

Funny

You Should Ask...



A NEWSLETTER FROM PARISH & SCHOOL FINANCIAL CONSULTING · ARCHDIOCESE of MILWAUKEE

December 12, 2018 --- volume 7, issue 4

This newsletter is sent electronically to parish and school directors of administrative services, business managers and bookkeepers. If you have suggestions for topics, please [let us know](#).

[Click here](#) to view the *Funny you should ask...* page on our website.

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Parish Finance Staffing

On November 19, we welcomed Denise Montpas to the Parish Finance Office as Parish Finance Consultant. Denise has her Bachelor's degree in Accounting from Marquette University and is a CPA. Most recently, she served as Business Manager at Nativity Jesuit Academy. Her schedule will typically be Tuesday through Friday. Her email and phone are montpasd@archmil.org and (414) 769-3336.

Accounting for Investments

There is often confusion over the accounting for investments. The Parish Financial Management Manual requires that investments (restricted and unrestricted) should be recorded at current market value. A best-practice would have investments updated every time a new statement is received. This is usually monthly or quarterly. In order to record investments at current market

value, entries need to be made to both the balance sheet and the income statement. A number of accounts are involved:

1500 (1800 for restricted funds) Investments – this is the asset account, which should reconcile to your most-recent statement balance

3471 Interest & Dividend Income – this income account is used to record earned income

3472 Unrealized Gains and 3473 Unrealized Losses – these accounts are used to record market change that hasn't been realized. Some parishes combine these accounts to have one that is simply called "Unrealized Gains or Losses on Investments"

**2800 Restricted Net Asset – This account should be used to record the net asset value of your restricted funds. Based on your accounting software, this entry can be tricky. Call the Parish & School Financial Consulting Office if you need assistance.*

Let's walk through an example of a journal entry for booking investment changes. St. Anywhere Parish has an unrestricted investment with a balance of \$52,000 at 6/30/18. On 9/30/18, the parish receives a new statement. The balance has now increased to \$54,250. The change is due to two factors. The statement shows Investment Income of \$250 and a Change in Value (Market Change) of \$2000. The entry for this transaction should be:

<i>Db: 1500 Investment Asset</i>	<i>\$2,250</i>	
<i>Cr: 3471 Interest & Dividend Income</i>		<i>\$250</i>
<i>Cr: 3472 Unrealized Gains</i>		<i>\$2,000</i>

After the journal entry is recorded, the investment account on the balance sheet should now reconcile to the brokerage statement. Also, the parish properly recorded the investment income and market change. Don't worry, unrealized gains and losses are not considered income for assessment purposes.

Please call Katie (414-769-3377) or Denise (414-769-3336) if you have any questions or need any guidance on booking investments.

Annual Certification for Cemeteries of Religious Societies

If your parish has a cemetery, you must file the Annual Certification for Cemeteries of Religious Societies (form 1787) with the State by March 1.

<http://dsps.wisconsin.gov/Documents/Credentialing%20Forms/Business%20Application%20Forms/fm1787.pdf>

Calendar Year-End Contributions, W-2, 1099

Form W-2

- Employers that want to report the amount of priest pension withheld from the priest's pay may 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. All employees who contribute to a 403(b) should have "Retirement Plan" checked in Box 13.

- A Christmas gift or bonus to an employee (person who receives a W-2) of a tangible 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) must 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 now January 31, 2019 whether you file using paper forms or electronically.** This due date now coincides with the due date for furnishing W-2 statements to payees.

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 Internal Revenue Service on Form 1096. Note that a 1096 for W-2Gs separate from 1099s being transmitted is required. **Form W-2G on paper is due by February 28, 2019.**

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. **The due date for filing Form 1099-Misc (with Form 1096 transmittal) to the Internal Revenue Service is January 31, 2019 for 1099 – Misc forms which include non-employee compensation in box 7. Form 1099-Misc forms which DO NOT include non-employee compensation in box 7, retain the former Internal Revenue Service filing deadline of February 28, 2019 (if filed by paper) and April 1, 2019 (if filed electronically).**
- 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 2019

- The IRS standard mileage rate for 2019 is \$.58 per mile). Business mileage may be reimbursed at that rate or less without inclusion on an employee's W-2. (<https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>)
- The IRS may 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 always paid at the IRS maximum rate, even if your employer chooses a lesser amount.

BAAM Schedule

Unless otherwise noted, BAAM meetings are held at Our Lady of Lourdes parish (3722 S. 58th St., Milwaukee).

2019

January 10, 2019 – G3 (Gigs, Geeks and God)

February 20

March 20

April 10

May 15

Building Commission Schedule

Building Commission attendance by appointment only; contact [Linda King](#) at 414-769-3340.

2018

December 6

2019

February 14

April 11

June 13

August 8

October 10

December 12

Catholic Mutual Connection

[Click here](#) for the most recent Catholic Mutual Connection newsletter and other information from the Catholic Mutual website.

The Quarter Ahead

December 2018

- 1st – Second payment due on current year assessment
- 6th – Building Commission Meeting. Attendance by appointment only. Contact Linda King (414-769-3340)
- 15th – Distribute budget information to staff and committees with budget responsibility
- 31st – Quarter End

January 2019

- 10th – Gigs, Geeks and God
- 31st – Forms W-2 and 1099 for previous calendar year must be mailed to recipients no later than today
- 31st – Forms W-2 with W3, and forms 1099 with 1096 must be mailed to IRS no later than today *See the **Calendar Year-End Contributions, W-2, 1099** article above for accurate mailing dates of tax forms to individuals and the IRS.
- 31st – Form 941 (Quarterly Payroll Reporting) due to IRS for quarter ended 12/31
- Begin budget review
- Lay pension reports for Oct-Dec (4Q) mailed
- Mail donation tax information to donors

February 2019

- 14th – Building Commission Meeting. Attendance by appointment only. Contact Linda King (414-769-3340)
- 20th – BAAM Meeting
- Clergy compensation information sent to priests for next fiscal year

- Lay pension payment for 4Q calendar year due

March 2019

- 1st – Third payment due on current year assessment
- 20th – BAAM meeting
- 31st – Quarter End

Excel Tip

When working with formulas, you may use the several methods to start the formula. A simple start is to use = and type the formula, for example =sum(a1:a10). You could go to the Formula tab in the ribbon and use the “*fx* Insert Function” feature and get the menu of functions. From the Home tab on the ribbon in the Editing section, you can also use the drop down arrow on “Σ Auto Sum” “More Functions” which will get you to the same menu of functions. If you don’t need the prompting to complete a formula, here is a shortcut that allows you to autocomplete the function name. For example, type “=VL” and press TAB; you will get =VLOOKUP ready to take your parameters.

For more tips, try *ExcelTips*, a free, third party, email newsletter containing lots of tips on using Excel. To subscribe or just check it out, click this link: <http://www.tips.net/subservices.html>

Do you need an Excel tip or have one to share? [Let us know!](#)

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