

Funny You Should Ask...



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

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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](#).

[View the Funny you should ask... page](#) on our website.

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Department of Labor Exempt Employee Ruling

There is often a great deal of confusion over whether an employee is "exempt" or "non-exempt," and whether they should be salaried or hourly.

The law that governs most of these regulations is the Fair Labor Standards Act ("FLSA"), also known as the Wage and Hour Law. Enacted first in 1938, it regulates such items as minimum wages, overtime requirements, and exempt/non-exempt classifications of employees.

The Department of Labor issued a final rule on September 24, 2019 that affects who is an exempt employee. **Effective January 1, 2020**, exempt employees must make a minimum of \$684 a week. The prior and current wage is \$455 a week. Please check your employee list and

salary levels. You may have a decision to make if your exempt employees earn a salary less than **\$35,568 a year** (\$684 a week). Your choice may be to increase the wage to remain exempt or convert the position to non-exempt and pay the individual an hourly rate (a timecard must then be used).

If you find yourself in this dilemma and/or want to learn more about paying employees according to FLSA, please contact [Catherine Gryniewicz](mailto:Catherine.Gryniewicz@dioceseofmilwaukee.org) (414-769-3370).

2019 Calendar Year-End Contributions, W-2, 1099

Mass Stipend (Intention) Reminder

In 2015, the Archdiocese of Milwaukee sought guidance from the IRS on the nature of mass intention donations. The IRS provided a clear response that money given to a parish for mass stipends does qualify as a charitable contribution, since there is no financial or economic benefit received by the donor. As such, parishes are expected to include donations received for mass stipends (intentions) on a donor's contribution statement.

Please contact [Katie Esterle](mailto:Katie.Esterle@dioceseofmilwaukee.org) (414-769-3377) if you have any questions.

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 (and W-3 transmittal) with Social Security is January 31, 2020. If you e-file W-2 forms, you don't need to calculate and submit a W-3 transmittal form; the Social Security Administration generates a W-3 automatically. 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 is due to the IRS by February 28, 2020. If you file electronically, the due date is March 31, 2020.

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, 2020 for Form 1099-Misc forms that include non-employee compensation in box 7. Form 1099-Misc forms that **DO NOT** include non-employee compensation in box 7, retain the former Internal Revenue Service filing deadline of February 28, 2020 (if filed by paper) or March 31, 2020 (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 2020

- The IRS standard mileage rate for 2020 has not yet been published. We suggest you search the [IRS Newsroom](#) in the next couple of weeks to find the 2020 rate; it *should* be published before December 31. Business mileage may be reimbursed at that rate or less without inclusion on an employee's W-2.
- 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.

Columbarium Needs Building Commission Approval

Parishes that are interested in constructing a columbarium must have its project reviewed by the Archdiocesan Building Commission. The process through the Building Commission now involves a two-step proxy approval. Please contact [Linda King](#) (414-769-3340), if you have any questions or wish to be placed on the agenda for a future Building Commission meeting.

New IRS Form W-4 in 2020

The IRS's [Federal W-4 for 2020](#) has changed. Effective January 1, 2020, all new hires and any employees hired prior to 2020 who wish to adjust their withholding must use the redesigned form. The form's new name "[Employee's Withholding Certificate](#)" reflects the change away from allowance. Meaning employees will no longer be able to claim personal exemptions or dependency exemptions.

What does this mean for employers?

- As of January 1, new hires and any employees hired prior to 2020 who wish to adjust their withholding as of 1-1-20 must use the Employee's Withholding Certificate.
 - New employees who fail to submit a Form W-4 will be treated as a single filer with no adjustments.
 - Existing employees hired prior to 2020:

- Employees who have submitted a Form W-4 are not required to submit a new form. However, please ensure the most current W-4 on file matches payroll.
- If existing employees choose to not complete a new form, the withholding will be based on information from the employee's most recent submitted Form W-4

The employer is not permitted to penalize employees who fail to furnish a new Form W-4.

- The [2020 Form W-4 – “Employee’s Withholding Certificate”](#) must be used as of January 1. Please dispose of prior Form W-4s. The [form may be obtained on the IRS website](#).
- Communication:
 - Communicate the change to employees in early December.
 - Encourage employees to take the time to use the Tax Withholding Estimator.
 - The Tax Withholding Estimator can be found at www.irs.gov/W4app
 - Employers must not advise employees as to how they should fill out their Form W-4.
- Work with your payroll provider to make sure your payroll system will accommodate the new withholding allowance calculation as well as your existing withholding calculations.

The State of Wisconsin form WT-4 remains unchanged.

If you have questions on the finance-payroll implementation perspective contact [Katie Esterle](#) or [Denise Montpas](#). If you have questions on the HR perspective, contact [Catherine Gryniecicz](#).

PIP Invoices Mailed

Invoices for the Participants’ Indemnity Plan were mailed on Friday, November 22. Please review the invoice and contact [Kim Kasten](#) (414-769-3326) with any questions, or if you are a Participant and did not receive an invoice.

Church Unemployment Pay Program (CUPP)

Earlier this week, Maggie Opichka, Fiscal Administrator of the Church Unemployment Pay Program, emailed all participating employers for the employee counts effective July 1, 2019. Please provide this information to her no later than January 15, 2020. If you did not receive an email from Maggie, please email cuppwi@madisondiocese.org.

Cyber Scams and Phishing

A General Note about Phishing Scams - Cyber criminals like to create a sense of urgency to panic you into clicking on links. **ALWAYS** – think before you click on a link. Here are some clues that say: **Don’t Click Me!**

- Hover your mouse over a hyperlink that’s displayed in the email message, if the link is to an address that’s a different website. (This is a **big red flag**.) **Don’t Click Me!**
- You received an email that only has a long hyperlink with no further information and the rest of the email is blank. **Don’t Click Me!**
- You received an email with a hyperlink that has a misspelling of a known web site. For instance - www.bankofarnerica.com - the “m” is really an “r” & “n”. **Don’t Click Me!**

Contact [Dale Klein](#) (414-769-3440) in our Information Systems office if you need assistance or have any cyber security concerns.

[Cyber Incident Reporting](#) is a useful, one page tool to keep handy. We recommend printing this and having it readily available to walk you through the appropriate reporting protocol in the event of a cyber incident. If you have a cyber incident, contact Catholic Mutual at 262-255-6906 immediately.

Scam and Fraud Resources

[Federal Trade Commission Consumer Information](#)

[Consumer Affairs](#)

[Identity Theft Resource Center](#)

[File a complaint with the Federal Trade Commission](#)

[USA.gov common scams and fraud](#)

[Clark Howard advice on scams and other fraud](#)

[Fraud.org](#)

BAAM Schedule

Unless otherwise noted, BAAM meetings are held at Our Lady of Lourdes parish (3722 S. 58th St., Milwaukee). Gathering 8:45 a.m. Meeting 9:00 – 12:00

2020

January 9, 2020 - G3 Conference

March 18, 2020

May 20, 2020

Building Commission Schedule

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

2020

February 13

April 2

June 11

August 13

October 8

December 10

Catholic Mutual Corner

Catholic Mutual Group publishes a quarterly on-line newsletter, [Catholic Mutual Connection](#), which focuses on timely loss prevention and safety topics. It is found on the [Catholic Mutual website](#) under *Newsletters*.

Information and forms specific to locations within the Archdiocese of Milwaukee are located on the [Catholic Mutual website](#). You must log in to access this information. The Archdiocese of Milwaukee username is *0065mil* and the password is *service*.

Catholic Mutual Group's coverages and policies apply only to those entities participating in the Participants' Indemnity Plan.

Questions about the Catholic Mutual Group website or specific articles in the newsletter can be directed to the Catholic Mutual Milwaukee Service Office at 262-255-6906.

The Quarter Ahead

December 2019

- 1st – Second payment due on current year assessment
- 12th – 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 2020

- 9th – 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 2020

- 13th – 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 2020

- 1st – Third payment due on current year assessment
- 18th – BAAM meeting
- 31st – Quarter End

Excel Tip

Do you want to use the same format from one cell to another? You probably know to highlight the format you want to copy, click Format Painter, then click on the target cell to copy the format. But if you have multiple cells you'd like to format the same way, you have to keep going back and forth with the Format Painter. However, if you highlight the format you want to copy and double-click on Format Painter, you can copy that format multiple times. To turn off the feature, press Escape.

For more tips, check out [ExcelTips](#), a free, third party, email newsletter containing lots of tips on using Excel. Do you need an Excel tip or have one to share? [Let us know!](#)

Contact Us

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