

# Funny

## You Should Ask...



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

June 2021 --- volume 10, issue 2

*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.

### **Featured Topics:**

**IRS Form 8822-B for Change of Address or Responsible Party**

**Fiscal Year End Accounting**

**Section 125 Plans**

**Participants' Indemnity Plan Rates**

**Church Unemployment Pay Program (CUPP)**

**PPP Loan Forgiveness Reminder**

**Employee Retention Tax Credit**

**Other COVID Related Materials**

**New Sales Tax Exemption Certificates**

**Good Friday/Holy Land Collection**

### **The regular fare:**

**How Do I Make That Check Payable?**

**Cyber Scams and Phishing**

**BAAM Schedule**

**Building Commission Schedule**

**Catholic Mutual Corner**

**The Quarter Ahead**

**Excel Tip**

**Contact Us**

---

## **IRS Form 8822-B for Change of Address or Responsible Party**

Parishes and schools must use Form 8822-B to notify the Internal Revenue Service if there has been a change in responsible party. Therefore, any parish who has been assigned a new pastor or administrator should complete [Form 8822-B](#) within 60 days of the transition.

## **Fiscal Year End Accounting**

The Archdiocese of Milwaukee requires a blended method of accounting that is more “cash oriented.” All revenue and expenditures must be reported during the year under the cash method. However, the year-end financial report must include recording of outstanding accounts receivable (i.e., tuition) and accounts payable. In most parishes, the year-end transactions are quite simple and only require the recognition of receivable and accounts payable. If your parish has a school, you should also establish a liability account to recognize the portion of teachers’ contracts that are earned but not yet paid.

Under the Archdiocesan method of accounting, revenue items like bequests, fundraisers and donations must be reported as income when the parish receives the corresponding cash. It is not appropriate to “defer” revenue that is received to a different fiscal period. Likewise, expenses must be reported when the funds are disbursed. Capital purchases like a roof or parking lot must be expensed in the period in which those projects were paid for. It is not appropriate to “pre-expense” a transaction.

Please contact Katie (414-769-3377) or Denise (414-769-3336) if you have any questions about year-end transactions.

## **Section 125 Plans**

Employers must have a Section 125 plan in place in order to deduct employee health, dental and vision insurance premiums on a pre-tax basis. Without a Section 125 plan in place, you may only deduct insurance premiums on an after-tax basis. Your participation in St. Raphael Health Plan (SRHP), or any other health plan, does not automatically enroll you in a Section 125 plan. If you do not have a Section 125 plan in place, IRS rules prohibit you from deducting insurance premiums on a pre-tax basis.

There are some very robust Section 125 plans available. At a minimum, you must offer a Section 125 Premium Only Plan (POP Plan) in order to deduct premiums from employees on a pre-tax basis.

You may choose to offer a full Section 125 Plan in which you offer Flexible Savings Accounts and other “cafeteria” plan options to your employees, in addition to allowing you to deduct premiums on a pre-tax basis.

IRS guidelines require your Section 125 Plan document be updated at least every five (5) years. Your Plan document may need to be updated sooner if you made changes to your plans (Example: You now allow pre-tax HSA employee payroll deductions or you modified any premium contribution sharing, etc.). To ensure that you are compliant with Section 125:

1. Locate your Section 125 document. If you cannot locate it in your office, it may be on file with your payroll provider (these documents are not held at the Archdiocesan offices).

2. Check the date on this document. If it is older than five (5) years, it needs to be updated with your provider.
3. If you can't locate your Section 125 documents, or you wish to change vendors for any reason, now is the time to set up a new plan. St. Raphael Health Plan has collaborated with Diversified Benefit Services (DBS) of Hartland to manage your Section 125 POP plan. If you would like to engage DBS for your Section 125 plan, please contact Chris Kramer at (262) 369-3400 or [CKramer@dbsbenefits.com](mailto:CKramer@dbsbenefits.com).

### Participants' Indemnity Plan Rates

We have been meeting with our insurance carrier on the renewal of the plan and rates for the 2021/2022 fiscal year. While we continue to seek ways in which to reduce the premiums for the coming year, at this time, you should plan for a 7-10% premium increase.

### Church Unemployment Pay Program (CUPP)

CUPP has rolled out a new website for claims submission and program resources at: <https://cuppw.org>

### PPP Loan Forgiveness Reminder

Remember that the deadline to submit your application for PPP-1 loan forgiveness is 10 months from the last day of your loan forgiveness covered period. We want to thank the many parishes who have already submitted the proxy request for loan forgiveness approval!

### Employee Retention Tax Credit

1. Does your parish or school have employees?
2. Were your parish or school operations suspended during any calendar quarter in 2020 due to government orders? (Wisconsin Safer at Home Order was from March 17 through May 13, 2020)
3. Could your parish or school benefit from \$5,000?
4. Do you think your parish or school cannot apply for the ERTC because you received PPP?

If you answered yes to these questions, **don't overlook the Employee Retention Tax Credit (ERTC) because you are probably eligible.**

The ERTC may seem confusing or overwhelming, but the Parish & School Finance Office can help.

- **Call us with questions.** We can perform a quick calculation to determine what a possible ERTC may be for your parish or school.
- Engage an expert. We have identified two accounting firms your parish or school can contract (for a reasonable cost) to calculate and file the Employee Retention Tax Credit on your parish's behalf.
  - CLA (Clifton Larson Allen LLP)
    - Jamey Rappis, Tax Principal
    - [Jamey.Rappis@claconnect.com](mailto:Jamey.Rappis@claconnect.com)
    - (414) 721-7625
  - Wegner CPA's
    - Dan Bergs, Senior Manager
    - [Dan.Bergs@wegnercpas.com](mailto:Dan.Bergs@wegnercpas.com)
    - (608) 442-1986

- File on your own. Due to the complexity of the ERTC, parishes and schools are highly encouraged to contact the Parish Finance Office prior to filing. Keep in mind some important considerations:
  - Only salaries and employer healthcare costs are covered
  - You may not “double dip” on costs already covered with PPP funds
  - Priests must be excluded
  - Your payroll provider should be able to help file your 941-X
  - NEW – Interest income may be retroactively included on the ERTC calculation request

Still not convinced? One small parish with 5 employees has already determined that they will receive a \$9,000 credit.

Additional ERTC Resources:

[Employee Retention Tax Credit IRS FAQ](#)

[ERTC Zoom Meeting from February 24, 2021](#)

## **Other COVID Related Materials**

[COVID-19 Relief Accounting Manual](#)

[PPP-1 Forgiveness Proxy Request Template](#)

[PPP-2 Loan Acceptance Proxy Request Template](#)

## **New Sales Tax Exemption Certificates**

Due to a change in Wisconsin state law, all parishes/schools have received, or will be receiving, a new 15-digit CES number in the mail. CES numbers are used by vendors to verify the sales and use tax exempt status of an organization. In order to continue to qualify for tax exempt treatment, parishes/schools must provide the **new** CES number to certain online vendors, service providers and local merchants where purchases are made.

Please be aware that the new CES number will supersede the old one. Any employees who utilize the CES number for business purchases should be given the new number as soon as it is available.

Avoid scams. The issuance of new CES numbers is being handled via mail and does not cost anything. Be suspicious of anyone who contacts the parish or school to ask for confidential information.

If your parish or school does not receive a new 15-digit CES number, the Wisconsin DOR should be contacted at (608) 266-2776.

For additional information, please read the [Wisconsin DOR FAQ's - Certificate of Exempt Status for Nonprofit Organization](#).

## **Good Friday/Holy Land Collection**

If you haven't already done so, please remit your location's **Good Friday collection for the Holy Land**. Checks should be made payable to and mailed to:

Archdiocese of Milwaukee  
ATTN: Kim Kasten  
PO Box 070912  
Milwaukee, WI 53207-0912

100% of these donations will be transferred to the Commissariat of the Holy Land.

## **How Do I Make That Check Payable?**

The [Check Issuing Guidelines](#) have been revised as of December 14, 2020.

## **Cyber Scams and Phishing**

We are getting more reports of clergy accounts being used to send out phishing messages. This is not only happening here but in other dioceses throughout the country. These incidents do not mean that the clergy account has been hacked, it just means that the account is being spoofed as the sender of the messages.

Keep your eyes open for those Social Engineering Red Flags! Don't be a victim, watch for these types of things when looking at your inbox.

- From line – Do you recognize the sender?
- To line – Is your address part of an unusual mix of people that you do not know?
- Subject line – Does the subject match the content of the message?
- Did the message arrive at an unusual time, like 3:00 am?
- Is there a sense of urgency in the tone of the message, does it included some poor grammar?
- If the message contains hyperlinks, do they appear to go to a legitimate site if you hold your mouse over the link?

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**

Meeting 9:00 – 12:00, at Our Lady of Lourdes, 3722 S. 58<sup>th</sup> Street, Milwaukee

### **2021**

July 21 (Retreat) *not at OLOL*

September 15

November 17

### **2022**

January 19 (Technology Conference, at OLOL)

March 16

May 18

## **Building Commission Schedule**

Building Commission attendance is currently by appointment only. In person meetings are suspended until further notice. Contact [Linda King](#) at 414-769-3340 for more information.

Upcoming Dates:

June 17, 2021

August 12, 2021

October 14, 2021

December 9, 2021

## **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**

### **June 2021**

- 1<sup>st</sup> – Final payments for assessment, and priest pension due for fiscal year
- 15<sup>th</sup> – Priest compensation form due to employer
- 15<sup>th</sup> – Submit balanced budgets to [Parish & School Financial Consulting Office](#) for review
- 17<sup>th</sup> – Building Commission Meeting. Attendance by appointment only. Contact [Linda King](#) (414-769-3340)
- Remember to send in Good Friday/Holy Land and CRS Rice Bowl donations.
- 30<sup>th</sup> – Fiscal Year Ends

## July 2021

- 1<sup>st</sup> – Fiscal Year Begins
- 15<sup>th</sup> – Submit balanced budgets to Archdiocese for review
- 31<sup>st</sup> – Form 941 (Quarterly Payroll Reporting) due to IRS for quarter ended 6/30
- Lay pension reports for April-June (2Q) mailed
- Continuing Formation for Clergy bills mailed

## August 2021

- Confidential Financial Statement forms available
- Lay pension information and payment for 2Q calendar year due
- 12<sup>th</sup> – Building Commission Meeting. Attendance by appointment only. Contact [Linda King](#) (414-769-3340)

## September 2021

- 1<sup>st</sup> – First payment due on current year assessment based on Confidential Financial Statement
- 15<sup>th</sup> – Confidential Financial Statements due
- 30<sup>th</sup> – Quarter End
- Priest pension bills for both priest and parish portions mailed
- Check unclaimed property site <https://www.revenue.wi.gov/ucp/index.html>

## **Excel Tip**

We've all been frustrated by dragging a date or number and having it increase by 1 in every destination cell. Excel provides a pair of shortcut keys that can be used to copy cells down and to the right, and eliminates this problem. For instance, say you want to copy the contents of cell C3 to the fifteen cells just below it. All you need to do is select the sixteen cells (making sure that cell C3 is the top cell in the selection) and then press Ctrl+D. Cell C3 is copied to all the other cells below it. Similarly, if you want to copy cells to the right, make your desired range selection and press Ctrl+R. The value of the left-most cell in the selection will be copied to the right, filling out the selected range. You can combine these two shortcuts to fill an entire range of cells. If you have a value in cell C3 and you want it copied to the range C3:M24. All you need to do is select that range and then press Ctrl+D, followed by Ctrl+R. The first command copies the first row down, and second command copies all the cells to the right; now the entire range of C3:M24 is filled. Just remember, D for down and R for right.

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**

*Mailing address:*

PO Box 070912

Milwaukee, WI 53207-0912

Katie Esterle, Director  
Parish and School Financial Consulting  
[esterlek@archmil.org](mailto:esterlek@archmil.org)  
414-769-3377

Denise Montpas, Parish Finance Consultant  
Parish and School Financial Consulting  
[montpasd@archmil.org](mailto:montpasd@archmil.org)  
414-769-3336

Chris Brown, Treasurer and CFO  
Office for Financial Services  
[brownc@archmil.org](mailto:brownc@archmil.org)  
414-769-3325

Kim Kasten  
Treasury Analyst  
[kastenk@archmil.org](mailto:kastenk@archmil.org)  
414-769-3326

Bridget Fischer  
Lay Pension Coordinator  
[fischerb@archmil.org](mailto:fischerb@archmil.org)  
414-769-3317

Director (TBA)  
Parish and School Human Resources  
414-769-3370

Maureen Wurster  
HR and Benefits Administrator  
[wursterm@archmil.org](mailto:wursterm@archmil.org)  
414-769-3423

Suzanne Nickolai  
Safe Environment Program Manager  
[nickolais@archmil.org](mailto:nickolais@archmil.org)  
414-769-3449

Donna Steffan  
Priest Pension Billing  
[steffand@archmil.org](mailto:steffand@archmil.org)  
414-769-3318

Dale Klein  
Information Systems  
[kleind@archmil.org](mailto:kleind@archmil.org)  
414-769-3440