall be maintained on checking account basis only. Bingo savings accounts and/or share-draft accounts as offered by credit unions and savings and loans associations shall not be established.
3. Expenses that could be paid out of the bingo account shall be limited to those that are directly related to bingo operations, i.e. jackpot prizes, bingo license, bingo supplies, bingo concession supplies, security, set up and tear down, etc.
4. If bingo is operated/administered by a parish organization with all bingo work, including set up and tear down, provided by their members, a portion of bingo receipts not to exceed 10% of net profits per meeting may be paid to the administering/operating organization as part of bingo expenses. Payroll tax rules and regulations, if applicable, should be strictly complied with and implemented.
5. The maximum account balance that could be retained at the end of each month after the payment of all outstanding bills and expenses shall not exceed:
 - a. \$2500 plus the amount established as the bingo charge fund.
 - b. The minimum balance as required by the depository bank plus the amount established as the bingo charge fund, if applicable.
6. All bingo profits except the required account balance and charge fund shall be transferred no later than the end of each quarter to the parish central bank account.
7. The bingo license must be obtained in the name of the parish.

DIOCESE OF JOLIET FINANCIAL POLICIES

BINGO BANK ACCOUNT	POLICY	PAGE
	F – 3.1	2 OF 2

8. The bingo account shall be maintained on a joint signature requirement basis.

9. At the end of each fiscal year, all bingo financial records such as check stubs, paid and cancelled checks, voided checks, books of account, bills, invoices, worksheets, bingo reports, and financial statements, etc., shall be turned over to the parish rectory or business office for permanent safekeeping.

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH BANK ACCOUNTS	POLICY	PAGE
SUPPLEMENT – PAYROLL BANK ACCOUNT	F – 3.2	1 OF 1

STATEMENT OF POLICY

In conjunction and addition to the general provisions and requirements for the establishment, maintenance and operation of parish bank accounts, the following are the supplemental provisions and requirements for the payroll bank accounts.

1. The payroll bank account may be established only if the parish has twenty (20) or more lay employees.
2. The payroll account shall be used only for the payment of lay salaries together with the applicable payroll taxes thereon.
3. The payroll bank account shall be maintained on the same signature requirements as the parish central bank account.
4. The amount established to open and maintain the account shall remain constant. Interest earned from the interest earning checking account (NOW) shall be transferred to the parish central bank account at the end of each quarter.
5. At the end of the fiscal year, the payroll bank account balance shall be included as part of the parish central bank account balance for the purposes of the parish financial report.

DIOCESE OF JOLIET FINANCIAL POLICIES

DIOCESAN SPECIAL COLLECTIONS	POLICY	PAGE
	G	1 OF 1

STATEMENT OF POLICY

All diocesan special collections should be submitted to the diocese within thirty days of collection. At the end of the fiscal year, a review of all diocesan special collection balances should be completed to ensure all funds have been remitted.

See Policy G-1 for the schedule of Diocesan Special Collections.



Collections/Appeal Dates – Diocese of Joliet | 2024

(all dates subject to change)

Please send all collections to:
Diocese of Joliet Finance Office
16555 Weber Road
Crest Hill, Illinois 60403

NOTE: All second collections should be remitted within **30 days of collection**.
NOTE: A **separate check** must be remitted for second collections.

2024

Jan. 28	Collection for the Church in Latin America – USCCB ¹
Feb. 4	Catholic Ministries Annual Appeal (Announcement) – Diocese of Joliet
Feb. 11	Catholic Ministries Annual Appeal (Commitment) – Diocese of Joliet
Feb. 14	Ash Wednesday Collection for the Church in Central/Eastern Europe – USCCB
Mar. 10	Catholic Relief Services Appeal – USCCB
Mar. 29	Good Friday Collection for the Holy Land – Commissariat of the Holy Land
Apr. 28	Catholic Home Missions Appeal – USCCB
Jun. 16	Father's Day Collection for Infirm & Retired Priests – Diocese of Joliet
June 30	Peter's Pence Collection for Holy Father – Apostolic Nunciature
Oct. 20	World Mission Sunday – Society for the Propagation of the Faith
Nov. 10	Seminarian Education Endowment Trust
Nov. 17	Catholic Campaign for Human Development – USCCB
Dec. 8	Retirement Fund for Religious – USCCB

¹ A portion of these funds is allocated to support Diocese of Joliet Missions to these locations.



Collections/Appeal Dates – Diocese of Joliet 2025

(all dates subject to change)

Please send all collections to:
Diocese of Joliet Finance Office
1655 Weber Road
Crest Hill, Illinois 60403

NOTE: All second collections should be remitted within **30 days of collection**.
NOTE: A **separate check** must be remitted for second collections.

2025

- | | |
|---------|---|
| Jan. 26 | Collection for the Church in Latin America - USCCB |
| Feb. 23 | Catholic Ministries Annual Appeal (Announcement) – Diocese of Joliet |
| Mar. 2 | Catholic Ministries Annual Appeal (Commitment) – Diocese of Joliet |
| Mar. 5 | Ash Wednesday Collection for the Church in Central/Eastern Europe – USCCB |
| Mar. 30 | Catholic Relief Services Appeal – USCCB |
| Apr. 18 | Good Friday Collection for the Holy Land – Commissariat of the Holy Land |
| Apr. 27 | Catholic Home Missions Appeal – USCCB |
| June 15 | Father’s Day Collection for Infirm & Retired Priests – Diocese of Joliet |
| June 29 | Peter’s Pence Collection for Holy Father – Apostolic Nunciature |
| Oct. 19 | World Mission Sunday – Society for the Propagation of the Faith |
| Nov. 9 | Seminarian Education Endowment Trust |
| Nov. 16 | Catholic Campaign for Human Development – USCCB |
| Dec. 14 | Retirement Fund for Religious - USCCB |

DIOCESE OF JOLIET FINANCIAL POLICIES

PARISH ASSESSMENT	POLICY H	PAGE 1 OF 1
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STATEMENT OF POLICY

The diocesan administrative offices and a portion of the various diocesan ministries and programs are supported by the parishes through an annual assessment.

The assessment is calculated according to the following:

1. The assessment is based on the parish's "assessable revenue". Assessable revenue is equal to the parish's total unrestricted donations less allowable deductions. Deductions include school and religious education subsidies and financial support provided to other parishes.
2. The assessment percentage is 7%. Of this percentage, 6% is used to support diocesan operations as mentioned above and 1% is used to support the Catholic Education Foundation.
3. Unrestricted bequests received at the parish level are assessed at a lower rate of 5%.
4. The calculation is mailed to the pastor each spring (typically in March). This calculation includes the monthly amount due to the diocese for the fiscal year beginning the following July. This is the only communication of the amount the parish receives, as the diocese does not provide monthly invoices.

DIOCESE OF JOLIET FINANCIAL POLICIES

REAL ESTATE – SALE AND PURCHASE	POLICY I	PAGE 1 OF 1
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STATEMENT OF POLICY

The Diocese of Joliet must approve all parish real estate sales and purchases. Once the decision to sell or purchase parish real estate is made at the parish level, the Director of the Diocesan Office of Buildings and Properties should be contacted. The Office of Buildings and Properties will coordinate obtaining the property valuation, the various approvals required and the legal services necessary to facilitate the sale and purchase of parish property.

DIOCESE OF JOLIET FINANCIAL POLICIES

STOCK DONATIONS	POLICY J	PAGE 1 of 1
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STATEMENT OF POLICY

Donations to the diocese and parishes can be made in the form of stock. All transfers of stock must be processed through the Diocesan Finance Office. Instructions and the “Stock Donation Letter of Intent” are included in Policy J-1.

The Finance Office will abide by instructions provided by the donor and assure the donor’s wishes are carried out. When the transfer of shares has been completed, the Finance Office will send a notification to the parish, the Diocesan Development Office or other recipient who will then send an acknowledgement of the donation to the donor.

When shares of a mutual fund are gifted to the diocese or a parish, the donor may liquidate the shares and make a cash donation. Or, the shares may be transferred to the diocese. If the shares are transferred, the diocese may be required to open an account with the investment firm in order to receive the donation. When the transfer is complete, the diocese will liquidate the shares and close its account. The donor should be aware that the liquidation process often takes a significant amount of time to complete.



Stock Donation Instructions

Thank you very much for supporting the mission of the Diocese of Joliet with a gift of appreciated stock. To complete your donation, please follow the steps outlined below. If further assistance is required, please contact the Development Office at (815) 838-8515 or development@dioceseofjoliet.org.

Complete and Submit the Stock Donation Letter of Intention (see Page 2)

Please complete the **Stock Donation Letter of Intention** – Page 2 of this document for proper processing and identification of the donor. Once complete, please mail, fax, or email the Letter of Intention to the Diocese of Joliet, Attn: Development Office. Additionally, if the donation is intended for a parish, school or other organization, please send a copy to that organization.

Without a completed Letter of Intention, we will not know where to send the proceeds of the donation.

Transfer the stock

You may transfer stock electronically (preferred), by mail, or in person.

- a. To transfer the securities electronically:
1. Contact your broker with instructions to make a transfer from your account to the Diocese of Joliet account.

Receiving Firm Name:	Stifel, Nicholas & Company
Diocesan Broker Name:	Stofan, Agazzi & Co., Inc., Irene Celander
Address:	2801 Black Rd # 101, Joliet, IL 60435-2702
Phone:	(815) 729-1266
Registration of Account:	Roman Catholic Diocese of Joliet
DTC:	0793
Diocesan Account #:	5727-2547

- b. To transfer certificates by mail:
1. **DO NOT SIGN** the stock certificate.
 2. Send the certificate and a completed Stock Donation Letter of Intention (Page 2) by registered mail to:
Roman Catholic Diocese of Joliet
Blanchette Catholic Center
16555 Weber Road
Crest Hill, IL 60403
Attn: Development Office
 3. **In a separate envelope** send a completed, signed, dated and **guaranteed Irrevocable Stock or Bond Power form** - Page 3 of this document, together with a copy of the completed Stock Donation Letter of Intention.
- c. To hand deliver the securities:
1. **DO NOT SIGN** the stock certificate.
 2. Contact the Diocese of Joliet Development Office at (815) 838-8515 to arrange a time to deliver the stock certificate(s), Irrevocable Stock or Bond Power and Stock Donation Letter of Intention.

Payment Processing and Acknowledgement of Donation

The Diocese of Joliet acts as a clearing house for donations of stock. When securities are donated, the Diocese of Joliet's brokerage firm (Stofan, Agazzi & Co.) liquidates the securities and sends the proceeds to the Diocese along with a trade confirmation form. The Diocese forwards the proceeds to the parish, school, or other institution as directed by the information provided in the **Stock Donation Letter of Intention**. Acknowledgement of the gift will be sent to the donor by the final gift recipient, not by the Diocese of Joliet.



STOCK DONATION LETTER OF INTENTION

Please complete this form for all stock donations and forward to the diocese via email to development@dioceseofjoliet.org.
You may also submit this form by mail to:

Roman Catholic Diocese of Joliet
Blanchette Catholic Center
16555 Weber Road
Crest Hill, IL 60403
Attn: Development Office

AND PLEASE ALSO FORWARD TO:

Parish, School or other Institution for which the donation is intended (if other than the Diocese of Joliet).

Donor Information:

Donor Name: _____ Date: _____

Donor Address: _____

City: _____ State: _____ Zip: _____

Donor Parish or School: _____

Donation Information:

Name of Stock: _____ Number of Shares: _____

Intention of Gift (please check one):

_____ Catholic Ministries Annual Appeal (Diocese of Joliet)

_____ Catholic Education Foundation (Diocese of Joliet)

_____ Parish (Specify below)

_____ School (Specify below)

_____ Other Institution (Specify below)

If Parish, School or other Institution please specify:

Name of Parish, School or other Institution: _____

Address: _____

City: _____ State: _____ Zip: _____

Donor Broker: _____

I (we) plan to transfer the securities (please check one of the following):

_____ electronically

_____ by mail

_____ delivered in person

Donor Signature(s): _____ Date: _____

Donor Signature(s): _____ Date: _____



STIFEL

IRREVOCABLE STOCK OR BOND POWER FORM

Account #: _____ Complete Name: _____
 Quantity: _____ Security: _____

Reason for Power:

- Security sold for settlement _____
 Security to be transferred into firm name _____
 Other: _____

Note: If security is registered in joint name, all parties must sign the power. Also, the original containing wet ink signature(s) is required. Copies of signatures are not acceptable.

**IRREVOCABLE STOCK OR BOND POWER
 FOR VALUE RECEIVED, the undersigned does/(do) hereby sell, assign, and transfer to:**

If STOCK, complete this portion:

_____ shares of the _____ stock of _____ represented by
 Certificate(s) Number(s) _____ inclusive, standing in the name of the
 undersigned on the books of said company.

If BONDS, complete this portion:

_____ bonds of _____
 in the principal amount of \$ _____ . Number(s) _____ inclusive,
 standing in the name of the undersigned on the books of said company.

The undersigned does/(do) hereby irrevocable constitute and appoint Stifel, Nicolaus & Company, Incorporated attorney to transfer the said stock or bond(s), as the case may be, on the books of said company, with full power of substitution in the premises.

Date	Printed Name(s) of Person(s) Executing this Power	Signature(s) of Person(s) Executing this Power
_____	_____	_____
_____	_____	_____
_____	_____	_____

SIGNATURE CERTIFICATION
 Stifel, Nicolaus & Company, Incorporated

By: _____
(Authorized Certifier)



DIOCESE OF JOLIET FINANCIAL POLICIES

DIOCESAN DEPOSIT AND LOAN PROGRAM	POLICY K	PAGE 1 OF 2
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STATEMENT OF POLICY

The Diocesan Deposit and Loan Program provides that parishes deposit their excess funds in a diocesan fund whereby interest can be earned by the contributing parish and capital programs/projects can be financed by any parish with such a need.

DEPOSIT & LOAN TRANSACTION SLIP

The diocesan Deposit & Loan Transaction Slip (Policy K-1) should be submitted with all deposits, withdrawals and loan payments.

DEPOSITS

Surplus funds of a parish (funds in excess of a 90-day operating requirement) are to be placed on deposit with the Parish Deposit and Loan Program provided by the diocese. Excess funds are not to be deposited into a commercial savings account, certificate of deposit or money market account or invested in securities.

The deposit interest rate changes periodically. Contact the Diocesan Finance Office for the current rate. Interest is earned daily and capitalized quarterly. Parishes wishing to receive interest payments may do so quarterly.

Parishes may have multiple accounts if desired. For example, there may be an account for excess operating funds, a renovation savings account, a new organ account, etc. There is no limit to the number of accounts a parish may open.

An initial deposit along with instructions is required to open an account. An acknowledgement of deposits received is provided by the Finance Office. Deposits should be accompanied by a Deposit & Loan Transaction slip in order for the funds to be properly applied. Withdrawals from deposit accounts may be made at any time by the issuance of a Deposit & Loan Transaction slip signed by the pastor or someone authorized by the pastor.

LOANS

Loans are available to parishes for renovation projects, capital improvements, major repairs or new construction. Loans for parish operations can be made only under special circumstances and by approval of the bishop. Before a loan can be made for a building or repair job the project must be approved by the diocese.

When a loan is made it will be evidenced by a promissory note signed by the pastor. The promissory note will show the loan amount, term of the loan and the interest rate.

DIOCESE OF JOLIET FINANCIAL POLICIES

DIOCESAN DEPOSIT AND LOAN PROGRAM	POLICY K	PAGE 2 OF 2
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For new construction, loans can be made by the diocese for up to 20% of the cost of the project, including soft costs and furnishings. A borrowing parish must have 80% of the project cost on deposit with the diocese before a loan will be made and construction can begin.

A schedule of payments will be provided at the time the loan is established. When payments are made interest will be paid first, with the balance of the payment being applied to principal. Loan payments should be accompanied by a Deposit & Loan Transaction slip.

DEPOSIT AND LOAN TRANSACTION

Parish Name:	
Parish No.:	
Account No.:	

DEPOSIT

Amount \$

LOAN PAYMENT

Amount \$

WITHDRAWAL

Provide purpose for withdrawals greater than \$20,000:

Amount \$

TRANSFERS

Amount \$

From Account No:

To Account No:

Effective Date:

DELIVERY INSTRUCTION

Date needed:

Mail to Parish Pick up at Chancery

NEW ACCOUNT ONLY

Name of new account:

Quarterly interest payments:

Mail to Parish Add to principal

PASTOR'S SIGNATURE: _____ **DATE:**

(for withdrawals and transfers)

DIOCESAN USE ONLY

Date received: _____

Received by: _____

Current account balance: _____

Approval: _____ Date: _____

DIOCESE OF JOLIET FINANCIAL POLICIES

Diocesan Education Endowment Fund	POLICY	PAGE
	L	1 OF 2

PURPOSE:

The primary purpose of the Educational Endowment Fund is to have one overall umbrella fund to be utilized by individual Diocesan-owned High Schools and individual Parish schools that desire to raise funds exclusively for school purposes.

ESTABLISH

To establish an Education Endowment Account, the parish or high school completes the Education Endowment Fund Agreement form in section L-2. The signed agreement references the original Joliet Diocese Education Endowment Agreement (section L-1) enacted in 1990 (as amended and restated on January 8, 2010). The signed agreement along with an endowment contribution form (see below) are submitted to the Diocesan Finance Department.

DEPOSITS:

An Endowment Fund Contribution form (section L-3) must be completed to deposit money into the Fund. The form must be signed by the pastor or president of the participating school. The source of money transferred is limited to gifts and contributions from donors along with specific fund raising events which restrict the principal amount and income to the exclusive use of the school.

A contribution to the Endowment from surplus parish funds is not allowed.

INVESTMENTS:

Funds from each participating school will be pooled together and comingled for investment purposes. All income and appreciation from the comingled funds shall be prorated among the respective participants in accordance with their proportionate share.

DIOCESE OF JOLIET FINANCIAL POLICIES

Diocesan Education Endowment Fund	POLICY L	PAGE 2 OF 2
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The firm Marquette Associates has been hired by the Diocese as investment consultants. Under the endowment agreement, the funds will be professionally managed in accordance with United States Conference of Catholic Bishop (USCCB) principals for investing. Established target asset allocations and permissible ranges have been developed so the fund can earn a return consistent with the cash stream required by the schools.

First Midwest Bank will be the custodian of the endowment funds and be responsible for quarterly reports and annual distributions to the schools.

DISTRIBUTIONS:

The Diocese Finance Office will be responsible for providing the schools with their available distributions amounts by March 31 of each year. The schools will need to advise the Diocesan Finance Office by no later than June 1 of their decision of how much distribution to take. The Endowment Fund Annual Distribution form (section L-4) will be used to request funds. The distribution will take place by July 15th.

The available distribution amount is based on the endowment's funds' fair market value average balance as of December 31 from the previous three years. The average balance is multiplied by 4% to determine the school's available distribution amount. The school will be allowed to take anywhere from 0 to 4% of the fair market value of the fund.

Each year 1% of the each school's base distribution amount will be retained in the Fund for future years (carryover amount) along with the difference between the annual distribution actually received and the maximum amount allowed. A school may request all or part of these carryover funds only for (1) capital improvements or (2) emergency needs. These funds can be accessed anytime during the year by written request to the directors through the Finance Office.

AGREEMENT OF THE DIOCESAN EDUCATIONAL ENDOWMENT FUND

FOR

PARISH ELEMENTARY SCHOOLS

AND

DIOCESAN HIGH SCHOOLS

OF

THE ROMAN CATHOLIC DIOCESE OF JOLIET, ILLINOIS

(As Amended and Restated on December 1, 2014)

WHEREAS, the Bishop has previously created a single Educational Endowment Fund, wherein each Parish School or Diocesan-owned High School that chooses to establish an Educational Endowment Fund may do so under this single Trust Agreement, and thereby minimize the costs and expenses of administration and investment of funds, which would otherwise be incurred by the Parish Schools and Diocesan-owned High Schools establishing separate Educational Endowment Funds and acting separately.

WHEREAS, the Bishop now desires to amend and restate this Educational Endowment Fund.

NOW THEREFORE, BISHOP R. DANIEL CONLON OF THE ROMAN CATHOLIC DIOCESE OF JOLIET, AS TRUSTEE, PURSUANT TO THE AUTHORITY GRANTED TO HIM IN THE EDUCATIONAL ENDOWMENT FUND, HEREBY AMENDS AND RESTATES THE TRUST AGREEMENT AS FOLLOWS:

ARTICLE I

THE NAME OF ENDOWMENT FUND

The name of this endowment fund shall be the DIOCESAN EDUCATIONAL ENDOWMENT FUND FOR PARISH ELEMENTARY SCHOOLS AND DIOCESAN HIGH SCHOOLS OF THE ROMAN CATHOLIC DIOCESE OF JOLIET, ILLINOIS, and will hereafter be referred to in this document as the “Educational Endowment Fund” (and sometimes also referred to as the “Fund”).

ARTICLE II

STATEMENT OF PURPOSE

This Educational Endowment Fund is established exclusively for Catholic Educational Purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, to benefit only those Diocesan schools electing to participate under this document, and agreeing to be bound by all of its terms and conditions.

The primary purpose of this Educational Endowment Fund is to have one, overall umbrella Endowment Fund, to be utilized by individual Diocesan-owned High Schools and individual Parish Schools that desire to raise funds exclusively for their school purposes, so that all funds so raised would be held in a single endowment and limited distributions would be made therefrom each and every year exclusively for any expenses directly relating to the Parish Schools or Diocesan-owned High Schools. Consequently, each Parish School and Diocesan-owned High School may dispense with having a separate document and seeking separate Internal Revenue rulings, and may dispense with the need for separate Advisory Boards and investment decisions, and the costs relating thereto, and thereby benefit from the pooling of all funds for investment and administration purposes, at minimal costs to the Parish Schools and Diocesan-owned High Schools, which costs shall be shared by all in proportion to the principal funds on deposit for each participant.

ARTICLE III

ELIGIBLE PARTICIPANTS and ELECTION TO PARTICIPATE

Participants in this Educational Endowment Fund shall be limited to the following:

- (a) Parish Schools who freely elect and choose to participate under the terms and conditions of this Trust Agreement, and all amendments.
- (b) Diocesan-owned High Schools who freely elect and choose to participate under the terms and conditions of this Trust Agreement, and all amendments.

Each Parish School or Diocesan-owned High School that decides to participate in the Educational Endowment Fund must do so, in writing, by using the prescribed Diocesan Application and shall be referred to herein as a "Participating School."

If any Participating School has an existing individual school endowment fund, then that Participating School may participate by signing the prescribed application and transferring all of its existing endowment funds to this Educational Endowment Fund. In addition, such Participating School must agree to be subject to all of the terms and conditions of this Trust Agreement, but must do so in a manner consistent with the terms of its existing school endowment fund agreement.

ARTICLE IV

SOURCE AND NATURE OF ENDOWMENT FUND

The source and nature of all funds that may be transferred to this Educational Endowment Fund are limited to:

- (a) Any past or future gifts and contributions in which the donor has restricted the use of the principal amount, and/or the income therefrom, for the exclusive use of the Participating School.
- (b) Any existing or future funds acquired as a result of a specific fund raising event, or pledge, whose specific goal was to raise funds for the exclusive use of the Participating School.

No funds may be transferred to this Educational Endowment Fund until the pastor or president of the Participating School has executed a Transfer Form, which acknowledges that the transfer is irrevocable and the funds will be retained with distributions limited to those set forth in Article VIII, and which sets forth all the restrictions of the donor or donors applicable to the funds transferred to the Educational Endowment Fund.

Each pastor is prohibited from transferring surplus parish funds to this Educational Endowment Fund because such transfer would violate Diocesan policy requiring parishes to deposit surplus parish funds with the Chancery Office.

ARTICLE V

BOARD OF DIRECTORS

1. Appointment of Board of Directors.

The administration of this Educational Endowment Fund, including all investment decisions, shall be managed by a board of directors consisting of a total of eleven (11) members. The eleven members of the initial board of directors shall include:

(a) one (1) director shall be the then acting Trustee (or an agent designated by the Trustee in a written instrument to act on behalf of the Trustee);

(b) four (4) directors appointed by the Trustee, provided that one (1) of such directors shall be the then acting Chief Financial Officer for the Diocese of Joliet;

(c) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009;

(d) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the second largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009;

(e) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the third largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009;

(f) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the fourth largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009;

(g) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the fifth largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009; and

(h) one (1) director appointed by the pastor of the Parish School or president of the Diocesan-owned High School with the sixth largest percentage of invested assets in the Educational Endowment Fund as of June 30, 2009.

2. Tenure and Vacancies.

The initial term of two of the directors appointed pursuant to subparagraph (b) of paragraph 1 and the directors appointed pursuant to subparagraphs (g) and (h) of paragraph 1

shall continue until the annual meeting of the board of directors in 2010, the initial term of one of the directors appointed pursuant to subparagraph (b) of paragraph 1 and the directors appointed pursuant to subparagraphs (e) and (f) of paragraph 1 shall continue until the annual meeting of the board of directors in 2011, and the initial term of one of the directors appointed pursuant to subparagraph (b) of paragraph 1 and the directors appointed pursuant to subparagraphs (c) and (d) of paragraph 1 shall continue until the annual meeting of the board of directors in 2012.

After the initial term, the term of each director (except the Trustee or his designated agent) shall be three years from the date of appointment at the annual meeting of the board of directors, provided that a successor director may complete the balance of the term of his or her predecessor as provided below. Each director appointed by the Trustee pursuant to subparagraph (b) of paragraph 1 shall be limited to a maximum of two terms, provided that such term limit shall not apply to the Chief Financial Officer for the Diocese of Joliet and shall not include any initial term that is less than three years in duration.

Upon the expiration of the term of a director who was appointed pursuant to subparagraphs (c) through (h) of paragraph 1, such vacancy shall be filled by the pastor of the Parish School or president of the Diocesan-owned High School who appointed such director (the "Appointing School") if such Appointing School has one of the six largest percentages of invested assets in the Educational Endowment Fund as of June 30 of the year in which such director's term expired (the "Determination Date") and if such Appointing School does not have one of the six largest percentages of invested assets in the Education Endowment Fund as of the Determination Date, then such vacancy shall be filled by the pastor of the Parish School or president of the Diocesan-owned High School that has the largest percentage of invested assets in the Educational Endowment Fund as of the Determination Date and who has not appointed a currently acting director. A director appointed pursuant to subparagraphs (c) through (h) of paragraph 1 shall not be removed in the middle of a term if the Appointing School ceases to be one of the top six schools with respect to the percentage of invested assets in the Educational Endowment Fund during such director's term. In the event that a director resigns, dies, becomes incapacitated or is removed prior to the expiration of the three year term, then a successor director shall be appointed for the balance of the term in the same manner as his or her predecessor in office.

3. Annual Meetings.

A regular annual meeting of the board of directors shall be held as provided by resolution of the board of directors, without notice other than such resolution. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings of the board without notice other than such resolution.

4. Special Meetings.

Special meetings of the board of directors may be called by or at the request of any two directors. The person or persons authorized to call special meetings of the board may fix any place as the place for holding any special meeting of the board called by them.

5. Notice.

Notice of any special meeting of the board of directors shall be given at least two days previous thereto by written, facsimile or e-mail notice to each director at his or her address, facsimile number or e-mail address except that no special meeting of directors may remove a director unless written, facsimile or e-mail notice of the proposed removal is delivered to all directors at least 20 days prior to such meeting. If mailed or delivered, such notice shall be deemed to be delivered when deposited in the United States mail or delivery service in a sealed envelope so addressed, with postage or delivery charge thereon prepaid. If notice is given by facsimile or e-mail, such notice shall be deemed to be delivered when the facsimile or e-mail is transmitted. Notice of any special meeting of the board of directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law.

6. Quorum.

A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

7. Manner of Acting.

All decisions of the board of directors (except for Amendments) shall be by a majority of a quorum, and the majority vote must include that of the Trustee (or the designated agent of the Trustee).

8. Resignation and Removal of Directors.

A director may resign at any time upon written notice to the board of directors. Such resignation shall take effect at the time specified therein, if any, otherwise it shall take effect upon receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed in the same manner as he or she was appointed. Therefore, any director appointed or designated by the Trustee may be removed at any time, with or without cause, by the Trustee. Also, any director appointed by the pastor of a Parish School or president of a Diocesan-owned High School may be removed at any time, with or without cause, by the pastor or president of the Appointing School.

9. Informal Action by Directors.

The authority of the board of directors may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the board of directors.

ARTICLE VI

ALLOCATION OF CONTRIBUTION FUNDS

All funds contributed by the respective Participating Schools shall be forever designated as the respective individual funds of each Participating School. However, it is understood that all funds of each Participating School may be pooled together and commingled and invested in one or more commingled funds. All income (and capital appreciation or depreciation) from the commingled funds shall be prorated among the respective participants, in accordance with their proportionate share of such commingled fund. Each participant will receive an Annual Report showing total amounts on deposit attributable to that participant.

ARTICLE VII

ADMINISTRATION OF FUND

1. The directors shall have all powers granted to trustees by law.
2. Except as limited below, the directors shall invest and manage the Fund assets as a prudent investor would considering the purposes, terms, distribution requirements and other circumstances of the Fund. Specifically, the assets of the Educational Endowment Fund shall be administered and invested pursuant to the provisions of the Prudent Investor Rule set forth in Section 5 of the Illinois Trusts and Trustees Act (760 ILCS 5/5). The directors, or any person or entity to whom investment responsibility has been delegated acting on the directors' behalf, shall observe and follow (and shall incur no liability in so doing) the investment policies of the Diocese, including without limitation any requirements thereunder to follow the socially responsible investment guidelines adopted by the United States Conference of Catholic Bishops, notwithstanding the provisions of the Prudent Investor Rule set forth in Section 5 of the Illinois Trusts and Trustees Act (760 ILCS 5/5). The directors hereby delegate the investment functions of the Fund to the Investment Committee of the Diocesan Finance Council.
3. The directors shall administer this Fund as a total return trust as provided in Section 5.3(d), (e) and (f) of the Illinois Trusts and Trustees Act (760 ILCS 5/5.3), as modified by this Trust Agreement.
4. The directors may employ a bank or trust company as custodian of any funds or securities and delegate to it such powers the directors deem appropriate; hold trust property without indication of fiduciary capacity but only in the name of a registered nominee, provided the trust property is at all times identified as such on the books of the Trust; keep any or all of the trust property or funds in any place or places in the United States of America; appoint attorneys, auditors, financial advisers and other agents to assist in the administration of the Fund; and pay

reasonable compensation to such appointees as provided in Section 4.09 of the Illinois Trusts and Trustees Act (760 ILCS 5/4.09). In addition, the directors may appoint investment agents and delegate investment functions to such agents pursuant to Section 5.1 of the Illinois Trusts and Trustees Act (760 ILCS 5/5.1).

5. The directors are authorized to reimburse themselves amounts for reasonable expenses incurred in the administration of the Educational Endowment Fund, but shall not receive compensation for acting as a director of the Educational Endowment Fund.

6. No Trustee or director shall be required to furnish any bond or surety. No Trustee or director shall be responsible or liable for the acts or omissions of any other Trustee or director, or any predecessor or of a custodian, agent, depository or counsel selected with reasonable care.

ARTICLE VIII

DISTRIBUTIONS

1. The directors shall determine by March 31 of each year the base distribution amount for each Participating School for such year, which shall equal the average of such Participating School's proportionate share of the net fair market value of the endowment assets on December 31 of each of the three prior years (the "Base Distribution Amount"). The Trustee shall distribute annually to each Participating School a maximum distributive amount equal to four percent (4%) of such Participating School's Base Distribution Amount for that year. Notwithstanding the foregoing, a Participating School may elect to take less than its maximum distributive amount in any year by written document delivered to the directors no later than June 1 of such year.

2. The annual distribution to each Participating School shall be made on July 1 of each year, which is the first day of the Educational Endowment Fund's fiscal year, and the Fund shall not make any additional distributions to a Participating School during such fiscal year (except for distributions from the Participating School's carryover account as provided in paragraph 4). Payments shall be made from income and, to the extent that income is not sufficient, from principal. The word "income" as used in this paragraph shall have the same meaning as the word "income" as defined in Section 4 of the Illinois Principal and Income Act (760 ILCS 15/4).

3. Each year an amount shall be retained in the Educational Endowment Fund for the benefit of each Participating School in future years (the "carryover amount"). The carryover amount for a Participating School in each year shall be an amount equal to one percent (1%) of such Participating School's Base Distribution Amount for that year plus the difference between the annual distribution amount actually received by the Participating School for that year and the maximum distributive amount for the Participating School for that year.

4. The aggregate of each Participating School's carryover amount from all prior years shall be maintained on the books and records of the Educational Endowment Fund as a separate "carryover account" for the benefit of such Participating School. A Participating School may withdraw funds from the Participating School's carryover account only for (1) capital

improvements to the Participating School or (2) emergency needs of the Participating School. Each Participating School may request all or any part of the funds held in its carryover account for such purposes at any time during the year by written document delivered to the directors. The Trustee (or the Trustee's designated agent), at his sole discretion, shall approve all distributions from a Participating School's carryover account. Each Participating School's carryover account shall be included as part of that Participating School's endowment for purposes of calculating the Participating School's Base Distribution Amount under paragraph 1 above.

5. Each distribution shall be made to the pastor or president of each respective Participating School for the payment of any expenses related to the Participating School, or for the particular educational use as designated by the particular donor.

6. Each Participating School is required to use the entire annual distribution received pursuant to paragraph 1 above for any expenses related to the Participating School within a twelve month period of time, and to verify the use of said funds, if requested to do so by the board of directors.

7. Any Restricted Fund held by a Participating School shall not be counted as part of that Participating School's endowment for purpose of calculating the Participating School's Base Distribution Amount under paragraph 1 above. Instead, distributions from such Restricted Fund shall be made to the Participating School pursuant to the terms of such Restricted Fund. A "Restricted Fund" shall mean any funds that were restricted by the donor at the time the funds were contributed to the Educational Endowment Fund with respect to the amount that may be expended from such fund each year. Any funds contributed by a donor that are restricted with respect to the use of the funds (but not restricted with respect to the amount that may be expended each year) shall not be a "Restricted Fund" for purposes of the Educational Endowment Fund and shall be counted as part of the Participating School's endowment for purposes of calculating the Participating School's Base Distribution Amount under paragraph 1 above; provided, however, that the portion of such Participating School's annual distribution amount that is attributable to such funds shall only be used by the Participating School in conformity with the restrictions established by the donor.

ARTICLE IX

SPECIFIC PROHIBITIONS & LIMITATIONS

1. Inurement of Income.

No part of the net earnings of this Educational Endowment Fund shall inure to the benefit of or be distributed to any individual (except that each director may be reimbursed for reasonable expenses as set forth in paragraph 5 of Article VII). Any money paid to or for the benefit of an individual from the Educational Endowment Fund shall be awarded or paid on an objective, non-discriminatory basis.

2. Diocesan Policy & Canon Law.

No distributions from the Educational Endowment Fund may be used by any Participating School in any manner that would violate any policy or regulation of the Diocesan

School Board, or that would conflict with Canon Law, or violate any Diocesan policy, or Synod Rule applicable at the time of such distribution or utilization.

3. Legislative or Political Activities.

No substantial part of the activities of the Educational Endowment Fund shall be used for the carrying on of propaganda, or otherwise attempting to influence legislation. No part of the activities of the Fund shall be the participation in or intervention in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office, directly or indirectly, or through any Participating School.

4. Operational Limitations.

Notwithstanding any other provisions of these Articles, this Fund shall not carry on any other activities not permitted to be carried on by:

(a) an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), or

(b) an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE X

DISSOLUTION

1. Closing of a Parish School.

If any Parish School that is a Participating School hereunder merges with another Parish School, then such Participating School's funds held hereunder shall remain in the Educational Endowment Fund under the control of the parish and shall be used for the benefit of the children of the parish who attend the new school and/or for the benefit of the new school. If any Parish School that is a Participating School hereunder shall permanently close, and does not relocate or merge with another Parish School, then such Participating School's funds held hereunder shall remain in the Educational Endowment Fund under the control of the parish and shall be used for the Catholic elementary school education of the children of the Parish.

2. Closing of a Parish.

If a parish which is a Participating School hereunder shall permanently close, then that Participating School's funds held hereunder shall be distributed to the Catholic Schools Office of the Diocese of Joliet ("Catholic Schools Office"), and the Catholic Schools Office shall use such funds to support the Catholic elementary school of the children of such closed parish. In so using these funds, the Catholic Schools Office must first pay or make provision for the payment of all liabilities attributable to the closed Participating School.

3. Closing of a High School.

If any Diocesan-owned High School that is a Participating School hereunder merges with another Catholic high school, then such Participating School's funds held hereunder shall remain in the Educational Endowment Fund but shall be under the control of the new entity as part of its endowment. If any Diocesan-owned High School that is a Participating School hereunder shall permanently close, and does not relocate or merge with another Catholic high school, then such Participating Schools funds held hereunder shall be distributed to the Catholic Schools Office, and the Catholic Schools Office shall use such funds to support and assist Catholic secondary education in the Diocese. In so using these funds, the Catholic Schools Office must first pay or make provision for the payment of all liabilities attributable to the closed Participating School.

4. Catholic Schools Office Administration of Funds.

Notwithstanding any other provisions in this agreement, the Catholic Schools Office must hold and disburse all funds it receives pursuant to the above paragraphs of this Article exclusively for the purposes of this Educational Endowment Fund, in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational or religious purposes, as shall at the time qualify as an Exempt Organization or Organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law, as the directors shall determine). Any such assets not so disposed of as provided above shall be disposed of by the Court of the County in which the principal office of the Educational Endowment Fund is then located, having jurisdiction of the Fund, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

5. Restricted Funds.

Notwithstanding the foregoing provisions of this Article, if any Parish School or Diocesan-owned High School that is a Participating School merges or closes, then any Restricted Fund held by such Participating School shall continue to be administered pursuant to the terms of such Restricted Fund or as directed by the donor of such Restricted Fund. If the Restricted Fund or its donor do not specify how the funds should be administered in the event that the Participating School merges or closes, then the Restricted Fund shall be administered pursuant to the terms of this Article.

ARTICLE XI

ACCOUNTING AND AUDIT

The fiscal year of the Educational Endowment Fund shall begin on July 1 and end on June 30.

There shall be an annual audit by independent auditors regarding all financial transactions of this Educational Endowment Fund, which is to include, but not be limited to: deposits, expenditures, and distributions to any recipient.

ARTICLE XII

ANNUAL REPORT

There shall be published annually a report of the Educational Endowment Fund for each fiscal year, which shall list the aggregate of all gifts, grants, devises, and bequests received by the Fund during said period, the total assets and expenses of the Fund during such period, the aggregate of distributions made for the purposes provided for herein, and any other information that the directors shall deem appropriate.

A copy of same shall be mailed to each Participating School.

ARTICLE XIII

SUCCESSOR TRUSTEES

The then serving canonically appointed and consecrated Bishop of the Diocese shall be the Trustee of the Trust. During any period that there is no currently serving Bishop or during any period that such Bishop shall be determined to be incapacitated as provided below, or if for any other reason there is a vacancy in the office of Trustee, then the first person in the list below who is competent and willing to act shall be the Trustee of the Trust, provided that any person appointed hereunder shall be Trustee only until such time as the Bishop of the Diocese is competent and able to act:

- (a) The Administrator of the Diocese.
- (b) The Auxiliary Bishop of the Diocese, or if more than one, the longest tenured then-acting Auxiliary Bishop.
- (c) The Chief Financial Officer of the Diocese.
- (d) The Chancellor of the Diocese.

An individual Trustee shall be deemed to be incapacitated for all purposes of this instrument if, in the written opinion of the Trustee's personal physician, or if no such physician shall then be able and willing to act, then in the written opinion of the finance council of the Diocese, the person is incapable because of physical or mental disability, or for any other reason, of giving prompt and intelligent consideration to financial matters. Written notice of the determination of disability of a Trustee shall be given to the Bishop, if any, to the finance council of the Diocese, and to any designated successor Trustee. The notice shall be conclusive to establish the person is incapacitated for purposes of this instrument. Removal of incapacity may be established by a similar procedure. Any successor Trustee may rely conclusively upon any such instrument.

Upon any change in any trusteeship hereunder, the continuing Trustee or the next successor Trustee shall have all of the powers, authorities, rights, discretions, immunities, estates, titles, duties and obligations of the original Trustee, without the necessity of any conveyance or the taking of any action whatsoever.

No successor Trustee shall have any duty to inquire into or be in any manner responsible for any act or failure to act of any predecessor Trustee.

ARTICLE XIV

AMENDMENT

This Trust Agreement may be amended at any time by a vote of 2/3 of the directors then in office (and must include the affirmative vote of the Trustee or his designated agent), provided that all such modifications, additions, or amendments shall fully comply with the applicable provisions of the Internal Revenue Code, and so long as they in no way jeopardize the tax exempt status of this Educational Endowment Fund, and so long as they do not change or modify any of the restrictions imposed by any donor.

The maker of any gift, grant, devise, or bequest transferred to this Educational Endowment Fund does so subject to the provisions hereof, and all persons claiming by, through, or under him, her, or it, shall be conclusively presumed to have agreed to any amendments, modifications, or additions made by the directors.

ARTICLE XV

APPLICABLE LAW

The validity, effect and construction of the Educational Endowment Fund shall be determined in accordance with the laws of Illinois. The original situs and original place of administration of the Educational Endowment Fund shall be Will County, Illinois, but the situs and place of administration of the Educational Endowment Fund may be transferred at any time or from time to time to such place or places as the directors deem to be for the best interests of the Fund.

In addition, the Educational Endowment Fund shall be administered in accordance with the Canon Law of the Roman Catholic Church and the policies and rules of the Diocese of Joliet. Under no circumstances shall the Educational Endowment Fund be administered in a manner that would violate or conflict with Canon Law.

The Educational Endowment Fund shall be governed by the terms of this Trust Agreement and shall be administered as a separate trust, separate and apart from the Catholic Education Foundation or the By-Laws of such Foundation.

ARTICLE XVI

SPENDTHRIFT PROVISIONS

No interest in the income or principal of the Educational Endowment Fund shall be assignable by any Participating School or by any voluntary or involuntary act of a Participating School or by operation of law. Neither the income nor the principal of the Educational Endowment Fund shall be subject to the claims of the creditors of any Participating School or to the claims of any creditors of the Roman Catholic Diocese of Joliet.

IN WITNESS WHEREOF, I have executed this Amendment and Restatement of the Agreement of the Educational Endowment Fund this 1st day of DECEMBER 2014.

Joseph M. Siegel
JOSEPH M. SIEGEL, as Auxiliary Bishop
of the Roman Catholic Diocese of Joliet,
Illinois, and as Delegated Trustee of the
Educational Endowment Fund
ACKNOWLEDGED AND APPROVED:

R. DANIEL CONLON, as Bishop of the Roman
Catholic Diocese of Joliet, Illinois, and as Trustee
of the Educational Endowment Fund

Deacon John V. Sebastian
Name: John V. Sebastian, as Director

MICHAEL J. SIMMONS
Name: Michael J. Simmons, as Director

Charles M. Wilhelm
Name: Charles M. Wilhelm, as Director

Jean V. Chick
Name: Jean V. Chick, as Director

Michael Robert Cobert
Name: Michael Robert Cobert, as Director

Carol Olofin
Name: Carol Olofin, as Director

Robert Hansen
Name: ROBERT HANSEN, as Director

Michael Bava
Name: MICHAEL BAVA, as Director

Fr. Richard McGrath
Name: Fr. Richard McGrath, as Director

Gerald W. Hudt
Name: GERALD W. HUDT, as Director

EDUCATIONAL ENDOWMENT ENROLLMENT FUND AGREEMENT

THIS ENDOWMENT FUND AGREEMENT is made and entered into this _____ day of _____ by and between **R. Daniel Conlon**, Bishop of the Roman Catholic Diocese of Joliet, as **TRUSTEE of THE EDUCATIONAL ENDOWMENT FUND FOR PARISH ELEMENTARY SCHOOLS AND DIOCESAN HIGH SCHOOLS OF THE ROMAN CATHOLIC DIOCESE OF JOLIET, ILLINOIS** ("Trustee") and **ST.** ("School") in order to provide for the participation of School in the Educational Endowment Fund in accordance with the terms of this Agreement.

WHEREAS, Trustee established the Educational Endowment Fund by execution of the Trust Agreement dated March 28, 1990 (amended and restated on January 8, 2010) to accommodate the individual requests of parish schools to participate in a single fund for those schools desiring to so participate; and

WHEREAS, the School Board of the School ("Board"), by a resolution unanimately adopted by the Board on <date> ("Resolution"), determined to enter into an agreement with the Diocese to participate in the Educational Endowment Fund; and

WHEREAS, Trustee desires to enter into an agreement with School to enable School to participate in the Educational Endowment Fund;

NOW, THEREFORE, the parties agree that School shall be permitted to participate in the Educational Endowment Trust in accordance with the terms of the Educational Endowment Fund Agreement dated March 28, 1990 (amended and restated on January 8, 2010) attached as Exhibit A hereto and expressly incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

TRUSTEE OF THE EDUCATIONAL ENDOWMENT FUND FOR PARISH ELEMENTARY SCHOOLS AND DIOCESAN HIGH SCHOOLS OF THE ROMAN CATHOLIC DIOCESE OF JOLIET, ILLINOIS

Signature of Agent Designated by TRUSTEE

(Parish School Name)

Pastor:

School Board President:

(Signature)

(Signature)

(Name)

(Name)

Endowment Contribution Form

I, _____, as pastor/president of _____
(Name) (Name of Parish/School)

in accordance with the Agreement of the Diocesan Educational Endowment Fund, acknowledge that:

- this contribution is irrevocable and the funds will be retained with distributions limited to those set forth in Article VIII of the agreement, and which sets forth all the restrictions of the donor or donors applicable to the funds transferred to the Educational Endowment Fund, and
- this contribution is not funded by surplus parish funds which would be in violation of the Diocesan policy that requires surplus parish funds be deposited in the Diocesan Deposit/Loan Program.

Pastor's / President's Signature _____

Pastor's / President's Name (Printed) _____

Date _____

Acknowledged (where applicable):

Finance Council Chair Signature _____

Finance Council Chair Name (Printed) _____

Date _____

Deposit Information

School Name _____

Endowment Number _____

Contribution Amount _____

DIOCESAN EDUCATIONAL ENDOWMENT FUND
ANNUAL DISTRIBUTION FORM

year

SECTION A: NAME AND ADDRESS

School/Parish Name _____ Endowment Number _____

Address _____
Street City Zip

Phone Number _____ Email Address: _____

SECTION B: ELECTION STATEMENT

- *I request NO distribution payout : _____ (Please initial)*

BASE DISTRIBUTION:

- *I request the following base distribution percentage (please circle) or dollar amount payout :*
4% 3% 2% 1% or Dollar Amt: _____ (Not to exceed the 4%)

CAPITAL IMPROVEMENTS/EMERGENCY DISTRIBUTION:

- *I request the additional 1% distribution or dollar amount payout:*
1% or Dollar Amt: _____ (Not to exceed the 1%)

Please describe reason for request

CARRYOVER DISTRIBUTION:

- *I request the following carryover amount payout:*
Dollar Amount: _____

Reason for Request (only required if requesting a carryover amount):

- Capital improvements to the school
- Emergency needs of the school

Please describe reason for request

Refer to the endowment quarterly report for the Distribution Calculation which averages the account for the past three years and the Accumulated Carry Over Balance available that the school/parish can request.

SECTION C: SIGNATURE AUTHORIZATION (Must be signed)

Pastor / President (Print): _____ Date: _____

Pastor / President (Signature): _____

*(Completed forms need to be submitted to Mark Janus at the Diocesan Finance Office – Mailed, Faxed or Emailed as PDF with signature by **June 1**)*

DIOCESE OF JOLIET FINANCIAL POLICIES

PETTY CASH FUND	POLICY	PAGE
	M	1 OF 1

PROVISIONS

The purpose of establishing a Petty Cash Fund is to facilitate the payment of various small expenses that are too cumbersome to be paid by check and to facilitate inter-unit operations.

In operating a Petty Cash Fund the following guidelines on control should be followed:

- a. The fund shall be operated on an imprest basis which means that the amount established for the fund remains constant.
- b. The amount established for the fund should not be too small or too large but should be in an amount sufficient to cover small expenses over a specified period, e.g., two weeks or one month. Generally, the fund should not exceed \$300.
- c. A person, generally the secretary, shall be responsible for the fund's operation, safekeeping and replenishment.
- d. Expenses paid out of the fund should not be substantial.
- e. All expenses paid out of the fund should be duly supported by an approved petty cash voucher and other documents such as invoices, bills, receipts, etc.
- f. Approval of expenses paid out of the fund should be limited to the head of the unit concerned.

The operating procedures for a Petty Cash Fund shall be as follows:

- a. When the fund is initially established, the Petty Cash Fund shall be drawn payable to the person responsible for the Petty Cash Fund.
- b. Employees who wish to use the fund should fill out a Petty Cash Fund Voucher. Without an approved Petty Cash Fund Voucher and appropriate substantiation, no payment out of the fund should be made.

Diocese of Joliet

Transportation Policy

Policy Statement

As it carries out its mission of service, transportation is critical to many of the pastoral and charitable works of the Church. Transportation issues also present significant risk management concerns and it is important that specific practices are developed and implemented to attempt to limit the risk associated with diocesan, parish, and school transportation activities. It is important to know that the diocesan auto program provides coverage to diocesan and parish owned vehicles only. The coverage includes a large self-insured retention, so risk reduction activities are of great importance to the diocese. Staff and parishioners using their own vehicles should be made aware that their own automobile coverage is primary when they are using their vehicles for diocesan/parish business. There is coverage that would offer additional liability protection should a claim exceed the limit of their policy. Please review the information contained in this policy with all diocesan/parish staff. Adherence to the Transportation Policy is required of all parishes and schools in the Diocese as well as other diocesan institutions that participate in the group insurance program.

Vehicle and Driver Requirements

1. Diocesan/Parish Owned Vehicles*

- a. Drivers must be 21 years of age or older.
- b. If minors are transported, it is recommended the driver be 25 years of age or older and should also comply with the Diocese of Joliet Protecting Children policies.
- c. Drivers must have a valid driver's license and no physical disability that could in any way impair their ability to drive the vehicle. A copy of a valid driver's license should be maintained in the driver's file.
- d. A Motor Vehicle Record check is to be obtained for all employees who will drive a diocesan or parish owned vehicle as part of their employment at the time they are hired and every five years thereafter.
- e. Each driver must complete a "Driver Information Sheet." The sheets are to be retained on file for the duration of each individual's service as a driver. Persons with a poor history should not be allowed to drive for diocesan/parish business.
- f. The use of 11-15 passenger vans to transport children or adults is prohibited. The vans may be used for cargo vans only if all but the two front seats are removed.
- g. Seat belts must be used at all times. Each occupant must have a seat belt. No passengers are permitted in the bed of a pickup or in the cargo area of a vehicle.
- h. Use of cell phones and other electronic devices are prohibited while operating a motor vehicle.
- i. Drivers of diocesan/parish owned vehicles are required to take Catholic Mutual's Be Smart-Drive Safe defensive driving course. The course can be viewed on-line at <https://cmgconnect.org/> (new users will require registration, click on *Register Here* and follow on-line instructions, returning users will need their username and password.)

2. Personal Vehicles used for Diocesan/Parish Business*

- a. Drivers must be 21 years of age or older.
- b. If minors are transported, it is recommended the driver be 25 years of age or older and should also comply with the Diocese of Joliet Protecting Children policies.
- c. Drivers must have a valid driver's license and no physical disability that could in any way impair their ability to drive the vehicle. A copy of a valid driver's license should be secured.
- d. A Driver Information Sheet must be completed for each driver and kept in diocesan/parish/school files. Persons with a poor history should not be allowed to drive for diocesan/parish business.
- e. The use of 11-15 passenger vans to transport children or adults is prohibited. The vans may be used for cargo vans only if all but the two front seats are removed.
- f. The vehicle must be currently registered and in good operating condition and have all safety equipment as required by law.
- g. The vehicle must be insured for the following minimum liability limits: \$100,000 per person and \$300,000 per accident. A copy of the current insurance card should be secured.
- h. Use of cell phones and other electronic devices are prohibited while operating a motor vehicle.
- i. While not required, it is recommended that a Motor Vehicle Record check be obtained for any employee or volunteer who will be using their personal vehicle on a regular basis for diocesan/parish/school business.
- j. All employees who drive as part of their position and frequent volunteer drivers are required to take Catholic Mutual's Be Smart-Drive Safe defensive driving course. The course can be viewed on-line at <https://cmgconnect.org/> (new users will require registration, click on *Register Here* and follow on-line instructions, returning users will need their username and password.)

3. Rented/Leased Vehicles

- a. The rental or lease of 11-15 passenger vans to transport children or adults is prohibited.
- b. When a vehicle is being rented or leased, liability and full coverage physical damage insurance must be purchased from the rental agency. **Diocesan auto insurance does not cover rented vehicles.**
- c. Vehicles should not be driven out of the country without special permission.

4. Chartered Vehicles

- a. Obtain a Certificate of Auto Liability Coverage from the commercial carrier naming the Diocese and parish location as an additional insured. Minimum liability limits are \$2,000,000 combined single limit.

*The use of the word "parish" here refers to all institutions of the Diocese of Joliet that participate in its group insurance program.

Specific Transportation Uses

In addition to the above information, individuals involved in arranging transportation for diocesan/parish/school transportation activities are required to view Catholic Mutual's transportation risk management video *Church Transportation -Is It Necessary and Ministry-Based?* The course can be viewed on-line at <https://cmgconnect.org/> (new users will require registration, click on *Register Here* and follow on-line instructions, returning users will need their username and password.)

Other information should be consulted as follows:

School Field Trips - Schools planning field trips should consult the Diocese of Joliet Schools Office - Handbook of Schools Policies for additional specific policies and procedures to follow for these trips. Persons involved with these trips should also comply with the Diocese of Joliet Protecting Children policies. If at all possible, the use of chartered or contracted transportation carriers should be used for these trips. The use of private passenger vehicles is discouraged and should be avoided if at all possible.

Religious Education and Youth Ministry Trips - In addition to the above information, parish religious education departments and youth ministers planning trips should consult the Faith Formation in Diocese of Joliet handbook for additional specific policies and procedures to follow for these trips. Persons involved with these trips should also comply with the Diocese of Joliet Protecting Children policies. If at all possible, the use of chartered or contracted transportation carriers should be used for these trips. The use of private passenger vehicles is discouraged and should be avoided if at all possible.

Parish Transportation Ministries - Many parishes have considered or have implemented programs where parish volunteers provide transportation to parishioners to church services, for doctor appointments, shopping, and other needs. These activities greatly increase the risk exposure of the parish. The best method to handle these situations is for parishioners to make these arrangements on their own without parish involvement; however, for parishes that have formally created these programs, specific risk management procedures need to be followed. In addition to the requirements contained above in section 2, *Personal Vehicles for Parish Business*, individuals receiving transportation services should sign a copy of the Adult Liability Waiver and a copy should be maintained in parish files.

Related Forms

1. Driver Information Sheet
2. Adult Liability Waiver (for use in Parish Transportation Ministries)

DRIVER INFORMATION SHEET

Name _____ Date of Birth _____

Address _____ Home Phone # _____

_____ Cell Phone # _____

Driver's License # _____ Expiration Date _____

Vehicle That Will Be Used (complete only if using personal vehicle)

Name of Owner _____ Model of Vehicle _____

Address of Owner _____ Make of Vehicle _____

_____ Year of Vehicle _____

License Plate # _____ Expiration Date _____

Registration Expiration Date _____

If more than one vehicle is to be used, the aforementioned information must be provided for each vehicle.

Insurance Information (complete only if using personal vehicle)

When using a privately-owned vehicle, the insurance coverage is the limit of the insurance policy covering that specific vehicle.

Insurance Company _____ Policy # _____

Date or Policy Expiration _____ Liability Limits of Policy* _____

(*Please note: The minimal, acceptable liability limit for privately-owned vehicles is \$100,000/\$300,000)

Please be aware when using a personal vehicle, your insurance is primary. There is a policy that would offer additional liability protection should a claim exceed the limits of your policy.

Driving History

Have you had any of the following citations or convictions in the past THREE years:

	Yes	No
Driving under the influence of alcohol or drugs	_____	_____
Hit and run	_____	_____
Failure to report an accident	_____	_____
Negligent homicide arising out of the use of a motor vehicle	_____	_____
Using a motor vehicle for the commission of a felony	_____	_____
Permitting an unlicensed person to drive	_____	_____
Reckless driving	_____	_____

Are you currently taking any medication that may affect your driving? _____

I certify that the information given on this form is true and correct to the best of my knowledge. I understand that as a driver, I must be 21 years of age or older, possess a valid driver's license, have the proper and current license and, if driving a personal vehicle, have current vehicle registration and the required insurance coverage in effect on the vehicle. I agree that I will refrain from using a cell phone or any other electronic device while driving.

Driver's Signature

Date

PARISH TRANSPORTATION

ADULT LIABILITY WAIVER

RELEASE OF LIABILITY

I, _____, agree on behalf of myself, my heirs, assigns,

Full Name

executors, and personal representatives, to hold harmless and defend

_____, Diocese of Joliet, its officers,

Parish

directors, agents, employees, or representatives associated with parish

transportation programs from any and all liability claims, loss or damages arising

from or in connection with my participation in parish transportation programs.

Signature

Date

Print Name

DIOCESE OF JOLIET FINANCIAL POLICIES

PERSONNEL POLICY	POLICY	PAGE
	0	1 OF 3

STATEMENT OF POLICY

EMPLOYMENT PRACTICES

- A. The employment practices of all parishes shall be free of discrimination by race, age, sex, disability, national origin, or state in life (exceptions shall include instances where ordination or active membership in the Catholic Church is a bona fide requirement for the position).
- B. Employees shall be paid equal pay for equal work. All parishes shall be committed to providing just wages and benefits in accordance with church teaching.
- C. The parish upholds the right of staff members to work in an atmosphere which affirms their dignity and self worth. All personnel, administrators and staff shall strive to provide a work setting that fosters dialogue and collaboration.

RESPONSIBILITY

Each employee will have a designated supervisor. This may be the pastor, associate pastor, principal or another staff person so identified as Supervisor.

WORKING HOURS

Working hours should be assigned by the parish in accordance with federal wage and hour regulations.

EMPLOYEE STATUS

Employees of the parish are categorized as: temporary/seasonal, part-time with benefits, part-time without benefits and full-time. Full-time and part-time with benefits employees are entitled to benefits in addition to salary and wages. Non-benefitted employees are not entitled to any benefits other than the right to be reimbursed for work and related expenses.

For the definition of a part-time employee who qualifies for benefits, refer to Policy E-6.

DIOCESE OF JOLIET FINANCIAL POLICIES

PERSONNEL POLICY	POLICY	PAGE
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SALARIES

Any employee's salary is based on the classification of the position and the rate of pay as determined periodically. The starting salary will be determined when an employee begins employment.

TIME CARDS

Each hourly employee will complete a time card on a daily basis. These are retained for 7 years by the parish.

JOB DESCRIPTION

Each position will have a written job description containing the following:

1. General responsibilities
2. Specific responsibilities including, when possible, a ranking of these functions according to their importance.
3. Immediate supervisor.
4. Performance expectations.
5. Qualifications.

New employees will be given a copy of their job description. This job description will be the basis annual performance review and/or evaluation.

DISMISSAL FOR CAUSE

Dismissal for just cause is based on the job description and work performance.

The following reasons would constitute just cause for dismissal:

- Breach of confidential information.
- Incompetence.
- Unsatisfactory work performance.

DIOCESE OF JOLIET FINANCIAL POLICIES

PERSONNEL POLICY	POLICY	PAGE
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- Conduct or opinion contrary to Roman Catholic Church.
- Series violation of these personnel policies.

Upon separation from employment, the parish will furnish to any prospective employer only the existence of the prior employment but shall have no obligation to express any opinion.

PERSONNEL FILE

Verify employment eligibility of anyone hired after 11/6/86 by completing and retaining INS Form I-9 in the employee file. A copy of the supporting documents should be attached to the I-9 Form. A completed W-4 should be included in each employee file.

Retain employment application, employment verification, verification of academic credentials (where appropriate), job description, and employment contracts, where appropriate, in the employee's file.

Any other documentation that may form the basis of any decision affecting employment should be included in the file. Some examples include: performance appraisals, salary reviews, letters of commendations or disciplinary memos, documentation of continuing education and development. (Refer to Diocesan Personnel Handbook for further explanations)

INDEPENDENT CONTRACTOR/EMPLOYEE (IRS)

[Independent contractor \(self-employed\) or employee? | Internal Revenue Service \(irs.gov\)](#)

DIOCESE OF JOLIET FINANCIAL POLICIES

RECORDS RETENTION	POLICY	PAGE
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STATEMENT OF POLICY

Records retention schedules represent the period of time that records must be kept according to legal and/or organizational requirements. The following retention schedule is excerpted, in part, from Diocesan Financial Issues published by the United States Conference of Catholic Bishops (Revised January 2009), tailored for the Diocese of Joliet.

Type of Record	Retention Period
BUSINESS OFFICE	
<i>Administrative Records</i>	
Records originating in the organization that document policy, procedure, rules or regulations	Permanent
Records that document routine activities	2 years
Abstracts, deeds (property)	Permanent
Annual Reports to Chancery/Diocese	Permanent
Articles of Incorporation (of the parish)	Permanent
Bequest and estate papers	Permanent
Bishop's Decrees	Permanent
Communications from the bishop regarding the parish	Permanent
Correspondence, legal	Permanent
Correspondence, other	Selective retention (retain if record has historical or fiscal value)
Donor lists	Permanent
Finance Council Minutes (including financial statements and handouts distributed)	Permanent
Insurance policies	Permanent
Inventories of property and equipment	Permanent
Leases	Expiration + 7 years
Office files, general	Biennial review
Parish Pastoral Council constitutions	Until superseded
Parish Pastoral Council minutes	Permanent
Policy statements	Permanent
Subject files (memos, rule, schedules, etc.)	Annual review
Wills, testaments, codicils	Permanent
<i>Risk Management</i>	
Incident reports (accidents/injury)	7 years
Employee medical complaints	7 years
Employee medical records	7 years
Environmental test records/reports	Permanent
Hazardous exposure records	Permanent
Toxic substance explore reports	Permanent
Waiver/hold harmless agreements	2 years
<i>Payroll</i>	
Permanent earnings and records	Termination + 7 years
Attendance records	Termination + 7 years
Employee contracts	Termination + 7 years
Employee deduction authorization	Termination + 7 years
Employee salary schedules	Termination + 7 years
Labor contracts	Termination + 7 years
Time cards	Filing + 3 years
Time records	Filing + 3 years

DIOCESE OF JOLIET FINANCIAL POLICIES

RECORDS RETENTION	POLICY	PAGE
	P	2 of 3

<i>Banking</i>	
Bank deposits	7 years
Bank statement	7 years
Cancelled checks	7 years
Check registers/stubs	7 years
<i>Collection</i>	
Bank deposit receipt	7 years
Breakdown summary sheet/tally sheets	7 years
Census batch listing	7 years
Census year-end summary report by parishioner	7 years
Deposit ticket book	7 years
Donor envelopes	Calendar year + 6 months or longer as space allows
Loose check copies	7 years
Tamper evident bags	1 month or longer as space allows
Tamper evident bag tracking log	7 years
<i>General</i>	
Audit reports	Permanent
Statement of financial position, annual	Permanent
Statement of financial position, monthly/quarterly	1 year
Budgets, approved, revised	7 years
Financial reports, annual	Permanent-retain hard copy for years prior to ParishSOFT
Financial reports, monthly	1 year
<i>Accounting</i>	
Accounts payable, invoices	7 years
Accounts payable, ledgers	7 years
Accounts receivable, ledgers	7 years
Credit card statements/charge slips	7 years
Invoices and paid bills, major building construction	Permanent
Invoices and paid bills, general accounts	7 years
Cash books	7 years
Cash journals	7 years
Cash journal, receipts on offerings and pledges	7 years
Receipts	7 years
Mortgage payments	7 years
Chart of accounts	7 years
<i>Other records</i>	
General ledger, annual	Permanent
Journal entry sheets	7 years
Ledgers, subsidiary	7 years
Payroll journals	7 years
Payroll registers (summary schedule of earnings, deductions & accrued leave)	7 years
Pension contribution records	Permanent
Pledge registers/ledgers	7 years
Permanently restricted gift documents	Permanent
Temporarily restricted gift documents	7 years after restrictions fulfilled

DIOCESE OF JOLIET FINANCIAL POLICIES

RECORDS RETENTION	POLICY P	PAGE 3 of 3
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<i>Tax Records</i>	
Employment taxes (Contributions and payment including withholding & FICA - 941, IL-941, UI-3/40 reports)	File + 7 years
W-2/W-3 forms	File + 7 years
W-2G forms/charity gaming financial records	File + 7 years
W-4 forms	File + 7 years
W-9 forms	File + 7 years
1099/1096 forms	File + 7 years
Form 990	Permanent
<i>Cemetery Records</i>	
Account cards (record of lot ownership and payments)	Permanent
Annual report	Permanent
Bank statements	7 years
Board minutes	Permanent
Burial cards (record of interred's name, date of burial, etc.)	Permanent
Burial records (record of interred's name, date of burial, etc.)	Permanent
Contracts documenting lot ownership	Permanent
Correspondence	Selective retention (retain if record has historical, legal or fiscal value)
General ledger	Permanent
Lot maps	Permanent
<u>HUMAN RESOURCES</u>	
<i>Administrative Records</i>	
Employee policy manual	Permanent
Job descriptions	Permanent
Organizational chart	Permanent
<i>Personnel Records</i>	
Employee application	Termination + 7 years
Resume	Termination + 7 years
Employee contracts/offer letters	Termination + 7 years
Salary information	Termination + 7 years
Attendance records (jury, PTO, STD, LTD, FMLA, bereavement)	Termination + 7 years
Eligibility verification form I-9	Termination + 7 years
Performance reviews	Termination + 7 years
Write ups	Termination + 7 years
Promotions/transfers	Termination + 7 years

DIOCESE OF JOLIET FINANCIAL POLICIES

FINANCIAL ASSISTANCE TO THE NEEDY	POLICY Q	PAGE 1 OF 2
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STATEMENT OF POLICY

Under Policy Q, the provisions for providing financial assistance to the needy shall be as follows:

GENERAL ASSISTANCE TO THOSE IN NEED

1. The parish should determine guidelines regarding the collection and distribution of funds. The following should be incorporated into the guidelines:
 - a) Donations that are given with the stipulation that they help a specific individual cannot be accepted. The parish cannot be used as in intermediary between the donor and the recipient in order to obtain a tax-deductible donation by the donor.
 - b) Limits should be placed on the amount given to an individual and the length of time an individual receives assistance. The parish should refer the individuals to agencies who may be able to provide longer-term assistance and additional guidance as necessary.
 - c) Assistance should be fair and equitable. One individual or family should not receive assistance beyond the amount or time determined by the parish.
 - d) A record of payments should be maintained. Assistance in the form of cash should not be provided. Checks should be made payable directly to the utility company, landlord, etc.
 - e) Gift cards for gas, grocery stores, etc. may be distributed. A record of the amount given and the name of the recipient should be maintained.
2. The parish may fund the assistance by allocating a portion of the parish's general revenue for this purpose and/or soliciting donations that will be used specifically to assist individuals in financial need (i.e., Outreach or Needy Fund). A record of the donations received for this purpose should be maintained in order to ensure that the donations are used for their intended purpose.
3. The parish should consider establishing a St. Vincent de Paul Society. As a member of the society, the parish would operate under its guidance in this regard.

COLLECTIONS AND FUNDRAISERS FOR SPECIFIC INDIVIDUAL OR FAMILY

When a parishioner or member of the community is the victim of a disaster (such as a fire) or is in need of extraordinary medical care, the parish may provide assistance. The parish must adhere to the following guidelines:

DIOCESE OF JOLIET FINANCIAL POLICIES

FINANCIAL ASSISTANCE TO THE NEEDY	POLICY Q	PAGE 2 OF 2
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1. Under no circumstances should the parish set up an account for such an individual or be the recipient of funds which are designated solely for the benefit of such person or persons. The parish is not to be the trustee of funds accumulated for a distressed individual(s).

2. An account should be established at a local banking institution by the individual(s) in need. The tax identification number of the person(s) who are going to be the recipient of the funds should be used. At no time may the parish federal identification number be used.

3. The parish may approve a special collection for an individual or family if:
 - a) all donations are forwarded directly to the individual or banking institution
 - b) checks from donors are made payable to the individual or the bank
 - c) no donations are deposited into the parish bank account
 - d) the parish does not provide acknowledgements to the donors for income tax purposes

4. Fundraising events may be held at the parish. However, they would be considered non-affiliated parish activities and the parish would have to ensure that all policies regarding insurance are followed.

Parish compliance with the above guidelines is important in maintaining the tax-exempt status of the Diocese of Joliet. Refer to Publication 1828 - Tax Guide for Churches and Religious Organizations (www.irs.gov/pub/irs-pdf/p1828.pdf) for more information.