Funny you should ask...

Newsletter from Parish & School Financial Services, Archdiocese of Milwaukee December 5, 2013 --- volume 2, issue 4

This newsletter is sent electronically to parish and school directors of administrative services, business managers and bookkeepers. If you have any suggestions for topics, please <u>let us know</u>.

<u>Click here</u> to view all issues of *Funny you should ask*... **Please note: you must be logged in on the archmil.org website** to access *Funny you should ask*... issues.

In this issue:

Calendar Year-End Contributions, W-2, W-2G, 1099 Clergy Compensation Data Faith In Our Future Disbursements St. Raphael Health Plan BAAM Schedule The Quarter Ahead Excel Tip Contact Us

Calendar Year-End Contributions, W-2, 1099

Contributions

Any contribution received or postmarked on or before December 31, 2013 is a 2013 donation. Any contribution received or postmarked on or after January 1, 2014 is a 2014 donation. There is no donor "election" as to which calendar year the donation applies. In the case of a stock transfer, the donation date is the date the donor relinquishes control of the stock, not the date your organization receives it.

Form W-2

- Employers that want to report the amount of priest pension withheld from the priest's pay <u>may</u> enter this information in Box 14 of the W-2 or provide it on a separate form such as the priest's paystub. Do NOT enter priest pension amounts in Box 12 of the W-2. There is no code for section 401(a) pension amounts withheld. Do NOT code priest pension amounts as code "E." Code E is used for 403(b) amounts only (priest or lay person).
- All full time lay employees eligible for the lay pension plan and ALL priests must have the "Retirement Plan" box checked in Box 13 of the W-2.
- A Christmas gift or bonus to an employee (person who receives a W-2) of a <u>tangible</u> item of de minimis value (less than \$100) is not included in that person's taxable wages (Box 1 of the W-2). Examples of tangible items are a turkey, gift basket, wine or coffee mug. All other gifts or bonuses of cash or cash equivalent (e.g., gift cards), regardless of amount, issued by the parish/school (including affiliated organizations such as Home and School) <u>must</u> be added to Boxes 1, 3 and 5 of the employee's W-2.
- Do NOT report some payments to employees on Form W-2 and some on Form 1099. ALL payments made from employer to employee must be on Form W-2.

• The due date to file W-2s (with W-3 transmittal) to Social Security is February 28, 2014 if filing by paper and March 31, 2014 if filing electronically.

Form W-2G

• Form W-2G is provided to any person winning a raffle amount if the amount exceeds \$600. In addition, 25% tax is withheld if the amount exceeds \$5,000. Do NOT issue raffle winnings on Form 1099. Consult the instructions for Form W-2G for additional detail. W-2Gs are transmitted to the IRS on Form 1096. Note that a 1096 separate from 1099 transmittal is required. They are due to the Internal Revenue Service February 28, 2014.

Form 1099

- Issue Form 1099 to any vendor that provides services of \$600 or more in a calendar year, unless the vendor is a corporation or tax exempt entity. A LLC is not necessarily a corporation. Request a Form W-9 to get the payee's tax identification number and confirm their federal tax classification. 1099s are transmitted to the IRS on Form 1096. Note that a 1096 separate from the W-2G transmittal is required. They are due to the Internal Revenue Service by February 28, 2014.
- Don't forget that priest help out that exceeds \$600 in the calendar year requires a 1099. Also included are catechist and musician (if these individuals are not an employee) stipends that exceed \$600. Mileage reimbursements at or below the IRS maximum are not included on the 1099.

IRS Mileage Rate For 2014

- The IRS has not yet announced a change in the mileage rate for business use of an automobile for 2014. We presume the rate from 2013 of \$0.565 per mile remains in effect. Business mileage may be reimbursed at that rate or less without inclusion on an employee's W-2.
- The IRS <u>may</u> make changes mid-year. We will send out a broadcast if that happens. You may also learn of a mid-year rate change in the general media.
- Also note that help out priests are <u>always</u> paid at the IRS maximum rate, even if your employer chooses a lesser amount.

Clergy Compensation Data

Clergy compensation data will be emailed/mailed to priests in the first calendar quarter of 2014. Please request a copy of the information from the priest(s) at your location. If you are unable to locate a copy, you may request one from Jay Frymark (<u>frymarkj@archmil.org</u>).

St. Raphael Health Plan

Quick reminders from the St. Raphael Health Plan

- Premium Half-Holiday in January! Your bill in December (for the month of January 2014) from BAS will reflect a 50% discount. In order to qualify for the discount, your location needed to be on the plan as of March 1, 2013 and your account must be in good standing.
- Postcards have been mailed to employees currently enrolled in the plan reminding them that for one pay period in January (provided they are paid more than once a month) they will not have an insurance deduction from their check.
- If your location only pays once a month, you should discount their payroll deduction by 50%.
- This premium half-holiday is ONLY for health NOT for dental or vision!

Any questions, contact Deanna Foley at 414-769-3540 or email foleyd@archmil.org

Faith In Our Future Disbursements

Commencing with gifts received in 2014, FIOF is moving to two disbursements per year. You will receive disbursements as noted below, presuming there are gifts received for your parish. We will re-evaluate this schedule and make adjustments for 2015 if necessary. Exceptions will be made for large gifts; those disbursements will be made at the appropriate month end.

You may close your Faith in Our Future bank account and move the deposits to your general operating account. Accounting for the FIOF funds must remain the same; the funds are restricted for use as indicated in your Parish Case Statement. As always, a proxy request must be submitted prior to spending FIOF funds. Please contact Kim Kasten for a new FIOF Direct Deposit Form if you choose to close your FIOF bank account (414-769-3326 or kim.kasten@trust.faithinourfuture.org).

Disbursement for the remainder of 2013	
Gift Receipt Period	Disbursement Date
October-December 2013	January 31, 2014
Disbursements for all of 2014	
Gift Receipt Period	Disbursement Date
January-May 2014	June 27, 2014
June-December 2014	January 30, 2015

BAAM Schedule

<u>2014</u>

January 15 – 9:00 a.m. Meeting at Our Lady of Lourdes February 19 – 9:00 a.m. – Workshops at Our Lady of Lourdes March 19 – 9:00 a.m. Meeting at Our Lady of Lourdes April 9 – Spring Retreat at Clare Hall May 21 – 9:00 a.m. Meeting at Our Lady of Lourdes

Building Commission 2014

Building commission attendance by appointment only; contact Linda King at 414-769-3340. February 13 April 10 June 12 August 14 October 9 December 11

The Quarter Ahead

December 2013

- 1st Second payment due on current year assessment
- 15th Distribute budget information to staff and committees with budget responsibility
- 31st Quarter End

January 2014

- 15th BAAM meeting (Our Lady of Lourdes)
- 31st Forms W-2 and 1099 for previous calendar year must be mailed to recipients no later than today
- 31st Form 941 (Quarterly Payroll Reporting) due to IRS for quarter ended 12/31
- Begin budget review
- Lay pension and group life reports for Oct-Dec (4Q) mailed

February 2014

- 13th Building Commission Meeting. Attendance by appointment only. Contact Linda King (414-769-3340)
- 19th BAAM workshop (Our Lady of Lourdes)
- 28th Forms W-2 and 1096 with 1099 forms must be mailed to IRS no later than today
- Lay pension and group life information and payment for 4Q calendar year due

March 2014

- 1st Third payment due on current year assessment
- 19th BAAM meeting (Our Lady of Lourdes)
- 31st Tax Exemption Reports due to your taxing authority with copy to Finance Office
- (even numbered years only)
- 31^{st} Quarter End
- Clergy compensation information sent to priests for next fiscal year

Excel Tip

In the September 2013 issue we gave you a tip on adding a watermark to a spreadsheet. Someone has shown us an easier way to do this. Under 'Page Setup' click on the Sheet tab, then click the Options button. If there is not a Watermark tab, click on the Effects tab and select Watermark. If you don't see the text you want, just select one and edit it.

Do you need an Excel tip or have one to share? Let us know!

Contact Us

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