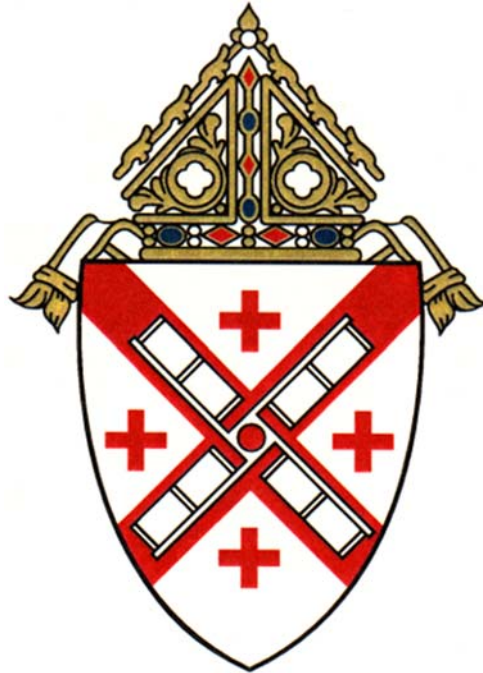


# ARCHDIOCESE OF NEW YORK



## *FINANCIAL POLICIES AND PROCEDURES MANUAL*

Finance Office  
Archdiocese of New York  
1011 First Avenue  
New York, NY 10022

# TABLE OF CONTENTS

100	Archdiocesan and Parish Financial Organization .....	1
<b>101</b>	<b>Archdiocesan Finance Organization.....</b>	<b>2</b>
101.1	<i>Parish Finance Office.....</i>	2
<b>102</b>	<b>Parish Financial Organization.....</b>	<b>6</b>
102.1	<i>Parish Bookkeeper.....</i>	6
102.2	<i>External Bookkeepers.....</i>	6
102.3	<i>External Accountants.....</i>	6
200	Parish Overview Legal .....	7
<b>201</b>	<b>Legal Structure of the Parish.....</b>	<b>8</b>
201.1	<i>Board of Trustees.....</i>	8
201.2	<i>Pastor.....</i>	9
201.3	<i>Lay Trustees.....</i>	9
201.4	<i>Parish Finance Council.....</i>	9
300	Parish Overview Financial .....	12
<b>301</b>	<b>Cash Management .....</b>	<b>14</b>
301.1	<i>Bank Accounts.....</i>	14
301.2	<i>Revenue and Collections.....</i>	17
301.3	<i>Expenses and Disbursements.....</i>	21
301.4	<i>Endowments and Gifts.....</i>	26
301.5	<i>Parish Fundraising Office.....</i>	28
301.6	<i>Payroll.....</i>	29
<b>302</b>	<b>Parish Operational Reviews.....</b>	<b>33</b>
302.1	<i>Purpose.....</i>	33
302.2	<i>Objectives.....</i>	33
302.3	<i>Frequency of Review.....</i>	33
302.4	<i>Scope of the Review.....</i>	33
302.5	<i>Review Process.....</i>	34
302.6	<i>Review Follow-Up.....</i>	34

## TABLE OF CONTENTS

<b>303</b>	<b>Investment Guidelines .....</b>	<b>36</b>
	303.1 <i>Parish Savings and Investment Programs .....</i>	36
	303.2 <i>Archdiocesan Investment and Loan Programs .....</i>	39
<b>304</b>	<b>Standardized Chart of Accounts .....</b>	<b>44</b>
	304.1 <i>Purpose .....</i>	44
<b>305</b>	<b>Logos Accounting System.....</b>	<b>45</b>
	305.1 <i>Definition and Purpose .....</i>	45
<b>306</b>	<b>Budgeting .....</b>	<b>46</b>
	306.1 <i>Purpose .....</i>	46
	306.2 <i>Roles and Responsibilities .....</i>	46
	306.3 <i>Timetable.....</i>	46
<b>307</b>	<b>Inter-Parish Finance.....</b>	<b>47</b>
	307.1 <i>Purpose and Policy.....</i>	47
	307.2 <i>Process.....</i>	47
<b>308</b>	<b>Capital Projects, Construction Policies and Procedures.....</b>	<b>49</b>
	308.1 <i>Archdiocesan Building Commission .....</i>	49
	308.2 <i>Capital Projects - Policy.....</i>	49
	308.3 <i>Capital Projects – Procedures.....</i>	50
	308.4 <i>Major Construction Projects - Policy.....</i>	51
	308.5 <i>Major Construction Projects - Procedures.....</i>	51
	308.6 <i>Construction or Renovation of a Place of Worship - Policy .....</i>	52
	308.7 <i>Construction or Renovation of a Place of Worship - Procedure.....</i>	52
	308.8 <i>Request for Authorization (RFA) - Policy.....</i>	53
	308.9 <i>Request for Authorization (RFA) - Procedures .....</i>	53
	308.10 <i>Construction – Contract Approval and Payments .....</i>	54
	308.11 <i>Financing of Capital Projects.....</i>	54

## TABLE OF CONTENTS

<b>309</b>	<b>Real Estate</b> .....	<b>57</b>
309.1	Overview .....	57
309.2	Sale of Real Property (Except Air Rights) - Policy.....	57
309.3	Sale of Real Property (Except Air Rights) - Procedures .....	58
309.4	Sale of Air Rights – Policy.....	58
309.5	Sale of Air Rights - Procedures .....	59
309.6	Acquisition of Property - Policy .....	60
309.7	Acquisition of Property - Procedures .....	60
309.8	Lease of Property - Policy .....	61
309.9	Lease of Property - Procedures .....	62
309.10	Tax Issues.....	63
<b>310</b>	<b>Insurance Program and Risk Management</b> .....	<b>64</b>
310.1	Overview .....	64
310.2	Key Points of the Program.....	64
310.3	Claims Reporting Procedures.....	65
310.4	Service of Legal Documents and Lawsuits .....	65
310.5	Schedule of Insurance Coverages.....	66
310.6	Coverages by Individual Location - the Exposure Summary.....	66
310.7	Contract Review Procedures .....	66
310.8	Construction and Maintenance Contracts.....	66
310.9	Requests for Certificates of Insurance.....	67
310.10	Hold Harmless, Indemnity and Additional Insured Mandates .....	67
310.11	Transportation Services, Buses and Limousines .....	67
310.12	Special Events Insurance .....	67
310.13	Risk Management Policies.....	68
<b>311</b>	<b>Employee Benefits</b> .....	<b>69</b>
311.1	Overview .....	69
311.2	Eligibility for Benefits.....	69
311.3	Summary of Coverage.....	69
311.4	Pension Plan.....	70

## TABLE OF CONTENTS

400	Financial Reporting Requirements and Timetable.....	72
<b>401</b>	<b>Reporting to the Archdiocese.....</b>	<b>73</b>
<b>402</b>	<b>Reporting to the Parish .....</b>	<b>74</b>
500	Schools .....	75
600	Cemeteries .....	77
	APPENDIX A - List of Contacts at 1011 .....	i
	APPENDIX B - Frequently Asked Questions (FAQs) .....	iii
	APPENDIX C - Definitions.....	vii
	APPENDIX D - Parish By-Laws Template .....	viii
	APPENDIX E - Chart of Accounts .....	xvii
	APPENDIX F - Consolidated Invoice .....	lii
	APPENDIX G - Request for Authorization (RFA) .....	liii
	<i>RFA Review Sheet - Instructions for RFA.....</i>	<i>liii</i>
	<i>Archdiocesan Building Commission - Request for Authorization .....</i>	<i>liv</i>
	<i>Request for Authorization (RFA) .....</i>	<i>lv</i>
	APPENDIX H - Common Investment Fund .....	lvi
	<i>Investment Policy Statement .....</i>	<i>lvi</i>
	<i>Investment Ethics Guidelines and Procedures .....</i>	<i>lxvi</i>
	<i>List of Excluded Investments.....</i>	<i>lxix</i>

**Executive Summary**

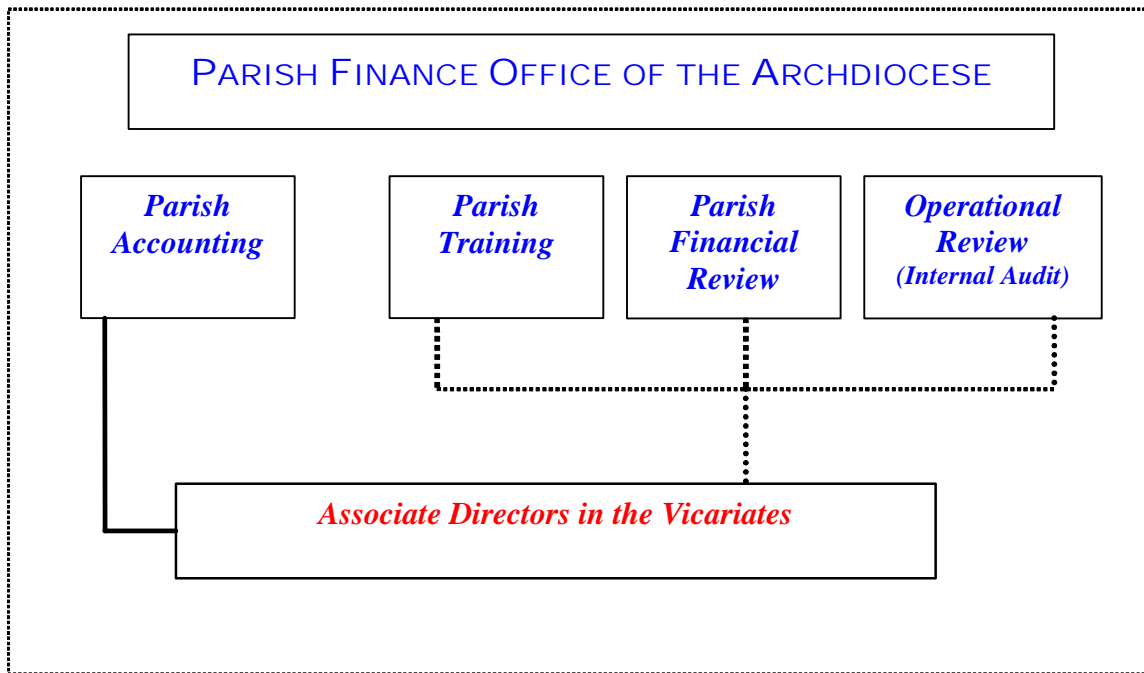
This Financial Policies and Procedures Manual was prepared to assist pastors in the financial administration of their parishes and is intended as a guide for all those involved in parish finance and accounting. The policies and procedures described here must be followed for the parish to exercise good stewardship and comply with generally accepted accounting practices, civil and canon laws, and the requirements of the Archdiocese. This manual will help pastors safeguard the parish's assets, exercise prudence in financial matters, provide accountability to donors and comply with applicable laws, rules and regulations.

The pastor must ensure and enforce compliance with these policies and procedures. The Parish Finance Office monitors compliance and is available to provide advice and assistance to pastors.

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## 101 Archdiocesan Finance Organization

These archdiocesan resources are available to support the pastor in his administrative responsibilities.



The Chancellor and Chief Financial Officer oversee the functions of the Parish Finance Office.

### 101.1 Parish Finance Office

The Parish Finance Office encompasses Parish Accounting, Parish Training, Parish Financial Review and Operational Review. These departments support the administrative and financial responsibilities of the parishes and schools.

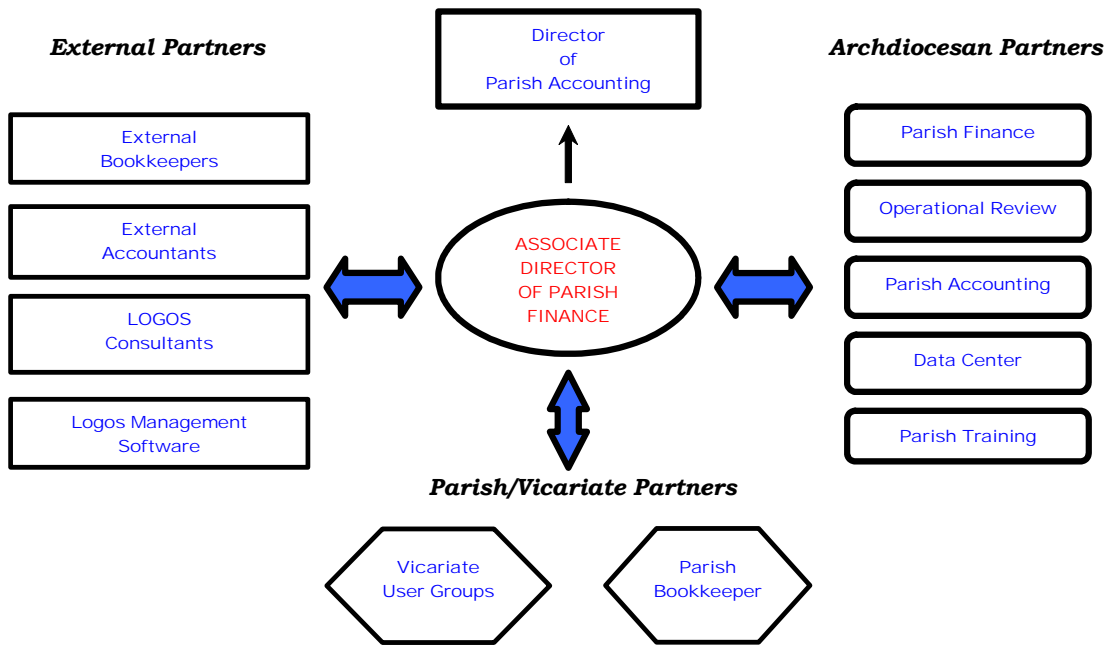
#### 101.1a The function of Parish Accounting

- ensure the accuracy of all Archdiocesan parishes' and schools' financial data;
- consolidate the annual financial and budget information from parishes and schools for the Archdiocesan annual report.

Eight Associate Directors in the Vicariates report to the Director of Parish Accounting and serve the nineteen Vicariates to help support the high level of financial and administrative demands on the pastors. The Associate Directors act as liaisons between the parishes and schools and the Archdiocese Finance Office, and are responsible for the following:

- 
- help pastors/principals identify, select and train bookkeepers to assist in the parish and school financial reporting;
  - implement the Logos accounting software and provide ongoing Logos support by organizing and conducting local training sessions in the Vicariate;
  - develop and maintain an infrastructure of support resources to assist the parishes and schools in financial recordkeeping and operations;
  - assist the Archdiocesan Consolidated Invoice Collections Department to ensure that parishes and/or schools stay current on their bills. If a parish or school cannot meet its current operating expenses, the Associate Director will help file the application for an Inter-Parish Finance grant;
  - organize and conduct local training sessions for Logos software both on a group and one-to-one basis;
  - act as a liaison for the Finance Office to the parishes/schools by attending the local Vicariate meetings;
  - provide assistance with requests from Archdiocesan headquarters (the Catholic Center); and
  - develop and maintain detailed analysis of each parish and school in their area for use by the Finance Office. The analysis includes a parish's/school's overall financial profile and other general operational data.





#### 101.1b The function of Parish Training

- implement the Logos accounting software;
- assist with the training of all parish personnel and accountants in the use of Logos;
- provide continuing support; and
- help parish personnel understand the accounting process and its pertinence to specific parishes and schools.

#### 101.1c The function of Parish Financial Review

- analyze and prepare summary reports on the financial position and operating efficiency of the Archdiocese's parishes and schools;
- evaluate parishes' ability to finance proposed construction and repair projects;
- determine parishes' ability to repay loans;
- assist parishes in securing third-party loans;
- act as the secretary/administrator for the Inter-Parish Finance Board (IPFB), reviewing applications for completeness; and
- manage all cash disbursements and fund transfers for Inter-Parish Finance grants, and Archdiocesan capital grants (grants with subvention agreement).

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101.1d The function of Operational Review

Operational Review is an independent appraisal activity within the Archdiocese. Its function is to:

- review Archdiocesan policies regarding financial accounting;
- review financial internal controls of parishes and schools to minimize risk of fraud;
- ascertain that external financial reporting requirements of the Archdiocese and government agencies are complied with;
- review parish and school activities for cost effectiveness and efficiency;
- provide financial and operational guidance during the course of the operational review; and
- determine that parishes and schools comply with Archdiocesan policies regarding insurance.

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## 102 Parish Financial Organization

At the parish level, and under the direct supervision of the pastor, the following will assist the pastor with his financial responsibilities:

### **102.1 Parish Bookkeeper**

The parish bookkeeper performs the day-to-day bookkeeping of the parish and school, using Logos software.

### **102.2 External Bookkeepers**

The parish may use an external bookkeeper for routine bookkeeping if there is no parish bookkeeper, or if the parish bookkeeper needs assistance. The Associate Director will help determine if bookkeeping or accounting support is needed.

### **102.3 External Accountants**

External accountants provide consultative services to parishes and schools. They help ensure compliance with financial recordkeeping and reporting requirements and can also advise on budgetary and operational issues.

**Executive Summary**

Parishes must comply with church and civil laws and the particular law and practice of the Archdiocese. Each parish is separately incorporated under New York State law. There are strict rules regarding the composition and responsibilities of the Board of Trustees. Each parish must also have an active, competent Parish Finance Council. This is a group of respected, qualified lay people who advise the pastor in his exercise of proper stewardship over the parish resources.

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## 201 Legal Structure of the Parish

Parishes of the Archdiocese must follow the Code of Canon Law (church law), the law of the State of New York (civil law), and the particular law and practice of the Archdiocese. Each parish is separately incorporated under the Religious Corporations Law of the State of New York and is operated at all times as a separate and distinct corporate entity with its own certificate of incorporation, by-laws (see Appendix D) and board of trustees. The original certificate of incorporation and by-laws are filed with the Chancery and copies are kept at the parish.

### 201.1 Board of Trustees

Under New York law, the Board of Trustees consists of the Archbishop of New York, as president of the civil corporation, the Vicar General of the Archdiocese as the vice president, the pastor of the parish as the secretary-treasurer and two lay trustees chosen by the pastor, with the approval of the Archbishop.

#### 201.1a Meetings of the Board of Trustees

The Board of Trustees **must** hold an annual meeting. This is typically accomplished, at a minimum, by a meeting of the pastor and two lay trustees. Minutes of all meetings **must** be prepared.

#### 201.1b Responsibilities of the Board of Trustees

The Board of Trustees oversees the pastor's management of the parish. All major decisions about the funds and property of the parish must have approval of the Board of Trustees. In addition, the consent of the Archbishop is required before the parish takes any of the following actions:

- Mortgage, lease, sell, convey or otherwise dispose of any of its real property;
- Acquire by lease or purchase or accept by gift or devise, in trust or otherwise, any real property or interest therein;
- Accept by gift or bequest any money or other personal property that is subject to a trust or any other restriction or condition, excluding Mass stipends;
- Commence, settle, compromise or abandon any legal action or proceeding; or,
- Incur any expense in making repairs to the property of, or in purchasing/leasing of equipment for the parish in an amount greater than \$30,000.

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## **201.2 Pastor**

The pastor is the civil law secretary-treasurer and the administrative officer of the parish and has the following duties. Under the supervision of the president and vice president, the pastor:

- is responsible for all of the funds and property of the parish;
- keeps the funds in the name of the parish corporation at a bank (or banks) chosen by the Board of Trustees;
- keeps an accurate account of the receipts and disbursements of the corporation;
- makes a detailed financial report of the preceding fiscal year to the Board of Trustees at its annual meeting (see Section 400, Financial Reporting Requirements and Timetable);
- conducts all the official correspondence of the corporation and keeps a record of its meetings; and
- performs other duties and makes other reports as required by the Board of Trustees.

## **201.3 Lay Trustees**

Lay trustees are active, responsible members of the parish who serve unsalaried one-year terms. They are nominated by the pastor and approved by the Archbishop. A lay trustee may serve three successive one-year terms and may be reappointed only after at least one year has elapsed since the end of his or her last term.

## **201.4 Parish Finance Council**

### 201.4a Establishment

The Parish Finance Council is a consultative group of lay parishioners who help the pastor exercise proper stewardship by giving him advice about financial planning, analysis and compliance with policy. While canon law requires each parish to have a Parish Finance Council, good management practice provides ample testimony to the benefits of having an active Parish Finance Council. The Parish Finance Council is advisory to the pastor and its recommendations are valid only when accepted and ratified by the pastor.

### 201.4b Membership and Terms of Office

The Parish Finance Council includes the pastor and at least three, but not more than eight, reputable and practicing members of the parish who are knowledgeable and skilled in financial matters and are known for their prudent judgment. The pastor is an ex-officio member of the Council. The parish bookkeeper or accountant may not be a member of the Council, but may be invited to attend meetings. Members of the Parish Finance Council cannot be related to the pastor or to any of the associate priests assigned to the parish.

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Members of the Parish Finance Council serve a three-year term and may be appointed to a second three-year term.

201.4c Regular meetings

The Parish Finance Council should meet once every quarter. The pastor serves as president of the Council. He presides at the meetings and receives the Council's proposals. The pastor appoints a chairperson to assist him in coordinating the work of the Council, including preparing for meetings and implementing proposals which have been accepted and ratified by the pastor. Each meeting should include a review of a current financial report in relation to the budget.

201.4d Record of meetings

Minutes of the Parish Finance Council meetings should be kept on file permanently. They should include all significant actions taken at the meeting.

201.4e Responsibilities of the Parish Finance Council

The Parish Finance Council's mission and responsibilities are to assist the pastor as follows:

- create an annual budget for the parish;
- ensure that the Annual Financial Report is prepared and submitted to the Archdiocese in a timely manner, i.e. before the second Wednesday of November;
- provide the Parish Council with regular, periodic reports on the financial status of the parish;
- prepare and publish an Annual Financial Report for the Parish Council and members of the parish community;
- develop procedures for the deposit of church funds in an interest-bearing checking account, when available, and/or a savings account;
- monitor the investment of liquid assets in accord with Archdiocesan financial policies;
- evaluate and make recommendations about the parish's support through the offertory collections and other fundraising initiatives;
- develop a plan for financing necessary repairs, renovations and purchase of equipment;
- develop a plan for systematic repayment of any parish debt;
- provide assistance in the oversight of all fund-raising programs;
- ensure that the parish complies with all requirements of Federal, State and local laws;

- 
- maintain an accurate and detailed inventory of all insurable parish goods and resources, along with their description and appraisal (see Section 310, Insurance Program and Risk Management);
  - safeguard the assets of the parish from loss or damage;
  - help the parish implement financial controls to minimize the risk of fraud; and
  - implement all Archdiocesan financial policies.



### **Executive Summary**

There are specific rules and procedures in place to help the pastor with all aspects of financial management. They are intended to safeguard the assets of the parish and ensure that funds are used for the purposes for which they are intended. The Archdiocese provides guidance, support and assistance to help every parish follow the rules.

The rules specifically state:

- All funds must be accounted for in both their collection and disbursement.
- Monies should be handled by responsible parties.
- There is no distinction between gifts and donations.
- Gifts to the parish must be acknowledged, documented and recorded on the parish books.
- Gifts are tax-deductible to a certain extent, which is clearly defined by Federal law.
- Restrictions may be imposed on gifts only by the donor.
- Personal and parish funds should never be commingled.
- Payments for goods or services may not be made in cash or checks payable to Cash.
- A well-documented petty-cash fund must be maintained.
- Parishes should use the Logos accounting system, which is uniquely suited to the needs of the parishes and the Archdiocese. All parishes **are required** to be on Logos by August 31<sup>st</sup> 2006.
- A chart of accounts helps parishes accurately track their income and expenses.
- Payroll has its own complexities and is best handled by a third-party payroll service, such as ADP. Logos Accounting also has a Payroll module.
- The Archdiocese requires annual budgets and financial reports and conducts periodic operational reviews of each parish.
- Parishes with excess funds, even in the short term, may invest them locally using the guidelines provided or participate in the Archdiocesan Deposit and Loan Fund or the Archdiocesan Common Investment Fund.
- Parishes needing money for capital improvements or repairs may borrow from the Archdiocesan Deposit and Loan Fund. Parishes having difficulty meeting their operational expenses may apply to the Inter-Parish Finance Board (IPFB) for assistance.

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In addition, there are detailed rules governing construction, renovation, sale, purchase and lease of church property. Also, the Archdiocese maintains a comprehensive insurance program, whose details change periodically. Employees may also participate in a non-contributory pension plan.

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## 301 Cash Management

### **301.1 Bank Accounts**

#### 301.1a Identification of Parish Bank Accounts at Financial Institutions

Bank accounts must be opened in the parish's name only, using the parish's Tax Identification Number and mailing address. If a parish organization requires a bank account, the account should include the parish name and the name of the organization. The parish should periodically confirm the existence of all parish bank accounts by surveying its various organizations. No priest or other person should commingle personal funds with parish funds.

#### 301.1b Timely Reporting of Bank Accounts

A listing of all parish bank accounts and their balances must be made in the Annual Report submitted to the Parish Finance Office and to the parishioners. There are no exceptions.

#### 301.1c Monitoring Parish Bank Accounts

The monthly bank statement must be addressed to the attention of the pastor at the parish mailing address. The unopened bank statement should be given to the pastor to open; he should review and investigate any anomalies. After the pastor's initial review, the bank statement can be passed on to the person responsible for reconciling.

#### 301.1d Bank Account Signatories

Authorized check signers on all parish bank accounts are the Archbishop, the Vicar General, the pastor and an alternate signatory selected by the pastor. The alternate signatory may be one of the following: 1) the associate assigned to the parish; 2) a priest in residence at the parish; 3) a full-time or part-time deacon. For schools, the principal is a signatory.

Normally, the pastor signs all checks. The alternate signatory should only be used on an exceptional basis. Lay members of the parish staff, including bookkeepers, accountants and those who prepare checks or record transactions, cannot have signing authority on any parish bank account. In extraordinary circumstances where there is no alternative, a lay member of the staff can be an alternate signatory. For ancillary parish-related organizations such as a Parent-Teacher Organization, the pastor can authorize the organization's treasurer to be designated as a signatory, as circumstances warrant.

An upper limit of \$1,000 should be imposed on the dollar amount of any individual check signed by the alternate signatory. Two signatures are required where the check amount exceeds \$5,000. Facsimile signatures are prohibited unless controlled by a secure check signing machine with a numerical sequence counter. Signature stamps are not permitted.

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### 301.1e Monthly Reconciliation of Bank Accounts

Monthly bank statements must be reconciled to the accounting records in a timely manner. The monthly reconciliation of bank accounts must follow these rules:

- Reconciling items are to be investigated, resolved and duly recorded.
- The account reconciler may not be an authorized signatory on the bank account nor may it be the parish bookkeeper.
- For those parishes without an outside accountant, a qualified third-party may assist the pastor in the reconciliation of bank accounts.
- The reconciliation must be signed and dated by the person reconciling the account. The pastor must initial the completed reconciliation.
- A member of the parish finance council must review the bank reconciliation every quarter, before the parish financial report is submitted to the Archdiocese. The review should consist of the following: 1) the bank balance on the financial report should be compared to the bank reconciliation and checkbook; 2) the bank balance on the bank reconciliation should be compared to the bank statement; 3) all reconciling items should be reviewed for reasonableness; 4) all unusual and unidentified differences should be investigated and resolved.

### 301.1f Excess Operating and Other Funds

Excess operating funds (i.e. those not needed within the next 90 days) may either be deposited locally in an interest-bearing account with limited risk or deposited with the Archdiocesan Deposit and Loan Fund. (See Section 303.2, Archdiocesan Investment and Loan Program.)

Funds collected for capital campaigns or building projects can be deposited with the Archdiocesan Deposit and Loan Fund.

### 301.1g Use of the Parish Tax Identification Number

All parish bank accounts must use the parish Tax Identification Number, with no exceptions. Bank accounts should not be opened in the parish's name or using the parish Tax Identification Number unless there is a direct connection between the purpose of the account and the parish. Parishes should open only the minimum number of accounts necessary to operate the parish. The main parish bank account should be used whenever possible. The parish accountant/bookkeeper can track the activity of individual organizations within the main bank account by posting the organization's transactions to the appropriate expense or revenue account, using the Chart of Accounts.

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### 301.1h Opening and Closing Bank Accounts

Only the pastor, or another authorized person designated by the Board of Trustees, is permitted to open and close parish bank accounts. In most cases, the pastor will handle this responsibility for the parish.

### 301.1i Automatic Account Debits

Automatic debit arrangements are those in which recurring payments to vendors are automatically deducted from the parish's operating account. Such arrangements should be entered into only on an exceptional basis and with good business reason, i.e. extended payment terms or additional discounts. The parish should obtain written confirmation from the party originating the debit, defining the terms and conditions under which debits will be allowed. This confirmation should be retained by the parish and reviewed annually.

### 301.1j Choice of Banking Institution

Parish bank accounts should be consolidated at one financial institution. If this is not feasible, pastors should use as few institutions as possible. The Parish Finance Office can provide guidance concerning financial institutions which are approved by the Archdiocese.

***FDIC Insured Banks:*** The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government. The FDIC protects depositors against the loss of deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government.

To check whether the bank or savings association where parish funds are held is insured by the FDIC, call toll-free 1-877-275-3342 or use the FDIC Institution Directory at [www2.fdic.gov/idasp/main.asp](http://www2.fdic.gov/idasp/main.asp).

The FDIC insures deposit accounts such as checking, NOW and savings accounts, money market deposit accounts, and certificates of deposit (CDs). The basic insurance limit is \$100,000 per depositor per insured bank. If the parish has \$100,000 or less in all of its deposit accounts at the same insured bank, the funds are fully insured.

The FDIC does not insure funds invested in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if these products are purchased from an insured bank.

### 301.1k Physical Security of Blank Check Stock

Blank checks should be retained in a secure, locked location with restricted access. Blank checks stock should never be pre-signed.

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### 301.11 Change in Pastoral Leadership and Other Signatory Changes

Signers who have left the parish or otherwise relinquished responsibility for the bank account should be immediately removed as authorized signers. Any time such a change of signature(s) is required on a bank account, the pastor must resign the new signature card(s). When a bank account is closed, an inventory of the remaining check stock should be completed and reconciled to the Check Issued log. Once this has been satisfactorily completed, the remaining check stock should be shredded.

Please note that the above steps are required and will assist the pastor in maintaining control over all bank accounts. The Associate Director in the Vicariate can provide assistance.

## **301.2 Revenue and Collections**

### 301.2a Sunday, Holyday and Other Collections

#### 301.2a1 Proper Collection Procedures

The proper procedure for securing the Offertory or other collection is:

- After the collection at a Mass or other service, the offering should be brought to the front of the church for the remainder of the service or immediately placed in a lockable bank deposit bag.
- The deposit bag should be locked and placed in a secure area until the end of the service. The deposit bag key should be retained by an individual who does not have access to the secured area where the bag is temporarily stored.
- After services, the funds should be secured in a locked safe by two designated collectors or immediately counted and deposited.
- No funds are to be left in the church overnight.

#### 301.2a2 Count Teams

The count should be performed by at least two designated, unrelated persons. If a designated counter is not available, then a substitute counter may be assigned. The collection should be retrieved by the two counters and the deposit bag unlocked and opened in their presence by the individual who holds the key.

#### 301.2a3 Proper Rotation of Count Team Duties and Members

Collections should be counted by multiple count teams which are rotated periodically. Collections should be counted as soon as possible, in all cases not more than one business day later. The collection should be counted on parish premises.

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301.2a4 Proper Handling of Collections

The recommended procedure for handling collections is:

- Church envelopes should be separated from loose checks and loose cash. (See 301.2a7, Tracking Parishioner Contributions)
- Currency and coins should be organized by denomination.
- All checks should be endorsed by stamping “For Deposit Only to (parish bank account number)” on the back of the check.
- Each counter should count the funds and record the amount on an offertory tally sheet (available from the Parish Finance Office), without conferring with the other counter. The offertory tally sheet should differentiate among envelopes, loose checks and cash collected.
- Each counter should also confirm that the amount contained in each envelope is accurately noted on the envelope.
- After the funds have been totaled by each of the counters, the amounts should be compared and reconciled.
- When the totals agree, a deposit slip should be prepared.
- A designated person should be responsible for making the bank deposit. This person should not have access to the key to the locked deposit bag.
- The deposit should be brought to the bank and a bank-verified deposit slip obtained.
- This slip should be attached to the offertory tally sheet and presented to the bookkeeper for recording.

301.2a5 Adequate Physical Safeguards

The standard procedure for handling collection funds is based on the principle of dual control, i.e. a minimum of two persons should be involved whenever cash and checks are being handled. Likewise, other physical safeguards such as lockable deposit bags, a secure safe and restricted access to keys and combinations should be observed. Keys and deposit bags should be numbered and an inventory should be kept of who is in possession of these assets.

301.2a6 Adequate Segregation of Duties

Different individuals should perform the receiving, processing, recording and reconciliation functions. Likewise, those in possession of keys to deposit bags should not have the combination to the safe where such bags are stored pending counting. Please contact the Parish Finance Office to discuss any situations where these procedures are not being followed.

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301.2a7 Tracking Parishioner Contributions

This procedure should be followed by the counters to ensure that all parishioner contributions are accurately recorded:

- Open all envelopes and ensure that the amount enclosed is correctly written on the outside of the envelope.
- Circle the correct written amount.
- Loose checks which are not in an envelope should be kept separate and photocopied to substantiate evidence of parishioners' charitable contributions.
- Each envelope should be posted to the parishioner list.
- Each loose check which can be identified to a parishioner should be posted to the parishioner list.
- If the loose check is not identifiable to someone on the parish list, create a new record on the parish list.
- The process of posting contribution amounts to the parish list should be adequately supervised to ensure complete accuracy.

301.2a8 Parishioner Contribution Statements

Contributions by parishioners should be tracked and recorded. To comply with Federal tax requirements, detailed gift statements must be prepared and distributed to all parishioners annually. Interim statements should be made available on the request of the parishioner.

301.2a9 Reviewing Parishioner Contribution Summary Report

Periodically (but at least semi-annually), an individual who is not involved in the collection, counting and posting to the parishioner list should reconcile the amount posted to the parishioner list to the collection worksheets. The amount posted to the parishioner list should equal the total collections minus cash collections. Investigate and reconcile any discrepancies.

301.2b Other Cash Revenues (Poor Box, Votive Lights, Bingo, etc.)

The donated funds should be collected on at least a weekly basis. Bingo revenues should be appropriately processed on a same-day basis. The handling and processing of these revenues are subject to the requirements of Sections 301.2a1 and 301.2a4. Only Mass intention offerings should be deposited in the Mass Stipend account.



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## 301.2c Other Parish Programs and Events

### 301.2c1 Fund Raisers

Cash collection points at fund-raising events should be minimized. Ideally, this is done by designating one area where payments are made for tickets that can be used for the various items and attractions. When tickets are used, a record of the tickets must be kept, identifying the number of tickets distributed to each ticket seller and then reconciling the tickets and cash collected. The person selling tickets should not collect tickets or admit patrons.

Two or more people should be responsible for the funds. They should visit the cash collection points frequently and remove all money in excess of what is needed to make change. The funds should be placed in a lockable bank deposit bag and secured in a locked area until they can be counted and deposited in the designated bank account. The key to the deposit bag should be held by a person other than the one who is authorized to retrieve the bag. Please note that accounts for separate activities should be kept to a minimum to maintain internal control.

### 301.2c2 Raffles

Raffles are a popular fundraising vehicle for parishes, but they require adherence to certain Internal Revenue Service rules. These include:

- Payments made for the purchase of raffle tickets do not constitute a charitable contribution and are not tax-deductible.
- The prizes awarded represent taxable income to the winners.
- Prior to distributing the prize, the parish should request and receive the winner's name, current address and taxpayer identification number (generally the Social Security number).
- For prizes greater than \$5,000 – the parish must withhold 27% of the prize money as Federal income tax. If the prize is not in cash (i.e. car or vacation), the parish must collect 27% of the fair market value of the prize on the date won, prior to delivering the prize.
- Within three business days, the parish must deposit the withheld amount in a bank, accompanied by Federal Form 8109. At the end of the calendar quarter, the parish must report the prize amount and the amount withheld on Federal Form 945.
- Year-end reporting is required if the amount won is between \$600 and \$5,000 and is at least 300 times the amount of the wager, OR if the amount won exceeds \$5,000. The winnings are reportable on Form W-2G, which should be mailed to the winner by January 31 of the following year. Copies of Form

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W-2G should be mailed to the IRS and the NYS Department of Taxation, along with Form 1096 by February 28 of the following year.

- If the winner refuses to provide a taxpayer identification number, backup withholding is required at the rate of 31% of the cash or fair market value of the prize if the amount won is between \$600 and \$5,000 and is at least 300 times the amount of the wager, OR if the amount won exceeds \$5,000.

Raffles **must** be registered with the New York State Racing and Wagering Board:

New York State Racing and Wagering Board  
1 Watervliet Avenue Extension, Suite 2  
Albany, NY 12206  
Phone: (518) 453-8460

The parish must also contact the local municipality to determine whether local permits are required.

If there are any questions regarding regulations of raffles, please contact the Associate Director in the Vicariate.

### **301.3 Expenses and Disbursements**

#### 301.3a Cash Disbursements

##### 301.3a1 Documentation

Purchase orders, receiving documentation, invoices and/or check requests should be used. These rules should be followed:

- Purchase orders should be utilized for all purchases of goods and materials. Various authorized individuals may prepare purchase orders which are then approved by the pastor or his designee.
- The original purchase order should be sent to the vendor to initiate the order or to confirm a verbal order.
- A copy of the purchase order should be maintained at the parish in a vendor file.
- Once the merchandise is received, it should be verified against the purchase order for accuracy.
- The receiving documentation should be initialed and filed with the purchase order in the vendor file.
- Vendors should be instructed to send invoices directly to the parish bookkeeper, who will match the invoice with the approved purchase order and receiving documentation, secure

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appropriate approval, and then schedule payment. No payment should be made unless all three documents match.

- In the absence of a vendor invoice, a written and approved check request is required before a check may be issued. The issued check should include the vendor's invoice number or equivalent.
- Once paid, the invoice or check request should be stamped "PAID" and filed in the parish office.

301.3a2 Approval of Disbursements

Original supporting documentation as described in 301.3a1 should be reviewed and approved by the pastor or his designee. All expenditures in excess of \$100 must be approved by the pastor. The pastor's approval limit must not exceed \$5,000 for non-budgeted items. Non-budgeted items in excess of \$5,000 require the approval of the Parish Finance Office.

301.3a3 Prevention of Duplicate Payments

Invoices should be stamped "CANCELLED" when paid to prevent duplicate payments. The number, date and amount of the check should be noted on the paid invoice. Paid invoices must be retained in the vendor file.

301.3a4 Proper Controls over Checks

Unused check stock should be stored in a restricted area which is inaccessible to authorized check signers. Checks must be pre-numbered and a log of issued checks must be maintained. Blank checks must never be pre-signed for any reason.

301.3a5 Checks Payable to Cash and Void Checks

No check should ever be made payable to Cash. Void checks must be stamped "VOID" and filed numerically with cancelled checks or facsimiles.

301.3a6 Use of Credit Cards

Credit cards issued in the name of the parish or the school **are not permitted**. Expenses incurred on personal credit cards on behalf of the parish or school may be reimbursed by parish check or from petty cash. Reimbursements for personal credit card usage are subject to the requirements of Section 301.3a1

301.3a7 Use of Tax Exemption Letter

Use of the Tax Exemption Letter should be reserved for purchases on behalf of the parish. Under no circumstances should the Letter be used for personal purchases. A list of individuals authorized to use the Letter should be approved by the pastor and maintained on file. The Letter should be safely secured so that access is limited to authorized individuals.

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301.3a8 Use of Electronic Funds Transfers

The use of electronic funds transfer systems for vendor payments is not permitted. All disbursements of parish funds must be made through the issuance of a properly approved check or petty cash disbursement.

301.3a9 Segregation of Duties

a) Purchasing

The pastor is responsible for all commitments made on behalf of the parish. The pastor may delegate purchasing responsibilities while retaining and exercising his authority for final approval of any disbursement of parish funds. Purchases should be made within the constraints of the parish budget. Since the budget represents a guideline for parish spending, purchases in excess of the amount budgeted for any category of spending require specific authorization from the pastor.

b) Receiving

Upon receipt or delivery of goods or services to the parish, an authorized individual should acknowledge the receipt or delivery thereof by verifying the goods or services received against what was authorized (e.g. comparison to a previously issued purchase order) and obtaining documentation from the vendor providing details of the goods or services provided. This documentation should be signed and promptly forwarded to the parish office.

c) Processing Invoices

Upon receipt of an invoice, an authorized person should verify that the goods were received, or the service provided, by reference to a signed receiving document as described above. In the absence of a vendor invoice, a written check request approved by the pastor is required before a check can be issued.

d) Check Control

Periodically, checks should be prepared on the basis of an original vendor invoice (photocopies of invoices are not permitted) or properly authorized written, dated check request. The check should include the vendor invoice number(s) or equivalent. The checks and supporting documentation should then be forwarded to an authorized signatory for final review and signature. The checks should be placed in the mail by a responsible party. Checks must not be left unattended prior to being mailed.

301.3b Petty Cash

301.3b1 Size of Fund

The fund should be set at a fixed amount based on activity, but should not exceed \$500. The petty cash fund should be maintained on the parish books as a cash account.

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### 301.3b2 Petty Cash Transactions

Petty cash funds are designated for miscellaneous small dollar expenses of the parish. The petty cash fund is not to be used for disbursements of the type covered under Section 301.3a, Cash Disbursements. The petty cash fund is not to be used to cash checks of any kind.

### 301.3b3 Documentation for Disbursements

All disbursements from petty cash should be made against receipt of either an approved petty cash voucher or invoice. Vouchers should indicate the date, account number and purpose, to whom paid and amount. The person receiving the cash should sign and date the petty cash voucher or invoice to acknowledge receipt of the cash. Petty cash vouchers and/or invoices should be kept with the petty cash fund until the account is reconciled and then should be filed.

### 301.3b4 Replenishment of the Petty Cash Fund

The petty cash fund should be restored to its fixed amount whenever it is replenished. The petty cash account must be reconciled whenever the fund is replenished. A listing of totals by account number should be entered on a petty cash reimbursement voucher along with the total amount of reimbursement and supporting documentation to be submitted to the pastor for approval. The reimbursement process is completed by issuing a check drawn on the main parish account to the petty cash custodian, i.e. Jane Doe, Petty Cash Custodian.

### 301.3b5 Authorized Custodian/Physical Security of Petty Cash Fund

The fund should be in the sole custody of one person who should balance the fund at least monthly. The fund should be kept in a lockable box inside a locked file cabinet or safe. Someone other than the custodian should periodically audit the fund balance.

## 301.3c Loan Service

### 301.3c1 Types of Parish Debt

Subject to the separate requirements and procedures governing the borrowing of money, parish indebtedness is generally of two types:

1. indebtedness to the Archdiocesan Deposit and Loan Fund; and
2. indebtedness to a third-party lender.

### 301.3c2 Budgeting for Parish Debt

All currently outstanding debt and approved-but-not-yet-borrowed debt is to be included in the annual parish operating budget. This will include all scheduled interest payments and all scheduled principal amortization payments.

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301.3c3 Parish Debt Payments

Cash disbursements for parish debt payments are subject to the requirements of Sections 301.3a1 and 301.3a2.

301.3d Consolidated Invoice

301.3d1 Consolidated Invoice and Color-Coded ("Red Bill") Defined

The consolidated invoice (see Appendix F) is a monthly invoice from the Archdiocese whose components include:

- a. Cathedraticum
- b. Lay Pension
- c. Supplementary Pension
- d. Priest Pension
- e. Medical Insurance
- f. Property Insurance Program (PIP)

The consolidated invoice is based on the premise that the Archdiocese is able to use its significant purchasing power to secure more favorable purchasing terms than any individual parish could, by combining the purchasing power of the parishes and schools and executing one common contract on behalf of all. Parishes and schools must pay their share of the consolidated invoice on a timely basis in order to maintain the financial integrity of this program.

In addition, the consolidated invoice reflects monthly credits from Inter-Parish Finance grants.

The color-coded invoice ("Red Bill") is sent quarterly to parishes and schools which have outstanding balances on consolidated invoices from previous years.

301.3d2 Consolidated Invoice –Services Provided

a) Cathedraticum

The Archdiocesan levy is based on unrestricted parish income, which is used to fund the provision of centralized Archdiocesan services and the work of the Inter-Parish Finance Board. For income to be considered restricted, and therefore exempt from the Cathedraticum, it must have been designated by the donor, in writing, to be used for a specific purpose. Income for the general use of the parish is not restricted and is subject to Cathedraticum. (See Section 301.4b.1, Restricted Donations.)

b) Lay Pension

Pension plan contributions are for full time employees of the Archdiocese who have served three years and are participants in the pension plan. (See Section 311.4, Pension Plan.)

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c) Supplementary Pension

Supplementary Pension plan contributions are for Archdiocesan schoolteachers who are union members and who are otherwise eligible to participate.

d) Priest Pension

Priest Pension plan contributions are for Archdiocesan priests.

e) Medical Insurance

Archdiocesan medical insurance is available to full time employees, their spouses and eligible unmarried dependent children. The plan is a “self-insured” plan, meaning that medical insurance claims are paid from the premiums collected within the Archdiocese. Failure of parishes to pay premiums will result in a shortfall to the plan. Any shortfall will be borne by all other participants. (See Section 311.3, Summary of Coverage.)

f) Property Insurance Program

The Insurance Services Office is responsible for insuring all Archdiocesan and parish property against general liability risk. In the case of parishes, the policies cover employees, parishioners and visitors, and protect the parishes from unforeseen claims for injury, damages or loss. The Property Insurance Program (PIP) covers all property, casualty, directors & officers, employment practice liability, automobile, boiler, student, accident, medical, crime and workers’ compensation insurance needs.

### **301.4 Endowments and Gifts**

#### 301.4a Accepting and acknowledging contributions

A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and made without the expectation of receiving anything of value in return. Charitable contributions **DO NOT INCLUDE** the value of a volunteer’s services, payments made for services rendered or contributions earmarked by a donor for a particular individual or narrow class of recipients.

Donors may wish to take a charitable tax deduction for their contribution. To do so, the donor must be able to substantiate any contribution of \$250 or more with a contemporaneous written acknowledgment from parish. A cancelled check is not adequate.

The parish should provide a timely, written acknowledgment. It must contain the following information:

- The amount of cash contributed or a description (not a valuation) of contributed property other than cash
- The date of the contribution

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- Whether or not the parish provided any goods or services in consideration of the contribution
  - A description and good faith estimate of the value of any goods or services provided by the parish in consideration of the contribution; and
  - If the goods or services consist solely of intangible religious benefits, a statement to that effect.

#### 301.4a1 Stock gifts

Contributions of stock can be received in two ways: either by certificate transfer or electronically. The pastor should consult with the Parish Finance Council to determine whether the stock should be retained or sold. If sold, the parish may use a local brokerage firm or seek assistance from the Parish Accounting Office.

#### 301.4a2 Other non-cash gifts

All other non-cash gifts, including real estate, bonds, insurance policies, investment interests and boats must be approved by the Archbishop, in his capacity as president of the parish corporation, before acceptance.

#### 301.4a3 Quid Pro Quo contributions

Quid Pro Quo contributions are payments made partly as contributions and partly in consideration for goods or services furnished to the donor. An example of this is a catered parish dinner dance, where the cost of the ticket is \$75, but the parish is paying \$25 per person to a caterer. The parish is required to disclose (in the solicitation material, on the ticket or in a program) that the amount of the contribution deductible for Federal income tax purposes is limited to the excess of the amount of money contributed over the value of the goods or services provided by the parish. In the example, the tax-deductible amount would be \$50. The parish is required to give the donor a good faith estimate of the value of the goods or services.

All parishes and schools involved in fundraising events involving quid pro quo contributions in excess of \$75 must develop written materials to inform contributors of the estimated value of goods or services provided and inform them that the amount of the contribution deductible for Federal income tax purposes is limited. These written statements must be given to all donors contributing \$75 or more at the time of the solicitation or upon receipt of the actual contribution.

#### 301.4b Restricted donations

##### 301.4b1 Defined

Donations or bequests may be restricted only by the donor. The donor must stipulate, in writing, the amount and specific purpose for which the funds are to be used. Funds given for a general purpose, such as “upkeep



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of the church”, are too broadly defined and too implicit a part of parish operations to be considered restricted, even when specified in writing.

301.4b2 Accepting

By accepting a restricted gift, the parish agrees to abide by the restriction placed on the gift by the donor, under penalty of forfeiture. Restricted gifts in excess of \$10,000 may only be accepted after approval of the Archbishop, in his capacity as president of the parish corporation. This is for the protection of all involved.

301.4b3 Record-keeping

Detailed records must be kept for each individual restricted gift, from the time of acceptance to the time that the gift has been spent. The Logos accounting system is equipped to accurately track restricted funds.

301.4b4 Reporting

A copy of the documentation in which the donor established the restriction must be submitted with the parish’s annual financial report.

301.4b5 Effect on Cathedraticum

Income from restricted funds will not be included in the calculation of the Cathedraticum, if the appropriate documentation is filed with the annual financial report and appropriate approvals are obtained.

### **301.5 Parish Fundraising Office**

The Parish Fundraising Office of the Archdiocese provides parishes with all the services needed to conduct increased-giving campaigns and small- and large-scale capital campaigns. Working with the pastor, the Parish Fundraising Office will help determine minimum financial goals, develop a campaign timetable, and compose or review all campaign materials. Specifically, services include writing and designing a series of letters, handling direct mail solicitation, producing weekly bulletin announcements, and accompanying the pastor to meetings with potential donors. Charges for this service are largely determined by the number of families in the parish.

301.5a Special Fundraising Campaigns

Special fundraising campaigns, such as increased revenue and capital campaigns, must be approved in advance by the Board of Trustees of the parish corporation and have the advice and consent of the Parish Finance Council and Parish Council. Capital campaigns must have the written approval of the Chancellor and/or the Chief Financial Officer. Monies donated through special fundraising campaigns conducted by a parish for a specific purpose can be considered restricted funds only if supporting documentation is provided. Acceptable documentation includes printed brochures prepared for the specific campaign and printed collection envelopes that clearly state the purpose of the campaign and the name and address of the donor. The parish must maintain a detailed record of the amount raised from each donor and keep these special collection envelopes.

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Documentation supporting the specific campaign must be submitted with the annual financial report.

Capital Campaigns generally have a payment schedule of three to five years. Parishes should bill donors according to their specific requests, i.e. monthly, quarterly or annually.

### **301.6 Payroll**

#### 301.6a Employee or Independent Contractor

Parish employees are generally paid on a salary (exempt) basis or on an hourly (non-exempt) basis. An exempt employee is not paid an hourly wage and is exempt from collecting overtime pay.

A priest is considered an exempt employee of the parish.

The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State, and local governments. Covered non-exempt workers are entitled to a minimum wage of not less than \$6.00 an hour (New York State minimum wage as of January 1, 2005). Overtime pay at a rate of not less than one and one-half times their regular rates of pay is required after 40 hours of work in a workweek. For additional information, refer to the Department of Labor's website at [www.dol.gov](http://www.dol.gov).

An independent contractor is paid by the project and may only provide services to the parish under the terms of a written agreement. The agreement must clearly set forth the scope of work, time of performance and compensation. Engaging an independent contractor with the expectation of an indefinite relationship, rather than for a project or period of time, usually classifies that individual as an employee. Independent contractors do not receive employee benefits such as medical insurance, vacation pay and paid holidays.

Salary and wages paid to employees should always be paid by check or direct deposit through the payroll system. Salary and wages must never be paid in cash. Cash payments are violations of Federal and New York law. Payments to independent contractors should always be made by check through the accounts payable system. When engaging an independent contractor, the parish must verify the contractor's Social Security number or Taxpayer Identification Number and have the person sign a Form W-9. Payments to employees and/or independent contractors must be duly recorded in the financial records of the parish.

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All changes to employment status must be documented and include the approval of the pastor for parish employees and the principal for school employees. Former employees must be removed from the payroll system immediately. The date of the status change and the date of the last check must be documented. The Archdiocesan Human Resources Department should be notified promptly of employment status changes for benefits-eligible employees.

#### 301.6b Personnel files

Personnel files should be maintained for all employees. The employee's personnel file should include:

- Federal Form W-4 (employee withholding allowance certificate)
- Federal Form I-9 (employment eligibility verification)
- Acknowledgment of Policy Relating to Sexual Misconduct
- Job application and/or resume
- New hire form completed and signed by the bookkeeper
- Approved payroll change form
- Authorization for direct deposit
- Authorization for automatic deductions for insurance, pension plan and tax sheltered annuity
- Copies of benefit enrollment forms
- Vacation and sick leave records

#### 301.6c Payroll Processing

Timesheets are required for exempt and non-exempt employees. Exempt employees need only to indicate whether present or absent (with explanation). Non-exempt employees must indicate the number of hours worked per day. No one other than the employee may make entries to the timesheet. All employees must sign the timesheet and submit it to the payroll office at the end of the pay period. All timesheets must be approved in writing by the pastor or the employee's supervisor. No one may approve his/her own time report. Overtime hours require the advance approval of the employee's supervisor. Payroll calculations for each employee should be documented in a payroll journal. There are several payroll methods being used in the Archdiocese including third-party providers (e.g. ADP and Paychex), Logos, and other legacy accounting systems. Due to the complexity of administering a payroll system, it is recommended that payroll be processed through Logos or a third-party payroll provider.

#### 301.6d Payroll Tax Deductions

All compensation paid to employees for services rendered is considered taxable wages (including bonuses and monetary gifts), and is subject to payroll

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withholding and employer payroll taxes. The following items must be withheld from all lay employee wages:

- Federal income taxes (FIT)
- State and local income taxes
- Social Security taxes (FICA)
- Medicare taxes

The following items may be withheld from lay employee wages where applicable:

- Health insurance premiums
- 403(b) retirement plan deductions (tax deferred annuity)
- Premiums for supplemental life and dependent life
- Court and government imposed levies

#### 301.6e Payroll Tax Remittances

Federal taxes are remitted with a Federal tax coupon or filed electronically with a Federal depository bank. State and local taxes are remitted in a similar manner. Alternatively, institutions using a third-party payroll service will have taxes remitted on their behalf by the payroll service and will provide funds to the service to cover the taxes owed. The frequency of tax remittances is dependent on the type of tax and the amount withheld. Special care must be taken to comply with the various schedules in order to avoid possible penalties for late remittances. It is imperative that payroll taxes withheld from employee paychecks be forwarded to the appropriate government agency. It is illegal not to do so.

#### 301.6f Payroll Tax Reporting

Federal Form 941 (Employer's Quarterly Federal Tax Return) must be completed and filed with the IRS on a quarterly basis by each wage paying institution. Form W-2 (Wage and Tax Statement) must be completed and mailed to employees by January 31.

#### 301.6g Workers' Compensation Reports

The parish must submit an annual report detailing the number of employees and their total salary by job code description as required by the NYS Workers' Compensation Board. The report is filed with the Insurance Services Office and forwarded to the NYS Workers' Compensation Board and the appropriate insurance carrier.

#### 301.6h New Hires Reporting

New employees need to be reported on a timely basis to the Archdiocese to ensure the accuracy of benefit eligibility.

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### 301.6i Reporting for Independent Contractors

When payments of more than \$600 are made to a person or independent contractor during a calendar year, a Form 1099 must be issued.

### 301.6j Taxable Income to Archdiocesan Priests

A priest's annual compensation must be reported on a Form W-2. His compensation and withholding tax should be included for reporting and paying of withholding taxes with other parish employees in accordance with tax depository requirements. Payroll data should also be reported on the quarterly Form 941 submission. W-4 forms must be prepared by each priest and used by the employer as the basis for calculating Federal and State tax withholding. Taxable and reportable income includes the monthly stipend plus the 13th month check.

Mass stipends and other stipends for weddings, baptisms, funerals, etc. paid by the parish are included for W-2 reporting purposes. Stipends paid directly to a priest are taxable, but their inclusion in the priest's income for tax purposes is his responsibility, as is deducting any related expenses.

Allowances such as car insurance, travel and other business expenses can be taxable, and reportable by the parish, if the priest elects the non-accountable plan method. Non-accountable means the priest is paid the stated allowance without any report submitted to the parish. All tax substantiation and documents are maintained by him and he is required to file the appropriate schedule with his tax return. The allowance is also part of his reported income on Form W-2.

For Social Security purposes, priests are considered to be self-employed. The parish is not required to deduct FICA from a priest's salary or to pay the employer's portion.

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## 302 Parish Operational Reviews

### **302.1 Purpose**

The purpose of a parish operations and financial review is to help the pastor fulfill his canonical and legal responsibilities and to ensure that all recordkeeping, accounting and reporting comply with the policies of the Archdiocese. The review is designed to help the pastor and his staff manage the parish effectively and to provide an evaluation of the parish's operational and financial management to the Archdiocese.

### **302.2 Objectives**

A parish review has four objectives:

1. To determine if parish assets are properly safeguarded, both financially and operationally;
2. To determine whether parish accounting procedures accurately record, summarize and report financial activities to the parish and the Archdiocese;
3. To determine whether parish accounting complies with civil laws and Archdiocesan regulations; and
4. To determine if parish internal controls are adequate to accomplish the first three objectives.

### **302.3 Frequency of Review**

Parishes are selected for review randomly based on an annual audit plan that is part of the continuing program to upgrade practices and procedures at the parish level throughout the Archdiocese. Parishes are also subject to review where the financial information reported to the Archdiocese suggests that deficiencies may exist in parish accounting practices or internal controls. A review will also be made when there is a change of pastor.

A pastor may request a complete or partial operational review if he thinks it is necessary.

### **302.4 Scope of the Review**

During the review, the auditor will examine the internal control policies and procedures in place and their effectiveness in safeguarding parish assets. The auditor will also examine the parish accounting system and determine whether financial transactions of the parish are being properly recorded and reported. The auditor may also test compliance with selected Archdiocesan policies and civil regulations.

Specifically, the review will include the following:

1. an assessment of the internal control environment;
2. an assessment of the accuracy of the accounting records and Annual Report;
3. an evaluation of the control procedures in place and recommendations to improve the system of internal control;

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4. an evaluation of the general efficiency of the parish accounting system and recommendations for improvement;
  5. compliance with legal requirements, such as payroll reporting;
  6. compliance with Archdiocesan policy and Canon Law, such as employee benefits and the Parish Finance Council; and
  7. other areas as identified by the Chancellor, Chief Financial Officer or Director of Parish Accounting of the Archdiocese.

### **302.5 Review Process**

The review process will normally include the following steps:

1. the Chancellor and/or the Chief Financial Officer will notify the parish that a review will be taking place. This notification contact will usually occur four to six weeks prior to the scheduled date;
2. the auditor will call the parish to confirm the date of the review and list the documents that the parish should have ready. Once at the parish, the auditor may determine that additional documents should be examined. The parish is requested to cooperate in providing additional documentation;
3. the auditor will make every effort to minimize any inconvenience the review may cause the parish. In turn, the parish should be ready to provide the records and other information requested. At some time during the review, those who perform the accounting work should be available to answer questions;
4. at the end of the field work section of the review, the auditor will meet with the pastor to discuss findings and proposed recommendations. This meeting is informal and the pastor is encouraged to discuss any concerns he may have or offer further insight into the findings and recommendations;
5. the auditor will make every effort to identify all recommendations prior to leaving the parish. Additional recommendations may be made after the field work is reviewed and the report is written; and
6. within 30 days of completing the field work, the auditor will issue a draft version of the review report. The pastor has 30 days from the time he receives the draft to contact the auditor to discuss any inaccuracies and/or proposed recommendations in the draft report. Following this discussion and efforts to resolve any areas of dispute, the auditor will issue the final report to the pastor and the Archdiocese.

### **302.6 Review Follow-Up**

The follow-up process will normally include the following steps:

1. within 60 days of receiving the final version of the report, the pastor should send a written reply to the auditor indicating what action has been taken to comply with the recommendations, who will be responsible for implementation and the timetable for completion;

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2. the Chancellor and/or the Chief Financial Officer of the Archdiocese may, at his discretion, direct the auditor to schedule one or more follow-up visits at the parish. The follow-up may re-examine any aspect of the original review or may examine a new area. Follow-up visits will normally occur six months to one year after the final report is issued; and
  3. pastors may request assistance from the auditor or the Parish Finance Office in implementing the recommendations.



### **303.1 Parish Savings and Investment Programs**

The Parish Finance Council should establish investment guidelines designed to meet specific short-term, medium-term and long-term investment objectives. In determining each parish's investment objectives, the pastor and the Parish Finance Council should establish acceptable investment risk levels for each investment. The parish should consult with the Parish Finance Office of the Archdiocese when seeking guidance on establishing an acceptable investment policy for the parish. **The Parish Finance Office is available to assist a parish with its investment planning.**

As a general rule, investment activities of all types should be guided by "The Prudent Man Rule." The Prudent Man Rule requires fiduciaries to exercise the discretion that would be expected of prudent men in investing their own funds for reasonable income and preservation of capital. The parish endeavors to meet its moral obligations as an investor by using its best efforts to obtain relevant information concerning the social performance of companies and organizations whose securities are held or are being contemplated. Areas of concern include world justice and peace, sound medical-moral ethics, pro-life activities, social and racial justice, environmental protection, minority group relations, employment of women, employee safety, other working conditions and terms of employment, consumer protection, integrity and law observance.

For purposes of determining an appropriate investment vehicle, it is useful to classify the investable funds by type (e.g., a temporary short-term surplus of parish operating funds, a long-term endowment meant to fund an annual scholarship, pledges to a capital campaign to be spent at the end of the campaign), the investment horizon (e.g., one week, six months, thirty years), liquidity requirements, and the rate of return objective. Consideration should also be given to the need for cash income (dividends and interest) versus capital gains (share price increases).

A written investment policy should be developed by the Parish Finance Council that identifies who is authorized to buy/sell investments and securities, as well as specific guidelines on the organization's portfolio mix (e.g., percentage of fixed income versus equity). Additional diligence should be exercised for investments by monitoring performance through independent published data, or by obtaining the services of independent professionals.

Please refer to **Appendix H** for an example of an Investment Policy which can be modified to meet the requirements of a parish. Also, please note the section on socially responsible investing which is required by the Archdiocese for all investments.

Following are some examples of typical investment situations and appropriate investment choices for those situations:

Investment Horizon	Level of Risk	Source of Funds	Investment Choices
Short-term (up to 3 months)	Low	Operating cash; deferred tuition	Deposit and Loan Fund; money market fund; CD
Medium-term (3 months to 2 years)	Low	Campaign monies to be spent in two years	Same as Short-term, but longer term CD's, short term bonds or bond funds
Long-term (over two years )	Medium	Endowments; bequests; perpetual care funds	Common Investment Fund; mutual funds; stocks and bonds

Please note that these are very general guidelines. Deciding what is an appropriate investment strategy for a given situation may be complex and require prior investing experience. **The Parish Finance Office is available to provide investment analysis and advice to help a parish reach an appropriate decision.**

For long-term investment opportunities sponsored by the Archdiocese of New York, see Section 303.2g, Common Investment Fund.

Independent custodians and investment managers must be utilized whenever possible. Each parish must receive approval from the Chancellor and Chief Financial Officer for the selection of investment managers and custodians. Two responsible individuals must be present whenever securities or other valuables are inspected, and securities must be periodically compared with a schedule of marketable securities or valuables. Broker or manager statements must be reconciled with actual purchases and sales of securities.

**Pursuant to the Archdiocesan guidelines on investments, the following investments are prohibited:**

### **Prohibited Investments**

Prohibited investments include, but are not limited to the following:

1. Investments in guaranteed insurance contracts, municipal or tax exempt securities, commodities, puts, calls or straddles, futures, options, short sales, and foreign currency speculation and margin transactions.
2. Direct real estate investments.
3. Investment in lettered stock or unregistered securities.

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## **Prohibited Transactions**

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transactions
3. Short-term financial instruments considered to contain speculative characteristics
4. The use of “primes” and “scores”
5. Securities lending, pledging, or hypothecating securities
6. 144A securities

## **Regarding the selection of Investment Managers**

If a parish chooses to invest in opportunities other than the Deposit and Loan Fund or the Common Investment Fund, the pastor and the Parish Finance Council’s selection of Investment Manager(s) must be based on prudent due diligence procedures. The parish must require that each Investment Manager provide, in writing, acknowledgement of fiduciary responsibility to the parish.

All Investment Manager(s) must meet the following minimum criteria:

1. Must be recognized providers of investment management services for the asset class they will manage.
2. Evidence a stable organization that offers ownership or appropriate incentives to investment professionals, in hopes of minimizing professional turnover.
3. Be in full compliance with Federal and local laws regarding equal employment opportunities and securities regulations.
4. Articulate a clear philosophy and investment strategy that has been consistently applied over time.
5. Possess an investment process including buy and sell disciplines that are well defined and executed.
6. Provide a track record of at least three years established by the manager or management team that will be responsible for the parish portfolio with the key people in the organization having at least five years of experience managing money in a similar style. Ability to provide historical returns, gross and net of fees, for a composite of similar accounts along with a published fee schedule.
7. If applicable, provide a current Form ADV and ADV Part II (Sections 203 and 204 of the Advisers Act which authorizes the SEC to collect the information required by Form ADV).

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## 303.2 Archdiocesan Investment and Loan Programs

### 303.2a Deposit and Loan Fund (DLF) - Overview

The Archdiocese of New York established the Deposit and Loan Fund (DLF) to help parishes and other qualified Archdiocesan institutions meet their investment and borrowing needs. Qualified institutions include parishes, schools, religious orders and other religious entities located within the Archdiocese of New York. The Fund was established for the following purposes:

1. to serve as a source of funding, at competitive rates and loan structures, for bridge loans or capital construction projects; and
2. to provide a secure repository for surplus funds of parishes and institutions in the Archdiocese, for which a competitive rate of interest will be paid.

### 303.2b Deposit and Loan Fund - Guidelines for Depositors

Archdiocesan parishes and Catholic organizations including schools, religious institutions and agencies may be depositors to the Fund. The Fund adheres to the following guidelines:

1. parishes and organizations with surplus funds (funds in excess of six weeks of ordinary operating expenses) are encouraged to become depositors to the Fund;
2. deposits in the Fund are and will remain the property of the juridical person (i.e., the depositor);
3. deposits to the Fund are guaranteed as to both principal and interest, by the Archdiocese;
4. deposits to the Fund will earn a competitive rate;
5. interest will be paid or reinvested semiannually on March 15 for the period ending February 28 and September 15 for the period ending August 31; and
6. withdrawal of funds on deposit will be on demand.

### 303.2c Deposit and Loan Fund - Procedures for Depositors

Deposits to the Fund may be made by check, accompanied by a written request to the Manager of the Deposit and Loan Fund at the Archdiocese of New York Parish Finance Office. All written requests must include account name, account number and amount. Checks should be made payable to: The Archdiocese of New York Deposit and Loan Fund. Do not send cash.

A receipt for the deposit will be sent to the depositor. New deposit accounts may be opened by written request. Please include account name, amount of deposit and a list of authorized signers in the correspondence.

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Withdrawals from the Fund may be made by written request submitted to the Manager of the Deposit and Loan Fund at the Archdiocese of New York Parish Finance Office. All written requests must include account name, account number and withdrawal amount. The written request must be signed by the pastor or an authorized signer. Please allow two days for normal check processing. Wire transfers are permitted under extraordinary circumstances.

Address all correspondence to:  
Archdiocese of New York  
Manager, Deposit and Loan Fund  
Finance Office - 19th Floor  
1011 First Avenue  
New York, NY 10022

#### 303.2d Deposit and Loan Fund - Guidelines for Borrowers

The Deposit and Loan Fund may make loans to qualified borrowers in the forms of construction and bridge loans to support capital improvement projects including new construction, additions to existing structures and building renovation work and major building repair work including HVAC, roofing and painting.

Loans are not available for normal operating costs.

All requests for a loan are initiated through the Archdiocesan Building Commission (ABC) on a Request For Authorization (RFA) form (**see Appendix G**).

#### 303.2e Deposit and Loan Fund - Loan Procedures

To be considered for a loan, the borrower must complete an RFA package with the ABC. The ABC will forward the RFA package, signed by the pastor, Vicar or other authorized signer, to Parish Financial Review. The RFA package will include:

1. approval from the ABC inclusive of relevant project related documentation,
2. description of the project, loan amount requested,
3. applicable budgets, and
4. reviews and pertinent analysis.

The approval process begins when the ABC forwards the RFA, which includes project financing, to the office of Parish Financial Review. Parish Financial Review provides a written review of all financial information along with a recommendation to the Chancellor and Chief Financial Officer for final approval.

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303.2f Deposit and Loan Fund-Drawdown Procedures

Upon receipt of the ABC approval letter of work performed, the parish must submit a letter to the Parish Finance Office requesting a drawdown on its loan. The letter must be signed by the pastor and sent to the attention of the Deposit and Loan Fund Manager. The ABC approval letter and invoice must be sent along with the letter.

Total drawdowns may not exceed the original approved amount.

Payments of principal and interest on amortizing term loans and payments of interest on construction loans are due quarterly on January 31, April 30, July 31 and October 31. Payment terms will be established in the loan documentation (Promissory Note). Interest only will be due on construction loans. At project completion, such loans will convert to amortizing term loans with payments assessed as noted below consistent with the useful life of the asset being financed. Loan maturity should be based on the useful life of the asset financed and the borrower's repayment capacity. The following is the recommended maximum term according to loan purpose:

New construction	10-20 years
Remodeling	10-20 years
Plumbing, HVAC	10-20 years
Roof	10-15 years
General repairs	5-10 years
Painting	3- 5 years
Furnishings	3- 5 years

The shortest loan maturity consistent with the borrower's ability to repay is preferred. All term loans will fully amortize over the life of the loan and balloon payments due at the end of the loan term are not permitted.

303.2g Common Investment Fund

The Common Investment Fund (Fund) is a pooled investment account available for investments by parishes and Catholic institutions within the Archdiocese of New York. Each account is the property of the investor (participant). The Fund is administered by a Fund Committee. The composition of the Fund Committee is the Chancellor, Chief Financial Officer and Deputy Director of Finance of the Archdiocese of New York. The Chancellor is the Chairman of the Fund Committee and the Chief Financial Officer is the Vice-Chairman.

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The Fund's custodian and investment manager is the Bank of New York (BNY). The Bank of New York has engaged Wachovia Retirement Services to provide participant accounting. Each participant independently selects an asset allocation for its investment. Currently, each participant may choose to invest in any one of the following investments:

- S&P 500 Index Fund
- Lehman Aggregate Bond Index Fund
- BNY Hamilton Treasury Money Market Fund

A description of each of the investment options is summarized below:

#### S&P 500 Index Fund

This option provides participants with exposure to U.S. equities. The intention is to generate long-term capital appreciation and, as such, is appropriate for longer-term time horizons. The S&P 500 Index Fund's objective is to track the total return of the Standard & Poor's 500 Composite Stock Price Index (S&P 500). The S&P 500 is an index of the 500 largest publicly traded domestic companies, representing all major industries in the U.S. stock market. The Fund is monitored closely to assure tight tracking to the benchmark index. The Fund will only deviate from tracking the benchmark in the instance that stocks held in the benchmark index are not consistent with socially responsible investing. In managing this Fund, BNY utilizes a full replication approach, in which all stocks in the index are held in proportion to their index weights.

#### Lehman Aggregate Bond Index Fund

This option provides participants with exposure to the U.S. government and high-grade corporate bond markets. Investments are intended to generate current income as well as provide the potential for some capital appreciation. These investments are appropriate for longer time horizons. The Lehman Aggregate Bond Index Fund seeks to match the total return of the Lehman Brothers Aggregate Bond Index and will only deviate from tracking the index in cases where the index is not consistent with the Church's socially responsible guidelines. To pursue its goal, the Fund normally invests at least 80% of its assets in bonds that are included in the index. To maintain liquidity, the Fund may invest up to 20% of its assets in various short-term, fixed income securities and money market instruments. The Lehman Brothers Aggregate Bond Index is a broad-based index that covers the U.S. investment grade fixed-rate bond market and includes U.S. government, corporate, mortgage-backed, and asset-backed securities. The U.S. Treasury and other U.S. government and agency issuers issue most of the bonds in the index.

#### BNY Hamilton Treasury Money Fund

The money market fund option is an investment designed to provide liquidity as well as generate a modest return. It is intended to be a temporary investment for cash that will either be used over the short term for a specific purpose, or

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allocated as part of a longer-term investment portfolio in the near future. The BNY Hamilton Treasury Money Fund seeks as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. To achieve this goal, the Fund invests solely in securities issued or guaranteed as to principal and interest by the U. S. government.

The Archdiocese of New York and the Fund do not act as investment advisors and, therefore, are not registered as investment companies under the Investment Company Act of 1940, as brokers or dealers under the Securities Exchange Act of 1934 or as investment advisors under the Investment Advisors Act of 1940.

Investments in the Common Investment Fund are subject to investment risk. An investment in the Common Investment Fund is not guaranteed by the Fund or the Archdiocese of New York nor is it insured by the FDIC or any other government agency.

Participating investors share proportionally in the profits and losses of the entire Fund. Investments in the Fund are subject to greater risk of principal loss due to market fluctuations, but may also provide a higher return to the investor, compared to interest earning deposits to the Deposit and Loan Fund. The investment policy and performance of the Common Investment Fund is reviewed by the Fund Committee. Ethical investment guidelines that conform to the Church's beliefs are provided to the investment manager by the Archdiocese (**See Appendix H**).

A decision whether to invest in the Common Investment Fund should be guided by the following:

1. the Common Investment Fund is an opportunity to invest excess funds on a long-term basis. Although withdrawals can be made, they are subject to loss of principal;
2. investors may elect to invest only a portion of their excess funds in the Common Investment Fund. The minimum investment amount in the Common Investment Fund is \$50,000;
3. the investor, depending on its needs, may actively elect to change its percentage investment allocation to the equity index fund, the fixed income index fund or the BNY Hamilton Money Market Fund.

There are no limitations on purchases, redemptions and exchanges.

All elections must be in writing and signed by a duly authorized signer. All participant accounts are valued daily and can be viewed online at a BNY/Wachovia website.

The Common Investment Fund is audited annually by an outside audit firm. There is no Prospectus for the Common Investment Fund.



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## 304 Standardized Chart of Accounts

### **304.1 Purpose**

The standardized Chart of Accounts is used to provide a common platform for recording, summarizing and reporting financial transactions. Its use is mandatory throughout the Archdiocese of New York. Account numbers are 13 digits in length, designated as follows:

- Digits 1-4 designate account type and may not be changed by the user.
- Digits 5-7 designate sub-accounts and are assigned by the user.
- Digits 8-9 designate entity code and may not be changed by the user.
- Digits 10-11 designate cost centers and may not be changed by the user.\*
- Digits 12-13 designate restricted monies and are assigned by the user.

\*Appropriate use of digits 10-11 is mandatory for schools, but optional for parishes.

A copy of the Chart of Accounts is included in **Appendix E** of this manual. Please refer all questions regarding the Chart of Accounts to the Parish Finance Office.

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## 305 Logos Accounting System

### **305.1 Definition and Purpose**

The Logos accounting software is the standard accounting package to be used by all parishes, schools and cemeteries. The system is auditable and provides for the ready consolidation of parish, school and cemetery financial reports and budgets. Its use aids pastors as they transfer between parishes with common accounting systems and charts of accounts. It facilitates accounting support, enabling bookkeepers and accountants to quickly render support to parishes in need of accounting services.

Parish Training assists users in the installation of the Logos system and manages the Logos Training Programs provided to users. Questions regarding Logos may be directed to Parish Training at 212-371-1011, extension 2738.

All parishes and schools are required to be on Logos by August 31, 2006.

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## 306 Budgeting

### **306.1 Purpose**

The annual budget process coordinates the many activities of parishes and schools in order to help achieve their goals and objectives. The annual budget process formalizes planning and is used to monitor actual results compared to budgeted amounts. Budget variances highlight where corrective action may need to be taken. Such action may include seeking additional contributions, cutting costs or other steps. Budgets are reviewed by the Parish Finance Office and are an early indicator of parishes and schools which may be experiencing, or are about to experience, financial difficulties. The Parish Finance Office uses the budgets to review Inter-Parish Finance Board applications for financial assistance and as part of the financial review process for requests for capital expenditure authorizations from parishes and schools.

### **306.2 Roles and Responsibilities**

All parishes (including the church, religious education programs and cemetery) and schools (including elementary and high schools) must prepare and submit a budget to the Parish Finance Office annually, within the published timeframe. At the parish level, a forecast of income and expenditures should be made, striving for as accurate a forecast as possible. This allows for comparisons to be made with historic numbers that are meaningful and useful. Parish budgets should be reviewed by the pastor and the Finance Council prior to submission to the Parish Finance Office. In addition, the Income Statement form should be signed by the pastor, indicating his approval of the submission. School budgets must be reviewed by the pastor and the principal prior to submission. Both parties should sign the Data Collection Form indicating approval of the submission. All budgets for elementary schools must be approved by the Archdiocesan Department of Education. The Associate Directors of Parish Finance in the Vicariate should assist the pastor and review the budget before forwarding to the Parish Finance Office.

### **306.3 Timetable**

The timetable for submission of completed budget forms is as published by the Parish Finance Office.

### **307.1 Purpose and Policy**

The objective of the Inter-Parish Finance Board (IPFB) is to assist pastors and principals individually and collectively in fulfilling their roles as administrators of their resources. This is accomplished by planning, developing, monitoring and evaluating the fiscal affairs, resources and operational procedures of all the parishes and schools within the Archdiocese.

Working closely with relevant departments of the Archdiocese, the IPFB has access to accurate and timely information on all parishes and schools. As successor to the Commission for Inter-Parish Financing, the IPFB's role has been expanded to include a review of all parishes' and schools' finances. Nonetheless, in keeping with the spirit of the CIPF, it is particularly focused on those parishes and schools in the greatest need.

### **307.2 Process**

A parish in need of financial assistance should make a formal request to the IPFB with substantiation of the need. Financial aid is limited to normal operating expenditures, i.e. the parish's day-to-day operations. No capital items will be considered in the determination of aid. Direct subsidies for emergency building repairs are awarded to those poorer parishes as grants with subvention agreements.

A subcommittee will review a questionnaire, provided by Parish Financial Review and completed by the pastor or principal, and related financial details. The subcommittee will also interview the pastor and other personnel, such as the principal and accountant, and then make a recommendation to the IPFB. The IPFB either approves or rejects the request or asks for further information. The IPFB's intent is not to criticize, but rather to support the pastors and help them maintain financial solvency.

Parishes with previous IPFB grants will have their annual budgets reviewed by subcommittees of the IBFB who make recommendations for full committee determination. Grants cannot exceed the prior year's grant authorization or current need. Parishes whose needs exceed the previous year's authorization must apply to the IPFB for a grant increase. The funds will be distributed on an as-needed basis. A percentage of the parish's property insurance and medical insurance costs will be automatically deducted from the authorized grant.

Parishes requiring an IPFB grant must make their request to the Parish Finance Office. At that time, the parish will receive a questionnaire with a date for an interview with the IBFB. The parish will be asked to provide financial and demographic reports on the parish and school. Once a grant is approved, the parish/school will be informed by the Parish Finance Office. Normally, a portion of the grant will be used to pay the parish's/school's Archdiocesan Consolidated Invoice. The portion not used to pay the Archdiocesan Consolidated Bill will be available as a cash drawdown to the parish/school. The parish/school must formally request a cash drawdown of the grant to Parish Finance. The formal request needs to:

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1. specify the amount needed;
  2. specify the expenses the grant will address;
  3. be submitted via fax or post on parish/school letterhead; and
  4. be signed by the pastor/principal.

IPFB grant funds will be wire-transferred to the parish or school main operating account once the documentation is received by the Parish Finance Office.

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## 308 Capital Projects, Construction Policies and Procedures

### **308.1 Archdiocesan Building Commission**

The Archdiocesan Building Commission (ABC) guides the parish through the typical preconstruction functions, including preparing and submitting the Request for Authorization (RFA) to the Chancellor, establishing preliminary budgets, obtaining the required ecclesiastical and municipal approvals, selecting an architect/engineer, negotiating design fees and services, pre-qualifying prospective contractors, preparing contracts and providing quality control throughout the construction process.

### **308.2 Capital Projects - Policy**

A capital project is defined as the construction, renovation, demolition or major repair of a physical asset. Pastors should notify the Chancellor or ABC, in writing, of the need to carry out a capital project.

Projects costing less than \$30,000 may be managed by the parish without notification unless:

1. assistance is desired;
2. Archdiocesan financial assistance is being sought;
3. the project is of an environmental nature; and/or
4. the project modifies a place of worship.

Projects costing more than \$30,000 are subject to the following policies:

1. Prior to any fundraising efforts or financial commitments by the parish, the pastor must write to the Archbishop outlining the parochial need for the project together with the preliminary construction budget (verified by the ABC) and the outline plan for financing the project; and
2. If a parish conducts a single fundraising campaign to pay for a wide variety of work, that work will be considered a single project. If the work has separate funding sources, involves separate general contractors, and is spread over a long time frame, the work may be considered as multiple projects. It is not acceptable to break work into smaller projects solely to avoid the appropriate approval process.

New projects and/or restoration projects which change, modify or add to a church or chapel, regardless of the cost involved, must be approved by the Archdiocesan Liturgy Commission and the ABC.

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### **308.3 Capital Projects – Procedures**

Once a pastor informs the ABC of the need for a capital improvement project, the process for completing the project is guided by the ABC using the following procedures. Additional policies and procedures that apply to new construction projects or liturgical renovations are presented in Sections 308.5 and 308.7, respectively.

1. A consultant evaluates the project with the pastor (or duly authorized institutional representative), a “Scope of Work” is prepared by the consultant and submitted to the pastor for his approval. If the work must be filed with the local building department, this phase will be executed by the selected architect/engineer within the plans and specifications. The process for architect selection is described in Section 308.5, Major Construction Projects - Procedures.
2. The consultant submits a list of pre-qualified contractors to the pastor. These are contractors who have met the minimum requirements as described in the ABC “Contractor Pre-Qualification Statement”, are licensed and qualified to work in the trade in which they are bidding, and are willing to work in the specific location. A list of locations in which contractors have performed is available to pastors/administrators for review.

Pastors/administrators are encouraged to solicit local contractors. If a parish wishes to solicit bidders other than those listed, those contractors must satisfy the pre-qualification criteria prior to bidding.

3. For projects in excess of \$30,000 a minimum of three (3) bids must be obtained. For new construction projects, the parish may elect to retain a Construction Manager, (CM). The procedures for such are listed in Section 308.5, Major Construction Projects - Procedures.
4. An “Invitation to Bid” is forwarded to each of the selected bidders. The invitation must include the “Scope of Work”, anticipated start and finish dates and date, time and location of bid submittal. Only sealed bids should be accepted.
5. Bids are received and normally opened at the ABC’s office. The pastor and ABC consultant must be in attendance. If an architect/engineer has been retained, it is recommended that he/she attend. Bidders are prohibited from attending the bid opening. The bid spreadsheet is prepared by the pastor or consultant and signed by all parties in attendance.
6. If, for some reason, the contractor selected is not the low bidder, the pastor must state his rationale for the choice in a letter which must accompany the Request for Authorization (RFA). A copy of the signed bid spreadsheet must also be attached to the RFA.

Upon approval from the Chancellor and/or the Chief Financial Officer, the standard Archdiocesan contract will be prepared by the ABC and executed by the contractor and the parish/institution.

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In cases of emergency, one or all of these procedures may be waived. The ABC consultant must submit a memorandum to the Director of the ABC. This memo will accompany the submission of the RFA.

#### **308.4 Major Construction Projects - Policy**

In addition to the construction of any new facilities, a major construction project also includes any change or modification to the use of an existing facility. For instance, renovating the first floor of a convent to house Pre-K classrooms would be considered a major construction project. In addition to the policies and procedures already listed for capital projects, the following policies and procedures would also apply to major construction projects.

Prior to any fundraising or financial commitments by the parish, the pastor must write a letter to the Archbishop explaining the parochial need for such a project. This letter should also include a preliminary budget for construction which has been verified by the ABC and the general plan for financing the expenditure.

The parish should take no actions, including, but not limited to, retaining an architect, retaining a fundraising firm, filing application to any municipal agencies, engaging a builder, and/or publicizing the matter in anticipation of a response from the Archbishop.

#### **308.5 Major Construction Projects - Procedures**

1. The letter to the Archbishop from the pastor should be attached to a preliminary RFA and is submitted by the ABC via the Chancellor and/or Chief Financial Officer (CFO) to the Archbishop.
2. Depending on the specific proposal, a meeting with the Archbishop or the Chancellor and/or the CFO may be convened. Proposed projects in excess of \$500,000.00 or those designated by the Chancellor and/or CFO will be reviewed by the Archdiocesan Construction Advisory Committee. A written report, which will include a recommendation, will be submitted to the Archbishop by this committee.
3. After review of the assembled information, the Archbishop will make a determination on the proposal and have it communicated to the relevant parties. Approved projects will be directed to the ABC.
4. The ABC will guide the parish through the process of retaining an architect and issuing a standard archdiocesan contract. For any new construction or major renovation, the parish should elicit a minimum of three design proposals from competing architects. Architects must be licensed to practice in New York State and must be fully insured. The ABC maintains a list of pre-qualified architects, which is available to parishes upon request.



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If the selected architect has not been pre-qualified, the firm must submit a standard American Institute of Architects (AIA) "Architects Qualification Form" to the ABC prior to the submittal of an RFA. The ABC is available to assist the parish in preparing a request for proposal to interested architectural firms. Upon selection and approval of the architect's qualifications, the ABC will issue the standard Archdiocesan Owner-Architect Agreement.

5. If the parish wants to retain a Construction Manager (CM) in lieu of a traditional "lump sum bid" contractor, the parish must submit a letter to the Director of the ABC presenting the rationale for this decision. This letter along with a recommendation from the ABC will accompany a Request for Authorization to the Chancellor and/or the CFO.
6. After the completion of the Schematic Design Phase, drawings may be presented to the Archdiocesan Construction Advisory Committee. The project will then follow the standard procedures for capital projects.
7. Builders selected for new construction or other projects over \$500,000 must be able to provide Payment and/or Performance Surety Bonds for the full amount of the construction budget. Substitute forms of Surety must be approved by the Director of the ABC.

### **308.6 Construction or Renovation of a Place of Worship - Policy**

The building or renovating of a place of worship is a unique opportunity for the renewal of faith and liturgical life of any Catholic community. The building or renovation of a church or chapel is more than an architectural solution to a spatial need, or an exercise in building maintenance. Accordingly, every building or renovation project must include a component of education and formation for parishioners on the church's liturgical tradition and the spatial requirements of the reformed liturgy.

1. The Archbishop must approve the concept.
2. The Archdiocesan Liturgy Commission (ALC) and ABC must be contacted on all new construction projects and on all renovation and restoration projects that involve any change, modification, or addition to the church or chapel, regardless of the cost involved.

### **308.7 Construction or Renovation of a Place of Worship - Procedure**

1. At the inception of a project, regardless of size and/or dollar amount, the pastor should notify the ABC of his intent to modify a worship space. The ABC will assist the pastor in submitting a Request for Authorization (RFA) for conceptual approval of the Archbishop. The pastor should attach a letter to the RFA, describing the proposed change(s) and the purpose for the change(s).
2. After receiving the Archbishop's approval, the pastor should meet with the ABC and ALC to review the construction and liturgical aspects of the project. Both organizations will assist the parish in the selection of an architect and/or liturgical designer.
3. A schematic design, along with a recommendation from the ALC, is submitted to the Archbishop for further approval. No further design work may take place until

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- explicit approval has been received from the Archbishop's office for the schematic design.
4. Any subsequent modifications to the schematic design must be resubmitted to the ALC and the ABC and approved by the Archbishop's office using the same procedure.
  5. The schematic design must include the following items:
    - The proposed floor plan identifying all liturgical appointments, congregational seating (pews), and entrances/exits.
    - A drawing of all relevant liturgical appointments including, but not limited to ambo, altar, celebrant's chair, place for reservation of the Blessed Sacrament, baptismal font, rooms of reconciliation and sacred images.
    - An elevation drawing of the sanctuary and reredos.
    - A floor plan of the existing space (pre-construction).
    - A written description of the liturgical changes to the worship space and the purpose of the changes.
  6. After approval from the Archbishop's office, the project will follow the standard procedures for capital projects.

### **308.8 Request for Authorization (RFA) - Policy**

The Request for Authorization (RFA) is used to define a capital project, identify the means of funding, and when endorsed by the Chancellor and/or the Chief Financial Officer, give authorization to enter into formal contracts.

The parish must receive Archdiocesan approval in the form of an approved Request for Authorization when a Project is:

1. Over \$30,000 and funded by the parish
2. Of any size, when it is not funded by parish savings, or
3. When there is a substantial change order to an existing project. Substantial change orders are those which exceed the lesser of \$30,000 or 10% of the total project cost. Parishes are expected to fund change orders utilizing the contingency budget (RFA line 7).

Life safety projects, as designated by ABC, will proceed immediately, if necessary, prior to RFA approval.

### **308.9 Request for Authorization (RFA) - Procedures**

These are the steps of the RFA process:

1. The pastor must meet with the ABC to prepare the RFA. A copy is included in **Appendix G** of this manual. Parish information is presented in Section I of the RFA. The total costs of the project(s) are listed in Section II. Project financing information is listed in Section III. All relevant documents (i.e., loan terms,

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- grants, bidding information) are attached to the RFA. Upon completion and signature by the pastor, the RFA is reviewed and submitted by the ABC to Parish Finance Office.
2. During the approval process, the RFA may also be reviewed by several other Archdiocesan departments (i.e. Department of Education for schools, Catholic Mutual for property damage claims, Liturgy Commission for church renovations, etc.).
  3. The RFA will be reviewed by the Parish Finance Office. The criteria for funding requirements and loan procedures are described and presented in Appendix G of this Manual. The RFA is then presented to the Chancellor and/or the CFO for final approval.
  4. After approval by the Chancellor and/or the CFO, the ABC will notify the pastor of the project approval and distribute copies of the approved RFA to the relevant Archdiocesan offices.

### **308.10 Construction – Contract Approval and Payments**

Procedures for contract approval:

1. The standard Archdiocesan Owner-Contractor Agreement will be prepared by the ABC and all copies will be forwarded to the contractor for approval and signature.
2. Copies of the contractor's insurance certificates must be submitted by the contractor in accordance with the provisions of the contract.
3. The contractor should forward all copies to the Archdiocesan Building Commission for signature. The ABC will forward all copies to the pastor.
4. The pastor will sign the contract.

Payments should be made using this procedure:

1. Invoices for all projects over \$30,000 must be approved by the ABC Field Consultant and forwarded to the pastor for payment. The submission and approval of contractor requisitions are governed by the standard ABC Owner-Contractor Agreement. The parish should retain the original invoices and forward a copy to the contractor with payment.
2. No payment should be made to the contractor without an AIA Contractor's Application for Payment, Architect's Certificate for Payment (where appropriate), and lien waiver duly completed and certified.
3. The Chancery Office will track all authorized payouts.
4. A copy of the remittance form will be sent to the parish by the ABC.
5. Notice of Project Completion by the ABC will be forwarded to the pastor, Chancellor, and Insurance Office.

### **308.11 Financing of Capital Projects**

A capital project whose Request for Authorization (RFA) is approved by the Chancellor and/or the CFO, may be financed in different ways, but it is usually accomplished by a

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capital campaign, through endowments/gifts/bequests, by borrowing from the Archdiocesan Deposit and Loan Fund or by borrowing from third-party lenders.

This section focuses on the borrowing option. Capital campaigns and endowments/gifts/bequests are subject to separate guidelines for those activities. For details regarding borrowing from the Archdiocesan Deposit and Loan Fund, see Section 303.2, Archdiocesan Investment and Loan Program.

Third-party borrowings may be considered when the approved capital project is outside the scope or the resources of the Archdiocesan Deposit and Loan Fund. The borrower must first discuss the proposed financing with the Chancellor, CFO or his delegate prior to pursuing a loan. Thereafter, all third-party loan agreements depend on the applicant (i.e. the parish) following the policies and procedures set forth below:

- Send a letter to the Parish Finance Office, including the signed RFA for the project from the Chancellor, requesting approval to pursue its external borrowing need
- Upon receipt of the letter, the financial status of the parish will be verified by the Parish Finance Office and approved by the External Credit Committee which consists of the Chancellor, the CFO, the Director of Real Estate and the Director of Parish Finance
- The External Credit Committee will forward its recommendations to the Archbishop for his approval and return the request to the Parish Finance Office.
- Once the parish receives approval to pursue external borrowings, the parish's authorized representative should contact its local lending institution (usually where the parish maintains its bank accounts) and one from the list of lenders previously used by the Archdiocese to discuss its borrowing needs with a loan officer. At times, lenders who have an existing relationship with the Archdiocese may be in a position to offer more competitive terms.
- The following is a current list of lending institutions that provide third-party loans to parishes:
  - Atlantic Bank
  - Bank of New York
  - HSBC Bank
  - Hudson United Bank
  - Hudson Valley Bank
  - J. P. Morgan Chase Bank
  - Provident Savings Bank
  - Putnam County Savings Bank
  - Richmond County Savings Bank
  - Westchester County Savings Bank
- The parish will be asked for certain legal and financial information by the lending institution when applying for a loan. This information will form the basis for determining the creditworthiness of the parish and the loan terms.

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- The authorized representative of the parish should ask for a letter of indication from the lender, indicating the amount and terms of the loan that the lender is willing to offer. Once the letter of indication is received by the parish, it should be forwarded to the Parish Finance Office for review. The Parish Finance Office will make recommendations on the terms and conditions and return it to the parish.
  - Once the parish and lender agree on the terms and conditions, a request for a formal commitment letter from the lender should be made.
  - Once the commitment letter is received, it should be forwarded for review to both the Parish Finance Office and the Office of Legal Affairs. Recommendations will be made to the parish, which will negotiate with the lender to include the recommended revisions in the loan documents.
  - Revised loan documents will be returned to the Parish Finance Office, which will forward them to the Chancellor and/or CFO for final approval.
  - Once final approval is received from the Chancellor and/or CFO, the parish is free to finalize the borrowing.
  - A copy of the final, signed original commitment letter should be attached to the RFA and returned to the Parish Finance Office.
  - If a mortgage on real property is to be given as security for the loan, the property to be mortgaged must be clearly identified to make sure that the land on which the mortgaged property is located is not subject to the mortgage and that the title record is in the name of the parish corporation. In that regard, the borrower and/or Chancery Office records should be checked for copies of the pertinent real property deed, related title report and any surveys. The mortgage must be approved by a court order pursuant to Section 12 of the Religious Corporations Law; the parish corporation must file with the court a petition requesting the court approval.

### **309.1 Overview**

Real property constitutes a substantial portion of the assets of the Archdiocese, its parish corporations and other Archdiocesan-related institutions. Careful administration of these assets is vitally important and must be guided by both the requirements of Canon Law and the parameters established by the Archbishop. Those who are responsible for managing real property assets should operate under the presumption that maintaining the value of these assets is of the highest priority.

In the event that a building (or a portion thereof) is no longer needed for parish purposes, a plan should be developed to deal with this change of circumstance. The plan should include reasonable efforts to identify suitable users for the property. If a tenant cannot be identified within a reasonable period of time, the parish may consider disposing of the subject property. While the alienation of property is appropriate in certain situations, it is the strong preference of the Archdiocese to retain its patrimony. Set forth below are specific policies and procedures which must be followed in connection with the sale, purchase or lease of real property.

### **309.2 Sale of Real Property (Except Air Rights) - Policy**

It is the policy of the Archdiocese to retain real property unless there is compelling evidence that the disposition is in the best interests of the owner and the Archdiocese. All dispositions require a recent appraisal of the subject property which supports the ultimate contract price. In most cases, the contract of sale should include a deed restriction which prohibits use of the subject property for purposes which are contrary to Catholic Church doctrine.

All dispositions of real property, including grants of easement, require the permission of the Archbishop. Sales with values in excess of \$1 million also require the consent of both the Finance Council and the College of Consultors. Alienations with values in excess of \$10 million also require the permission of the Holy See. Additional approvals are required under New York State civil law for alienations by parish corporations. In these instances, a Supreme Court Justice needs to be petitioned seeking ex-parte approval of the subject transaction. If a parish or other owner completes a transaction with gross proceeds in excess of \$1 million, the following policy will govern the disposition of such proceeds:

- All debts owed to the Archdiocese and third parties (except mortgage loans) will be repaid.
- All necessary repairs and improvements to remaining parish buildings will be made.
- A fee of 1% of the gross proceeds will be remitted to the Real Estate Division of the Archdiocese.
- Any remaining proceeds will be allocated equally between the selling party and the Archdiocese.

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### **309.3 Sale of Real Property (Except Air Rights) - Procedures**

The Archbishop must be consulted when the alienation of real property is proposed. The Chancellor and/or Chief Financial Officer should be consulted when the sale of easements is proposed. The pastor must submit a written request to sell the property. The request should include the following items:

1. specific identification of the property to be sold;
2. the rationale supporting the sale;
3. an assessment of the sale in view of current and future needs of the parish;
4. an assessment of the impact of the sale on the parishioners and the local community;
5. a statement detailing the financial condition of the parish and the proposed use of the proceeds from the sale; and
6. what efforts were made to lease the property.

It is important to submit this information to the Archbishop as soon as a proposal to sell has been formulated for consideration. No significant action (such as obtaining an appraisal or publicizing the matter) should be taken in anticipation of a response from the Archbishop.

Upon receipt of the documented request, the Archbishop's Office will seek input from the appropriate offices within the Archdiocese. Depending upon the specific proposal, a meeting with the Archbishop or the Chancellor and/or the CFO may be convened. All proposed sales of property will be reviewed by an advisory committee of pastors designated by the Chancellor. A written report, which will include a recommendation, will be submitted to the Archbishop by this committee. As part of this process, the Real Estate Division will inquire whether any Archdiocesan agency or religious community is interested in purchasing the subject property.

After review of the assembled information, the Archbishop will make a determination on the proposal and have it communicated to the relevant parties. Approved proposals will be directed to the Real Estate Division. All aspects of the subject transaction will be coordinated by this office, including negotiation of final terms, preparation and securing of all necessary legal and supporting documents (including appraisals) and continued communication with the Chancery Office and the Archbishop's Office. For transactions which require approval from the Finance Council and the College of Consultors, the Real Estate Division will seek such authorization after the material terms have been negotiated and prior to execution of contracts.

### **309.4 Sale of Air Rights – Policy**

The concept of "air rights" refers to the quantity of unused air space over a vacant lot or building which could have been utilized for a building of the maximum size permitted under applicable zoning laws. This unused air space may be legally available for transfer to a purchaser who owns directly adjacent property. In general, the maximum size of a

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building which could be built on any parcel of property is measured by the product of the ground area of the lot and the “floor-area ratio” (FAR), which is established by zoning. For example, a lot having a ground area of 10,000 square feet in a zoning district with an FAR of 10 could legally accommodate a building of 100,000 square feet (10,000 x 10). If an existing building on this lot contained 50,000 square feet, the balance of 50,000 square feet could be sold to an adjacent lot to permit the construction on the adjacent lot of a building having 50,000 square feet of floor area greater than otherwise would have been permitted.

In general, air rights will be sold only over property which is judged to be necessary for the future needs of the Archdiocese. The rationale is that the sale of air rights would diminish the value of a property which could be disposed of at a later date. In those cases, it is preferable to hold the air rights until such time as the property is considered for sale. A sale of air rights will be seriously considered when a property is deemed to be essential in fulfilling the pastoral needs of the Archdiocese and if it is foreseen that this will continue to be the case in the indefinite future. Buildings which are granted “landmark” status by the governing municipality will in most cases be judged as prime candidates for air rights transactions. All dispositions of air rights require the permission of the Archbishop. Sales with values in excess of \$1 million also require the consent of both the Finance Council and the College of Consultors. Alienations with values in excess of \$10 million also require the permission of the Holy See. Additional approvals are required under New York State civil law for alienations by parish corporations. In these instances, a Supreme Court Justice needs to be petitioned seeking ex-parte approval of the subject transaction.

If a parish completes a transaction with gross proceeds in excess of \$1 million, the following policy will govern the disposition of such proceeds:

- All debts owed to the Archdiocese and third parties (except mortgage loans) will be repaid.
- All necessary repairs and improvements to parish buildings will be made.
- A fee of 1% of the gross proceeds will be remitted to the Real Estate Division of the Archdiocese.
- Any remaining proceeds will be allocated equally between the parish and the Archdiocese.

### **309.5 Sale of Air Rights - Procedures**

The Archbishop must be consulted when the sale of air rights is proposed. The pastor should submit a written request to sell the air rights. The request should include the following items:

1. specific identification of the property to be sold;
2. the rationale supporting the sale, including an assessment of whether the subject property is essential to carry out the mission of the Archdiocese;
3. an assessment of the sale in view of current and future needs of the parish;



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4. an assessment of the impact of the sale on the parishioners and the local community; and
  5. a statement detailing the financial condition of the parish and the proposed use of the proceeds from the sale.

It is important to submit this information to the Archbishop as soon as a proposal to sell has been formulated for consideration. No significant action (such as obtaining an appraisal or publicizing the matter) should be taken in anticipation of a response from the Archbishop.

Upon receipt of the documented request, the Archbishop's Office will seek input from the appropriate offices within the Archdiocese. Depending upon the specific proposal, a meeting with the Archbishop or the Chancellor and/or the CFO may be convened. All proposed sales of air rights will be reviewed by an advisory committee of pastors designated by the Chancellor and/or the CFO. A written report, which will include a recommendation, will be submitted to the Archbishop by this committee.

After review of the assembled information, the Archbishop will make a determination on the proposal and have it communicated to the relevant parties. Approved proposals will be directed to the Real Estate Division. All aspects of the subject transaction will be coordinated by this office, including negotiation of final terms, preparation and securing of all necessary legal and supporting documents (including appraisals) and continued communication with the Chancery Office and the Archbishop's Office. For transactions which require approval from the Finance Council and the College of Consultors, the Real Estate Division will seek such authorization after the material terms have been negotiated and prior to execution of contracts.

### **309.6 Acquisition of Property - Policy**

Acquisition of property is indicated where it is necessary to service current or future needs. Particular attention should be given to acquisition of property located adjacent to currently owned buildings or land. Because the acquisition of property may require the expenditure of significant funds, every effort should be made to ensure that the need for expansion is substantial and enduring. This is particularly important in cases where the acquired property will be converted to a specialty use which may be difficult to resell. Irrespective of the institutional mission which would be served through the acquisition of property, no transaction should be contemplated unless the parish can clearly demonstrate the ability to pay the additional expenses associated with the new property.

### **309.7 Acquisition of Property - Procedures**

The Archbishop must be consulted when the acquisition of real property is proposed. The pastor should submit a written request to acquire the subject property. The request should include the following items:

1. specific identification of the property to be bought and how the acquisition would be paid for;
2. the rationale supporting the purchase;

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3. an assessment of the purchase in view of current and future needs of the purchaser;
  4. a statement setting forth the efforts made to satisfy the needs of the parish in its existing property; and
  5. a profile of the parish's financial condition and the projected impact of the acquisition.

It is important to submit this information to the Archbishop as soon as a proposal to purchase has been formulated for consideration. No significant action (such as obtaining an appraisal or publicizing the matter) should be taken in anticipation of a response from the Archbishop.

Upon receipt of the documented request, the Archbishop's Office will seek input from the appropriate offices within the Archdiocese. Depending on the specific proposal, a meeting with the Archbishop or the Chancellor and/or the CFO may be convened. All proposed acquisitions of property will be reviewed by an advisory committee of pastors designated by the Chancellor and/or the CFO. A written report, which will include a recommendation, will be submitted to the Archbishop by this committee.

After review of the assembled information, the Archbishop will make a determination on the proposal and have it communicated to the relevant parties. Approved proposals will be directed to the Real Estate Division. All aspects of the subject transaction will be coordinated by this office, including negotiation of final terms, preparation and securing of all necessary legal and supporting documents (including appraisals, building inspections and environmental assessments) and continued communication with the Chancery Office and the Archbishop's Office. For transactions which require approval from the Finance Council and the College of Consultors, the Real Estate Division will seek such authorization after the material terms have been negotiated and prior to execution of contracts.

### **309.8 Lease of Property - Policy**

When a building, or a portion thereof, is no longer needed to service the needs of the parish, reasonable efforts should be made to identify a user for the space. The prospective use should not create a material conflict with the normal operations of the parish. It should be clear that the ministry of the parish is to be given priority over the re-use of available property.

Establishment of a lease relationship creates a situation where limits need to be developed for the protection of both parties. In this regard, it is important that the parish insures that the tenant will not conduct activities on the leased property which are incompatible with the parish's mission or damaging to its relationship with the community. The stability, mission and reputation of the prospective tenant should be carefully evaluated before any commitments are made.

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All leases need to be in writing and include provisions based on the following policies:

1. Tenants must be not-for-profit corporations which enable continuance of the subject property's exemption from real estate taxes.
2. The tenant's use of the leased premises should be restricted so there is no conflict with Church doctrine. This is particularly important to monitor in social service and educational use contexts.
3. Rent from the tenant should be established at an amount which permits the property to maintain its exemption from real estate taxes. In general, rent is limited to the "actual carrying, maintenance, interest and depreciation expenses" associated with the property or portion thereof. Guidance on this matter will be provided by the Real Estate Division.
4. The term of the lease should not extend beyond five years. Under State law, leases which extend beyond five years require the Archbishop's consent and Supreme Court approval. Lease terms extending beyond five years should only be permitted in cases where the tenant is required to invest substantial funds to upgrade the leased premises.
5. Leased premises need be utilized in accordance with the existing certificate of occupancy.
6. Tenants must provide adequate levels of insurance coverage. Because each tenant has a different risk profile, insurance limits will be established on a case-by-case basis.

### **309.9 Lease of Property - Procedures**

When property becomes available and the parish seeks to find a tenant, the pastor should contact the Chancellor as soon as possible. The Chancellor and/or the Chief Financial Officer will determine whether an Archdiocesan-related entity can use the space. In the case of convents, priority will be given to religious communities. If an internal user is not identified, the parish may begin to seek an acceptable third-party user.

Before entering formal negotiations for a lease, the parish must write to the Archbishop's Office and provide the following information:

1. a brief description of the property to be leased;
2. a description of the proposed transaction;
3. the reason for the proposed transaction;
4. the nature of the entity interested in leasing the property and the proposed use;
5. the prospective tenant's financial strength; and
6. the benefits to be derived from the leasehold arrangement, including the proposed rent and any alterations which may be required.

This written communication should be directed to the Chancellor and CFO if it refers to lease extensions of five years or less and/or leases with terms of two years or less.

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On receipt of this information, the Archbishop's Office will seek input from the appropriate offices within the Archdiocese. Depending on the specific proposal, a meeting with the Archbishop or the Chancellor and/or the CFO may be convened. Proposed leases of more than ten years will be reviewed by an advisory committee of pastors designated by the Chancellor. A written report, which will include a recommendation, will be submitted to the Archbishop by this committee. After review of the assembled information, the Archbishop or the Chancellor and/or the CFO will make a determination on the proposal and have it communicated to the relevant parties.

Approved proposals will be directed to the Real Estate Division. All aspects of the subject transaction will be coordinated by this office, including negotiation of final terms, preparation and securing all necessary legal and supporting documents and continued communication with the Chancery Office and the Archbishop's Office.

### **309.10 Tax Issues**

Any real property which is used for religious or charitable purposes is tax-exempt. Each year, renewal forms must be filed with the applicable municipality in order to maintain this tax exemption. Failure to file these forms annually may result in loss of the respective tax exemption. Newly purchased property is not automatically tax-exempt. Application for tax-exempt status must be filed with the appropriate municipality.

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## 310 Insurance Program and Risk Management

### **310.1 Overview**

The Archdiocese of New York has an insurance and risk management program to help all churches, schools and participating service agencies to adequately protect their resources and to promote an environment in which it is safe to worship, live, study and work. The intent of this section is to explain the insurance program and provide several key safety and risk management tools to help protect these valuable resources and services.

The Insurance Services Division of the Archdiocese monitors the overall quality and delivery of insurance services received from Catholic Mutual Group (CMG) and any other provider of insurance and risk management services. In addition, the Insurance Services Division is responsible for collecting and analyzing exposure and coverage information. The collected information is utilized to determine the Participant Insurance Program (PIP) billing or premium charges each year. Questions about any insurance service provider should be directed to the Director of Insurance Services at (212) 371-1000 Ext. 2626.

### **310.2 Key Points of the Program**

1. All employees and volunteers must read and sign:
  - a. the Archdiocesan Policy Related to Sexual Misconduct
  - b. the Authorization & Disclosure Form for Background Check as required by the United States Conference of Catholic Bishops.

Employees and volunteers are also required to undergo the VIRTUS-Protecting God's Children training program. Please consult the Archdiocesan Safe Environment Office website ([www.ny-archdiocese.org/sep\\_pgc.htm](http://www.ny-archdiocese.org/sep_pgc.htm)) or call (212) 371-1011 Ext.2810 for more information.

2. All incidents involving injuries or property damage to visitors, parishioners, students and employees must be reported within 24 hours to the toll-free number of the Catholic Mutual Group (866)736-9819.
3. Claims or suits involving allegations of wrongful termination are only protected if the termination or discharge occurs after the pastor has sought and followed the advice of a qualified attorney or other CMG-approved professional.
4. All contractors performing work at a covered location must provide proof of general liability, automobile liability and workers' compensation insurance. The Certificate of Insurance must name the covered location, the Archdiocese of New York and the Archbishop of New York as additional insureds.
5. All outside groups using (or renting) covered facilities must have general liability insurance or purchase Special Event Liability Insurance from Catholic Mutual Agency, Inc.

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6. 10-15 passenger vans are not to be used to transport school-age children (Pre-K through 12th grade) to and from any school, parish, social service or Catholic Charities function.
  7. If the pastor or his staff are served with legal documents such as subpoenas, summonses and complaints, etc., the documents must be forwarded to the Archdiocesan Office of Legal Affairs and the Insurance Services Office immediately.
  8. Each covered location should accurately report all exposures to Catholic Mutual Group.
  9. All covered locations have a \$2,500 deductible per occurrence on property losses.
  10. All covered vehicles have a \$500 deductible per physical damage loss.
  11. The FS-20 information for automobile insurance must match with the information on the vehicle registration card, or the DMV will deny renewal of the registration, or may apply a suspension.
  12. Catholic Mutual Group should review the indemnification and hold-harmless provisions of all contracts requiring a certificate of insurance prior to signing.
  13. Parish festivals, bazaars, fairs, etc. have hidden risks that can be addressed during the planning stages. Please refer to the Parish Festivals, Bazaars and Fairs Policy available from the Insurance Services Office.
  14. Catholic Mutual Group has a service team dedicated to handling the risk management and insurance needs of the Archdiocese of New York. Contact CMG at (212) 371-1000, Ext. 3020 for further assistance.

### **310.3 Claims Reporting Procedures**

Timely claims reporting is the single most effective way to reduce the impact or cost of a claim. Claims reported within 24 hours of occurring cost significantly less than claims reported within 5-7 days of occurring. Catholic Mutual Group will help facilitate timely reporting of claims. The number for reporting claims to Catholic Mutual Group is 866-736-9819 or 212-371-1000, extension 3020. For after-hour emergencies, CMG may be contacted at 800-228-6108.

Workers' Compensation Insurance is provided by the Preferred Professional Insurance Company. Workers' Compensation claims should be reported immediately to RMPG, the claims adjuster, at 888-767-4492. The Insurance and Risk Management Manual, available from the Insurance Services Office, provides detailed step-by-step instructions for claims reporting.

### **310.4 Service of Legal Documents and Lawsuits**

When a parish is served with legal documents such as subpoenas, summonses and complaints, a response is required by law within a certain number of days. All legal documents must be sent, via both fax and overnight mail, to the Archdiocesan Office of Legal Affairs immediately upon receipt and to the Insurance Services Office. The fax number for Legal Affairs is 212-371-3288 and for the Insurance Services Office 212-826-

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8379. Please address all overnight mail to: Archdiocese of New York, Office of Legal Affairs, 1011 First Avenue, 11th Floor, New York, NY 10022. For more information on the Office of Legal Affairs, please contact 212-371-1000, extension 2560.

### **310.5 Schedule of Insurance Coverages**

Insurance schedules are included in the Insurance and Risk Management Manual (separate from this Manual) to describe the types of coverages provided by the program. The program includes coverage for:

- Property
- Boiler and Machinery
- General Liability
- Excess Liability
- Commercial Auto
- Crime Insurance
- Workers Compensation
- Priests Personal Protection
- Special Events Protection
- Student Accident Insurance.

The information included in the schedules is a summary and does not list all limitations and exclusions to coverage. Specific questions regarding coverage, terms and conditions, and exclusions should be directed to Catholic Mutual Group at 212-371-1000, ext 3024 or the Director of Insurance Services at 212-371-1000, ext. 2626.

### **310.6 Coverages by Individual Location - the Exposure Summary**

The Insurance Services Office provides an Exposure Summary to each parish to describe the insurance coverages selected and the specific exposures covered at each location. The pastor should review this information for accuracy. If a building or vehicle is not included in the Exposure Summary, the appropriate update information forms (available in the Insurance and Risk Management Manual) should be completed and sent to the Director of Insurance Services. Failure to do so may result in some exposures being left uninsured.

### **310.7 Contract Review Procedures**

Catholic Mutual Group must review all contractual insurance, defense, hold-harmless and indemnification provisions that require the issuance of a Certificate of Insurance or when the amount of the contract exceeds \$30,000. The review verifies that the contract is properly worded and protects the interests of the parish. Contracts must be sent to CMG at least 30 business days prior to signing by the pastor.

### **310.8 Construction and Maintenance Contracts**

All contracts related to construction and building maintenance services that are in excess of \$30,000 must be sent directly to the Archdiocesan Building Commission for review. Information on insurance requirements for projects above \$30,000 can be obtained from the Archdiocesan Building Commission or Catholic Mutual Group. CMG may review the contractors' insurance requirements for projects below \$30,000. Specific contractor

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insurance requirements for projects below \$30,000 are included in the Insurance and Risk Management Manual. These requirements include General Liability, Auto Liability, Workers Compensation and Excess/Umbrella Liability coverages.

### **310.9 Requests for Certificates of Insurance**

All requests for Certificates of Insurance must be sent directly to Catholic Mutual Group. If the request is related to a contractual obligation, the corresponding insurance, defense, hold harmless and indemnification requirements must be attached to the request. A Certificate of Insurance cannot be issued for a contract unless the insurance, defense, indemnification and/or hold harmless provisions have been reviewed and approved by CMG and/or the Office of Legal Affairs. A Certificate of Insurance Request Form is included in the Insurance and Risk Management Manual.

### **310.10 Hold Harmless, Indemnity and Additional Insured Mandates**

No parish may agree to defend, indemnify, and hold harmless, any third party for that third party's acts of negligence. All contracts must indicate that each party will be responsible for its own acts of negligence. If a contract has language contrary to this policy and was signed without the approval of Catholic Mutual Group or the Office of Legal Affairs, then a Certificate of Insurance naming the outside third party as an additional insured will not be issued.

### **310.11 Transportation Services, Buses and Limousines**

All agreements for transporting students and/or groups must be sent directly to Catholic Mutual Group for review and approval. Each transportation or bus service contractor must maintain a minimum of \$10,000,000 in combined primary and excess automobile liability insurance coverage per accident. The policy must name the parish, the Archdiocese of New York and the Archbishop of New York as additional insureds. A 10-15 passenger van cannot be owned, leased, or used to transport K-12th grade-aged children. Please contact Catholic Mutual Group for more information regarding this policy.

### **310.12 Special Events Insurance**

Special events insurance allows third parties to use parish facilities by offering liability insurance protection to outside groups. Special events insurance should be used when a parish allows an individual or organization to use its facilities for a non-sponsored activity. The current cost for special event insurance is \$100 per event. This provides \$1,000,000 in liability insurance for bodily injury and property damage for the special event user, the parish and the Archdiocese. The \$1,000,000 limit is shared by the covered parties and is "per event" coverage. Host liquor liability insurance is included.

Please refer to the Insurance and Risk Management Manual, available from the Insurance Services Office, for details regarding applying for special events insurance, mandatory usage of the Facilities Use/Indemnity Agreement for contracting with outside third parties, and for a listing of non-covered events. Risk management information is available to guide the parish in allowing outside organizations to use the facilities. Topics include liquor liability control, security and food handling. Please contact Catholic Mutual Group at 212-371-1000, extension 3020, for further information.



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### **310.13 Risk Management Policies**

Risk Management Policies are included in the Insurance and Risk Management Manual to help parishes, schools and agencies be proactive in the areas of safety and risk management. The policies included in the Manual include the following:

- Parish Nurse/Health Ministry Policy
- Parish Festivals, Bazaars and Fairs Policy
- Vehicle Usage and Safety Policy
- Archdiocesan Policy Relating to Sexual Misconduct
- Employee/Volunteer Background Screening Policy.

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## 311 Employee Benefits

### **311.1 Overview**

The Group Insurance Plans offered through the Archdiocese of New York (ADNY) include a comprehensive program of Group Life, Health, Prescription Drug, Dental, Vision and Disability coverage to eligible members of the clergy, religious brothers and sisters, and lay employees. All lines of coverage that a parish offers to its employees must be provided by ADNY, unless ADNY does not offer the particular coverage. Participation in any of the group plans is limited to individuals who otherwise satisfy the specific eligibility requirements for such group plans and are either employed by the Archdiocese of New York or are employed by an institution or agency properly listed in the Official Catholic Directory, which has adopted and participates in such group plans with the consent of the Archdiocese of New York. Employees must be paid through a payroll system to be eligible for benefits.

With the exception of members of the religious, non-paid personnel, volunteers and independent contractors are not eligible to participate in any group plans. Benefit plans are subject to the terms, conditions, limitations and exclusions of the plan contracts issued by the individual insurance carriers to the group. The Archdiocese of New York reserves the right to modify or discontinue any of the group plans at any time. A comprehensive Benefits Administration Resource Guide is available from the Benefits Office by calling 212-371-1011, extension 3026. A copy of this Guide should be kept at each parish. Updates are provided periodically and the changes should be inserted immediately to keep the Resource Guide current. The Resource Guide will be available online in the near future

### **311.2 Eligibility for Benefits**

There are specific rules governing eligibility for the group plans. Eligibility rules may differ depending on the individual plan and classification of employee. Only eligible employees may participate in and receive benefits from these plans. Since the health benefit plan is self-funded, premiums paid by participating members provide the only pool of funds from which claims are paid to these members. Claims paid to ineligible members increase the cost of providing benefits to eligible members and directly impact the bottom-line cost of operating the plan. If it is determined that a participating member has permitted an ineligible member to participate in the plan, the participating member will be required to fully reimburse the plan for any claims paid on behalf of the ineligible member. Please refer to the Resource Guide for specific information regarding eligibility or contact the Benefits Office at 212-371-1011, extension 3026.

### **311.3 Summary of Coverage**

The following are the group benefit plans provided through the Archdiocese of New York Group. The descriptions of the coverages are summaries only. Please refer to the Resource Guide or contact the Benefits Office for complete details.

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- **Health Coverage** – Health benefit coverage is provided through the Archdiocese of New York for members of the clergy and religious, unless special arrangements are made between the Order or religious community and the parish where they are assigned or serving. Lay employees scheduled to work at least 20 hours per week at an Archdiocesan parish may elect health coverage for themselves and eligible dependents. The parish pays the full cost of coverage for members of the clergy and religious. Lay employees contribute to the cost of the health coverage elected.
  - **Life Insurance** - Non-contributory, basic life insurance is provided for members of the clergy and eligible, active lay employees. The participating institution pays the full cost of coverage. Supplemental life insurance is available to lay employees and their eligible dependents at competitive rates. The employee pays the full cost of the amount of supplemental life insurance elected.
  - **Accidental Death and Dismemberment Insurance (AD&D)** – Non-contributory AD&D insurance is provided for members of the clergy and eligible active lay employees.
  - **Dental and Vision Insurance** – Dental and vision coverage are provided for members of the clergy and religious who are assigned or serving at an Archdiocesan parish. The parish pays the full cost of the coverage. Some parishes provide a grandfathered dental and/or vision benefit for eligible lay employees.
  - **New York State Disability (Short-Term Disability)** – New York State mandated, limited income benefit insurance is provided for lay employees when the employee is unable to work due to an illness or injury not related to his/her job. Most parishes pay the full cost of the coverage.
  - **Long-Term Disability** – Non-contributory benefit is provided for eligible lay employees by the parish. It provides partial long-term income when an employee is unable to perform his/her job for 24 months and longer if the employee is unable to perform any job. The monthly income benefit is offset by Social Security Disability Benefits, Pension Benefits and any other income benefit.

#### **311.4 Pension Plan**

The Archdiocesan Pension Plan is a defined benefit plan, qualified under Section 401(a) of the Internal Revenue Code. It is a church plan and is not subject to ERISA.

Following is a brief description of the principal features of the Pension Plan. Please contact the Benefits Office for complete details.

##### Eligibility:

A parish employee will enter the Pension Plan on the January 1st following the completion of three years of continuous service, provided the employee is 29 ½ years of age and is working a total of at least 20 hours a week.

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Contribution:

The Pension Plan is non-contributory, meaning that the parish pays the entire cost for the employee.

Cost determination:

The parish's annual cost is determined by the Plan's assets and liabilities as of January 1st of a year. Each year, the Plan's actuaries arrive at a cost to be paid by participating employers. This cost is expressed as a percentage of the participants' compensation. The cost percentage is determined as of January 1<sup>st</sup>, but it is not assessed until the following September and must be paid even if an employee terminates in the middle of the year. So, for example, if an employee is active on January 1, 2006, he becomes part of the cost. When the employer is billed for the September, 2006 – August, 2007 fiscal year, the employee remains part of that cost even if he terminates prior to September, 2006.

Annual benefit statements:

Once the annual cost has been determined, benefit statements are produced for all participants and sent to each pastor. The statements display the pension a participant has already accrued, and a projection of the pension at retirement. The statements must be distributed to the employees. If any individual wants a statement in Spanish, the Pension Office can prepare it on request.

Terminations, retirements, deaths:

Any termination, retirement or death of an employee must be reported to the Pension Office. This can be done by fax to 212-935-1025 and should include the employee's name, Social Security Number, last day worked, home address and, in the case of retirement, the spouse's date of birth. The Pension Office will then notify the employee of any pension benefits.

**Executive Summary**

Under the by-laws of the parish corporation and in their capacity as secretary-treasurer, pastors must submit annually to the Archbishop, on or before the 15th of October, a financial report prepared on the forms approved for this purpose by the Chancery and signed by the pastor and trustees of the civil corporation. Pastors must also make such other reports as may be required by the Board of Trustees.

The timely production of the annual financial report is essential for prudent parish management. The by-laws mandate that the year-end financial reports be available for the annual meeting of the parish trustees on the second Wednesday of November. The reports are the basis of parish review by the Parish Finance Office for all applications for financial assistance and for the required authority to engage in capital expenditures. Their timely delivery to the Archdiocese assists the effort to produce the consolidated accounts for the Archdiocese as a whole within a reasonable period of time and as required by the Archdiocesan Finance Council.

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## 401 Reporting to the Archdiocese

Each parish is required to submit a complete financial report to the Archdiocese on or before the 15th of October of each year. A complete financial report consists of the following:

- Balance Sheet
- Statement of Revenues and Expenditures
- Reconciliation of Change in Cash Position
- Schedule of Accounts Payable and Accounts Receivable Outstanding
- Supplemental Financial Information
- Restricted Donations Report
- Representation Statement by Parish Finance Council.

The report should be signed by the pastor and two lay trustees.

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## 402 Reporting to the Parish

A year-end financial report must be made to the parish community each year within 60 days of the end of the fiscal year. At a minimum, this report should consist of the Balance Sheet and Statement of Revenues and Expenditures.

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## 500 Schools

Basic principles of cash management apply to parishes, schools and cemeteries. Schools are expected to adhere to all of the policies and procedures laid out in this manual. This section describes only those areas where policies for school finance are exceptions to policies for parish finance.

### *200 Parish Overview Legal*

Parish schools fall under the governance of the parish. The pastor is responsible for the hiring or firing principals. The pastor **must** consult with the Archdiocesan Superintendent of Schools **before** hiring or firing principals.

### *301.1 Bank Accounts*

Each school should have a bank account separate from the parish bank account. Parish and school funds must not be commingled. The pastor and the principal are the signatories on the bank account.

### *301.2 Revenue*

Schools are urged to use a third-party tuition billing/collection/ management service for billing and collecting tuition. Schools that choose to collect their own tuition must follow procedures for safeguarding and recording all monies. Deposits must be tracked and student accounts receivable must be reconciled to a sub-ledger each month. The parish policy regarding the consequences for non-payment of tuition balances must be clearly described in the student handbook for each school.

### *301.4 Endowment and gifts*

When a school receives grant or scholarship money for a specific student, it should be applied to that child's tuition as a reduction in the outstanding receivable. Full scholarship students must be kept on the tuition runs to assure proper enrollment measurements.

### *303 Archdiocesan Investment and Loan Programs*

Schools are invited to participate in these programs.

### *306 Budgets*

The pastor and the principal must work together to formulate the school budget. Budget guidance on expenses is provided each year on the Budget Instructions Fact Sheet Costs statement, which is issued by Parish Accounting. Tuition rates are established locally by the pastor and principal and are ultimately approved by the pastor. School budgets must be approved by the Superintendent of Schools.

The school budget submission includes the following schedules, which are required to be completed and returned to the Parish Finance Office by the



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stipulated due date. These schedules, provided by the Parish Finance Office, include:

1. Personnel Schedule;
2. Tuition Schedule;
3. Statistics Schedule (i.e. Data Collection Form);
4. Schedule of Balance Sheet Changes; and
5. Income Statement Schedule.

*311 Employee Benefits*

School employees who are represented by a bargaining unit may have different benefits from other Archdiocesan employees. The parish should refer to the Superintendent of Schools for current benefit information.

*400 Financial Reporting Requirements*

Separate financial reports are required at the same intervals that parish financial reports are filed.

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## 600 Cemeteries

Basic principles of cash management apply to parishes, schools and cemeteries. Cemeteries are expected to adhere to all of the policies and procedures laid out in this manual. This section describes only those areas where policies for cemetery finance are exceptions to policies for parish finance.

### *200 Parish Overview Legal*

Parish cemeteries are a ministry of the parish and require no separate incorporation. While most of the provisions of the New York State not-for-profit laws governing cemeteries do not apply to those operated by religious institutions, the cemeteries of the Archdiocese voluntarily abide by those laws.

### *301 Cash Management*

Parishes with cemeteries must maintain at least two separate bank accounts for their cemeteries. One should be a general account for the routine operation of the cemetery. The second should be for perpetual care funds. A third account for reserve funds is optional.

Parishes with cemeteries must not commingle general, perpetual care and reserve funds. They are not permitted to transfer funds from perpetual care accounts to either the general or reserve fund. The use of 'Due To/Due From' accounts in the perpetual care fund is prohibited.

#### *301.2 Revenue*

Fifty percent of the sale of each cemetery plot must be deposited into a perpetual care fund. The interest income from this account is to be used solely for cemetery maintenance, but the principal must be retained to ensure that the cemetery will be properly maintained, even after burials are no longer taking place. Cemeteries should replace the annual care fee with a perpetual care fee.

### *303 Investment Guidelines*

Cemeteries can prudently invest their own perpetual care funds or can participate in the Archdiocesan Joint Perpetual Care Fund. This Fund provides a larger investment base and helps maximize return on a parish's perpetual care assets. If investing on their own, it is imperative that the cemeteries employ the "Prudent Man Rule" when investing perpetual care funds. The investment policy for these funds must always err on the side of caution.

### *304 Standardized Chart of Accounts*

Accounts for cemetery operations are included in the general Archdiocesan Chart of Accounts. Cemetery accounts are distinguished by a location code of 70.

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*306 Budgets*

An annual budget and annual maintenance plan should be prepared for cemeteries.

*310 Risk Management*

Care should be exercised so that all applicable Federal, State and local laws and OSHA regulations are carefully observed. Contractors working in the cemeteries must present a certificate of insurance, as described in the Insurance Manual.

*400 Financial Reporting Requirements*

Separate financial reports are required at the same intervals that parish financial reports are filed. The reports must include separate balance sheets and income statements for the general, perpetual care and reserve funds.

In addition, the pastor and the Parish Finance Council should conduct an annual review of the Perpetual Care Fund to make sure that the funds are wisely invested for the benefit and future maintenance of the cemetery.

## APPENDIX A - List of Contacts at 1011

Department	Contact	Phone	Ext
<b>Chancellor</b>	Msgr. Thomas E. Gilleece	1.212.371.1011	2900
<b>Chief Financial Officer</b>	William Whiston	1.212.371.1011	2939
<b>Parish Accounting</b>	Edward Reigadas, Director	1.212.371.1011	2626
Associate Directors in Vicariates	Elaine Ehrlich	1.212.371.1011	2728
	Jose Oliveras	1.212.371.1011	2737
	Ron Tuttle	1.718.239.7701	
	Delores DiSalvo	1.718.420.1490	
	Peter Byrne	1.914.921.2929	
	Stephen Jennison	1.845.795.1148	
	Theresa Cullen-Seidel	1.845.624.5710	
	William Adams	1.845.342.3237	
<b>Parish Training</b>	Carol LaFara, Director	1.212.371.1011	2738
	Luz Soto	1.212.371.1011	2729
	Annette Murphy	1.845.624.5710	
	Alice Adelman	1.914.591.5811	
<b>Parish Financial Review</b>	Aileen Kelly, Director	1.212.371.1011	2747
	Maria Maloney	1.212.371.1011	2748
	Eileen Mulcahy	1.212.371.1011	2732
<b>Operational Review</b>	Bruce Beigeliesen, Director	1.212.371.1011	2941
	Randolph Baird	1.212.371.1011	3021
	Alex Sanchez	1.212.371.1011	3023
<b>Archdiocesan Building Commission</b>	David Maddox, Director	1.914.476.1058	8152
	Alejandra Espinoza	1.914.476.1058	8157
	Deacon Jack Larkin	1.914.476.1058	8151
	Andrew Cryan	1.914.476.1058	8158
	Bernard Kelly	1.914.476.1058	8155
	Anthony Cecere	1.914.476.1058	8160
	Iris Metzger	1.914.476.1058	8163
	Kevin Shaughnessy	1.914.476.1058	8156
	Laurence Rice	1.914.476.1058	8164
	Mark LaBate	1.914.476.1058	8170
	William O'Connor	1.914.476.1058	8154
<b>Common Investment Fund</b>	Peter Larkin, Director	1.212.371.1011	2944
<b>Consolidated Invoice System</b>	Charles Sheerin, Director	1.212.371.1011	3394
	Brian Walsh	1.212.371.1011	3381
<b>Data System Center</b>	Andrew Donnelly, Director	1.212.371.1011	3385
	Joan Fuhrman, Operations Manager	1.212.371.1011	3383
	Beth Eddy, Donor Database	1.212.371.1011	3396
	Bernard Noonan, Telecommunications	1.212.371.1011	3980
<b>Deposit and Loan Fund</b>	Tom D'Agostino	1.212.371.1011	2733
	Teresa Mura	1.212.371.1011	2918
	Larry Belton	1.212.371.1011	2922
<b>Human Resources</b>	Eileen Egan, Director	1.212.371.1011	2906
	Enid Ayala	1.212.371.1011	3682

Department	Contact	Phone	Ext
<b>Insurance Services</b>	Edward Reigadas, Director	1.212.371.1011	2626
	Danny Holtsclaw, Operations Manager-Catholic Mutual	1.212.371.1011	3024
	Robert Mastroddi, Property Claims	1.212.371.1011	8323
	Ronald Brophy, Loss Control	1.212.371.1011	8330
	Nerissa Ottley, Liability Claims	1.212.371.1011	3027
	Melinda Cruz, Automobile Claims	1.212.371.1011	3044
	Catholic Mutual	1.800.228.6108	
	Workers Compensation Claims	1.800.549.2723	
<b>Inter-Parish Finance Board</b>	Rev. Msgr. Dennis Keane, Chairman	1.914.779.7345	
	Aileen Kelly	1.212.371.1011	2747
	Maria Maloney	1.212.371.1011	2748
	Eileen Mulcahy	1.212.371.1011	2732
<b>Life and Health Benefits/Pension</b>	Art Montegari, Director	1.212.371.1011	3045
	Margaret Gonzalez, Deputy Director	1.212.371.1011	3026
	Gloria Glover, Benefits Administrator	1.212.371.1011	3018
	Frances Yee, Benefits Administrator	1.212.371.1011	3047
	CIGNA	1.800.CIGNA24	
	Custom Communications	1.860.688.7541	
<b>Department of Education/ Superintendent of Schools</b>	Dr. Catherine Hickey, Secretary for Education	1.212.371.1011	2802
	Jack Coyne, Director of Education Finance	1.212.371.1011	2819
	Margaret Brusic, Controller & Accounts Receivable	1.212.371.1011	2813
	Matt Bifulco, Government Programs	1.212.371.1011	2839
	Anthony Mercandetti, Accounting & Budgets	1.212.371.1011	2828
	Anita Collins, Accounts Payable	1.212.371.1011	2827
	Lisa Vasilakos, Payroll	1.212.371.1011	2826
	Barbara Heaney, Associate Superintendent of Administration	1.212.371.1011	2817
	Michael Deegan, Director for Inner City Schools	1.212.371.1011	2856
<b>Real Estate</b>	David Brown, Director	1.212.371.1011	2676
	Ed Newman	1.212.371.1011	2677
<b>Office of Legal Affairs</b>	James McCabe, Esq.	1.212.371.1011	2440
	Roderick Cassidy, Esq.	1.212.371.1011	2407
<b>Development</b>	Helen Lowe, Director	1.212.371.1011	3325
	Caren Howley - ICSEF	1.212.371.1011	3327
	Susan George - ICSEF	1.212.371.1011	3335
	Susan Birnbryer-Madon - Education	1.212.371.1011	3358
	Jill Kafka, Director - Patron Funding	1.212.371.1011	3338
	Susan Zuckerman - Patron Funding	1.212.371.1011	3312
<b>Parish Fund Raising</b>	Deacon Richard Kovacs	1.914.968.6200	8386
	Drew Kaiden	1.914.968.6200	8387
<b>Cardinal's Appeal</b>	Catherine Callagy, Director	1.212.371.1011	3260

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## APPENDIX B - Frequently Asked Questions (FAQs)

### Capital Projects Approval

#### ***Who do I speak to first to get a Capital Project approved?***

The parish should seek permission when a project is believed to exceed \$30,000. The initial contact should be made with the Archdiocesan Building Commission (ABC), which will then meet with the pastor to discuss the overall scope of the proposed project. If the parish intends to run a capital campaign, approval from the Chancellor is required.

All projects over \$1 million need approval from the Archbishop. All liturgical changes must also be approved by the Archbishop.

#### ***Why does the Archdiocesan Building Commission (ABC) charge a fee for its services?***

Although the ABC is a part of Central Services of the Archdiocese, the department budget is funded by the work load of the department, not Central Services. The ABC charges a fee on the construction side only to cover the department expenses. The “pay as you go” approach is the fairest way to charge the parish.

#### ***What does the parish get for this fee?***

The ABC is committed to provide a professional level of service in design and construction. The ABC provides an economical solution that ensures quality workmanship, competitive pricing, scope of work analysis, a project schedule with completion dates, weekly field reports to keep the pastor informed and project financial oversight. The ABC provides all manufacturer warranties and contractor guarantees, where applicable.

#### ***What do I need to submit to have my RFA processed?***

The parish needs to submit its current financial statements, its bank statements, any documentation relating to a third-party loan being sought for the project, fundraising status report and any other documents that may be pertinent to the financial analysis of the project and its impact on the parish/school.

#### ***Do I have to report all my accounts—savings, securities, rainy day accounts, etc?***

Yes, the parish and school are required to report all accounts on their financial statements.

#### ***How do I do a drawdown on my Archdiocesan loan to pay vendors for the project?***

The parish needs to contact the Archdiocesan Deposit & Loan Fund Department to request a release of loan funds. The request must be accompanied by approved vendor invoices from the ABC. The ABC will send a letter to the parish indicating that the vendor invoice has been reviewed and approved by the ABC.

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## Employee Benefits

***My employee just got married and wants to enroll his/her spouse in our Health Benefit Plan. Does the employee need to wait until Open Enrollment to add the spouse?***

No, the employee can add the spouse within 30 days of the date of marriage. Change of Marital Status is considered a Qualifying Life Event.

***How much can I ask a full-time employee, who regularly works at least 35 hours per week, to contribute toward the cost of the Family Health Coverage which they elected?***

Lay employees (non-bargained), who work at least 35 hours per week on a regular basis, are required to contribute 10% of the full annual Health Benefit Premium. Employees who regularly work at least 20 hours, but less than 35 hours per week, contribute more for the cost of the Health Benefit Coverage. Please refer to Schedule of Annual Employee Payroll Deductions, which is updated and distributed to parishes, schools and all participating institutions each year.

***An employee terminated employment six (6) months ago. Can I submit a Termination Notice now, and deduct for the overpayment of six months insurance premiums from my current monthly insurance bill?***

No, benefits are active and claims can be filed by the employee and paid by the insurance carrier until the insurance carrier is notified of the termination date. For this reason, the insurance carriers do not permit retroactive terminations. In the future, please report terminations as soon as they occur. Use the “Insurance Transfer, Termination and Reinstatement Transmittal” form found in the Benefits Manual.

## Inter-Parish Finance Board (IPFB)

***What is the process for questionnaire submission and IPFB interview?***

The parish contacts Parish Financial Review to obtain a questionnaire. On the questionnaire, the parish is assigned a date for an interview with the IPFB. The parish must fill out the questionnaire in its entirety and include a tuition reconciliation schedule (where applicable) and a projected cash-flow detailing the deficit anticipated for the fiscal year.

***Who in the parish should attend the IPFB interview?***

The pastor and the bookkeeper and/or accountant must attend. If the school is requesting funds, the principal must also be present. Other parish personnel, including the business manager, are also encouraged to attend.

***When will I find out if a grant was awarded and what should I do if a grant is deferred?***

The pastor is told the day after the IPFB meeting whether a grant is awarded and in what amount. If the grant is deferred due to additional information required, the pastor will be contacted by the Associate Director in the Vicariate (AD). The AD will then collect the additional information and present it to the IPFB at the following meeting. In normal

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circumstances, the IPFB will then make a decision about the grant following the AD's presentation.

***How do I draw down on my IPF grant?***

The parish and/or school faxes or mails a request to Parish Financial Review describing the amount needed and which expenses will be paid with the funds. If the IPFB has determined that a portion of the grant funds is to be used to meet the ADNY Consolidated Invoice, then the parish and/or school submits its Consolidated Invoice to Parish Financial Review indicating the allocation of funds toward the Consolidated Invoice.

***How do I find out how much I have left on my grant authorization?***

The parish/school should contact the Associate Director in the Vicariate or Parish Financial Review.

***What can my IPF grant be used for?***

An IPF grant can only be used for Operating Expenses for the current fiscal year. Capital items are not included in the IPF grant.

Investments

***Does the Archdiocese have control over parish funds invested/deposited in the Common Investment Fund (CIF) or the Deposit and Loan Fund(DLF)?***

All parish funds invested in the CIF and the DLF are for parish use only. Each parish selects its desired asset allocation and has full exclusive access to its funds at any time.

***Are the parish funds invested in the Common Investment Fund guaranteed?***

As with all funds invested in the market, the funds invested in the Common Investment Fund are subject to market risk. The funds are not guaranteed by the Archdiocese and they are not insured by the FDIC. However, funds on deposit with the Archdiocesan Deposit and Loan Fund are guaranteed by the Archdiocese and are subject to a fixed rate of return.

***Do parishes receive investment statements on their Common Investment accounts?***

Each participant receives a monthly statement from the custodian which summarizes its account activity for the month. Additionally, each participant can view its account daily by logging onto a Bank of New York web site.

Miscellaneous

***Is there a difference between a gift and a donation?***

No.

***Do you recommend that a parish have a business manager?***

Yes. If your parish is small, you can twin with another one, through the Associate Director of Parish Finance in your vicariate, to share a business manager.



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***How can I get help with identifying potential large donors in my parish?***

Contact the Development Office. We have resources and research information available. We can also sit down with a potential donor to offer reassurance. Also, don't overlook consistent donors of small amounts. They frequently leave bequests to their parishes.

***There is not a lot of financial expertise in my parish. Can I use two members of my Parish Finance Council as my lay trustees?***

Yes. The two groups can overlap.

***Can someone who is not a parishioner serve as a member of the Parish Finance Council?***

Yes.

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## APPENDIX C - Definitions

### **Archdiocesan Deposit and Loan Fund (DLF) – see Section 303.2**

The Archdiocese of New York established the Deposit and Loan Fund (DLF) to help parishes and other qualified Archdiocesan institutions meet their investing and borrowing needs.

### **Cathedraticum – see Section 301.3d2a**

The Archdiocesan levy is based on unrestricted parish income, which is used to fund the provision of centralized Archdiocesan services and the work of the Inter-Parish Finance Board.

### **Chart of Accounts – see Section 304**

A mandatory, standardized listing of accounts used to record, summarize, and report financial transactions.

### **Common Investment Fund (CIF) – see Section 303.2g**

The Common Investment Fund (CIF) affords entities related to the Archdiocese of New York an investment alternative that provides participants with the benefits and advantages of cooperative and centralized custody, management and investment of assets

### **Consolidated Invoice – see Section 301.3d**

The consolidated invoice is a monthly invoice from the Archdiocese whose components include: Cathedraticum, Lay Pension, Supplementary Pension, Priest Pension, Medical Insurance, and Property Insurance Program (PIP).

### **Drawdown – see section 303.2f**

A transfer of funds from the Archdiocese to the parish or school related to approved Archdiocesan loans or Inter-Parish Finance grants.

### **Inter-Parish Finance Board (IPFB) – see Section 307.1**

The IPFB consists of a chairman and 23 other members, which include pastors and lay people. The members are appointed by the Archbishop for three-year terms and are selected for an economic and geographic balance. Parish Financial Review is responsible for the administrative and day-to-day activities.

### **Logos – see Section 305**

The Logos accounting software is the standard accounting package to be used by all parishes, schools and cemeteries as of August 31, 2006. The system is auditable and provides for the ready consolidation of parish, school and cemetery financial reports and budgets.

### **Request for Authorization (RFA) – see Section 308.5**

The Request for Authorization (RFA) is a form completed by the Archdiocesan Building Commission and the pastor which is used to define a capital project, identify the means of funding, and when endorsed by the Chancellor and/or the CFO, give authorization to enter into formal contracts.

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APPENDIX D – Parish By-Laws Template

**BY-LAWS**

**OF**

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**Article I**

**Name**

The name of the Corporation (hereinafter referred to as the Corporation) is

**Article II**

**Definitions**

The following words when used herein shall have the following meanings:

1. “Archdiocese” shall mean the Roman Catholic Archdiocese of New York.
2. “Archbishop” shall mean the Archbishop (Ordinary) of the Archdiocese.
3. “Vicar General” shall mean the Vicar General of the Archdiocese.
4. “Church” shall mean the ecclesiastical entity (parish) that was incorporated under civil law as this Corporation.
5. “Rector” shall mean the Pastor of the Church or in the event of the disability of the Pastor that priest appointed by the Archbishop to assume the rights and duties of the Pastor including, without limitation, an Administrator or a Vicar Adjutor.
6. “Members of the Church” shall mean the parishioners of the aforesaid ecclesiastical entity (parish).

Article III

Office

The principal office of the Corporation shall be located at the Rectory of the Church or at such other place designated by resolution of the Board of Trustees.

Article IV

Corporate Seal

The seal of the Corporation shall be a circular seal with the name of the Corporation and the year of its incorporation around the border and a cross or other appropriate design, selected by the Rector, in the center.

Article V

Board of Trustees

Section 1. Powers of Trustees. The Trustees of the Corporation shall constitute its governing body and shall have such power and authority as shall be conferred upon them by law, the Corporation's certificate of incorporation and these by-laws.

No act or proceeding of the Trustees shall be valid without the sanction of the Archbishop or, in case of his absence or inability to act, without the sanction of the Vicar General or of the Administrator of the Archdiocese.

The Trustees shall have the custody and control of all the temporalities and property belonging to the Corporation and of the revenues therefrom and shall administer same in accordance with the discipline, rules and usages of the Roman Catholic Church and of the Archdiocese for the support and maintenance of the Church and of its

various religious, charitable, benevolent and educational activities.

Section 2. Number and Classification. The Board of Trustees shall consist of five Trustees, three of whom shall be ex-officio Trustees and two of whom shall be Appointive Trustees.

The Archbishop, the Vicar General and the Rector, and their respective successors as such, shall, by virtue of their offices, be the ex-officio Trustees. If there shall at any time be two or more Vicars General, the Trustees shall be that Vicar General designated in writing by the Archbishop. Any such designation may be revoked in writing by the Archbishop and a new designation in writing may be made by him.

The appointive Trustees (hereinafter referred to as Lay Trustees) shall be two lay persons who shall be members of the Church and shall be appointed by the ex-officio Trustees or a majority of them with the approval of the Archbishop.

No Trustees shall receive a salary from the Corporation for services as Trustee. A Trustee may be compensated by the Corporation for services to it other than as a Trustee and may be reimbursed for expenses incurred in serving as such Trustee.

Section 3. Terms of Office of Lay Trustees. The two lay persons signing the certificate of incorporation of the Corporation shall be the two Lay Trustees thereof during the first year of its corporate existence or until their successors shall have been appointed.

The terms of office of a Lay Trustee shall be one year or until his successor shall have been appointed. A Lay Trustee may be reappointed for no more than two additional successive one year terms

and after the expiration of the last of such terms may not be re-appointed as a Lay Trustee until at least one year has elapsed since the expiration of his last term.

Whenever the office of any such Lay Trustee shall become vacant by expiration of term of office or otherwise, his successor shall be appointed from the members of the Church by the ex-officio Trustees or majority of them with the approval of the Archbishop.

Section 4. Removal of Lay Trustees. A Lay Trustee may be removed for cause, after a hearing and the opportunity to be heard, by the vote of a majority of the Trustees present at any meeting at which there is a quorum present. No such removal for cause shall be effected unless the Trustee proposed to be removed and all other Trustees have been given at least ten days' written notice of the proposed removal, the alleged cause for removal and the time and place of the hearing and there is compliance with such other procedures as may be required by law.

Section 5. Resignation. A Lay Trustee may resign at any time by giving written notice of his resignation to the Rector or the Board of Trustees. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## Article VI

### Meetings of the Board of Trustees

Section 1. Annual Meeting. The annual meeting of the Board

of Trustees shall be held on the second Wednesday of November of each year at 8:00 P.M. at the Corporation's principal office.

Section 2. Special Meetings. A special meeting of the Board may be called at any time by, or at the request of, any ex-officio Trustee.

Section 3. Notice of Meetings. No notice need be given of any annual meeting. Written notice of a special meetings stating the place, date and hour, and stating the purpose or purposes for which the meeting is called, shall be mailed not less than five days before the date of the meeting to the usual address of every Trustee. Any such notice shall be deemed to have been given when mailed.

Section 4. Waiver of Notice. Any Trustee may waive notice of any meeting by submitting a signed waiver whether before or after the meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting, except where the Trustee protests, prior to the meeting or at its commencement, the lack of notice to him.

Section 5. Quorum. A majority of the whole number of Trustees shall constitute a quorum at all meetings of the Board. The vote of a majority of the Trustees present at any meeting shall be sufficient to act upon any matter that may properly come before the Board, unless a greater vote is required by law, by the Corporation's certificate of incorporation or by these by-laws.

Section 6. Adjournments. A majority of the Trustees present whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting of the Board to another time or place shall be given to the Trustees who were not

present at the time of adjournment and, unless such time and place are announced at the meeting, to the other Trustees.

## Article VII

### Action Without a Meeting

Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting if all members of the Board of Trustees consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the Trustees shall be filed with the minutes of the proceedings of the Board.

## Article VIII

### Officers of the Corporation

Section 1. Officers. The officers of the Corporation shall be a President, a Vice-President, a Secretary-Treasurer and such other officers as may be elected by the Trustees.

The Archbishop by virtue of his office as such shall be the President of the Corporation, the Vicar General by virtue of his office as such, or if there be more than one, by virtue of his designation by the Archbishop as provided in Article V, Section 2 hereof, shall be the Vice-President of the Corporation and the Rector by virtue of his office as such shall be the Secretary-Treasurer thereof.

Section 2. Powers. In addition to the powers hereinafter specifically granted and subject to such limitations as the Board of Trustees may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices but not inconsistent, however, with any other



provision of these by-laws.

Section 3. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of Trustees at which he is present and shall have general supervision and management of the affairs of the Corporation.

Section 4. Vice-President. In the absence of the President, the duties of that office shall be performed by the Vice-President who shall also perform such other functions as the President may prescribe.

Section 5. Secretary-Treasurer. Subject to the supervision of the President and Vice-President, the Secretary-Treasurer shall be the administrative officer of the Corporation. He shall conduct all official correspondence of the Corporation, keep a record of all its meetings and perform such other duties as may be assigned to him by the President. He shall have the custody of the corporate funds and property of the Corporation and shall keep an accurate account of the receipts and disbursements; he shall keep all moneys in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Trustees. At the annual meeting of the Trustees he shall render a detailed financial report of the Corporation for the preceding fiscal year and shall make such other reports as may be required by the Board.

## Article IX

### Waiver of Notice or Lapse of Time

Whenever, under the provisions of any law that does not preclude it or the Corporation's certificate of incorporation or these by-laws or by the terms of any agreement or instrument, the Corporation

or the Board of Trustees or any committee thereof is authorized to take any action, at a meeting or otherwise, after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken, or such meeting may be held, without notice and without the lapse of such period of time, if at any time before or after such action is completed, or such meeting is held, the person or persons entitled to such notice or entitled to participate in the action to be taken, or such meeting, submit a signed waiver of notice of such requirements.

## Article X

### Corporate Powers – Consent of Archbishop

Section 1. Corporate Powers. The powers of the Corporation shall be exercised and its property and affairs shall be managed in conformity with the discipline, rules and usages of the Roman Catholic Church, including the statutes, rules and regulations of the Archdiocese, as the same shall be in force from time to time.

Section 2. Consent of Archbishop. Without limiting the generality of the foregoing, the Corporation shall not do any of the following without the consent of the Archbishop:

- (a) Mortgage, lease, sell, convey or otherwise dispose of any of its real property.
- (b) Acquire by lease or purchase or accept by gift or devise, in trust or otherwise, any real property or interest therein.
- (c) Accept by gift or bequest any money or other personal property that is subject to a trust or any other restriction or condition.
- (d) Commence, settle, compromise or abandon any legal

action or proceeding.

(d) Incur any expense in making repairs to the property of, or in purchasing equipment for, the Church of an amount more than that maximum amount permitted to be incurred for such purposes without such consent under said statutes, rules and regulations of the Archdiocese.

(f) Perform or engage in any other act or transaction which requires such consent under said statutes, rules or regulations of the Archdiocese.

Section 3. Form of Consent. The consent required by Section 2 above shall be given in such form and in such manner as may be authorized by the Archbishop and any documentation evidencing such consent may, if so authorized by the Archbishop, be signed by a Vicar General or a Chancellor or other official of the Archdiocese.

Section 4. Alternate Consent. In the event of the absence of the Archbishop or his inability to act, the consent required by Section 2 above may be given by the Vicar General or Administrator of the Archdiocese.

## Article XI

### Amendments

These by-laws may be amended or repealed and new by-laws may be adopted by a vote of at least four (4) Trustees at any annual or special meeting of the Board of Trustees. Notice of the proposed action shall be given in the manner required by law and these by-laws.

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APPENDIX E - Chart of Accounts

**ELEMENTARY SCHOOL**

Attached please find a chart of accounts for use in the 2005-2006 Fiscal Year.

**PLEASE DO NOT PUT THESE CHANGES INTO EFFECT FOR  
THE FISCAL YEAR 2004-2005**

The following changes have been made:

**Separate Charts**

Charts have been separated - there is now a chart of accounts for the Parish, Elementary School, High School and Cemetery

**NEW COST CENTER - 80 - Extended Day (Extra Scholastical Assistance After School)**

**NEW COST CENTER - 85 - After School Program (Daycare program)**

**Assets**

**Restricted Accounts were eliminated**

While funds that are received with a donor restriction on them SHOULD be maintained in a separate account it is not necessary with Logos. There are specific instructions on how to track those funds, contact Parish Finance for those instructions.

**Liabilities - No Changes**

**Income:**

**5107 - Domicile Receipts**

Eliminated

**5300 Educational Sources**

These accounts have been completely changed to meet requirements of the Department of Education and the Patron's Programs.

**Tuition - Specific Accounts have been established**

**5301 - Tuition - In Parish**

**5302 - Tuition - Out of Parish** (formerly School fees)

**5303 - Tuition - Pre K (use Cost Center 40)** (formerly Books and Supplies)

**5304 - Tuition - Summer School** (formerly Cafeteria and Vending)

**5305 - Tuition - Extended Day (use Cost Center 80)**

**5306 - Other Tuition Income**

**5307 - Tuition - After School (use Cost Center 85)**

**School Fees - Specific Accounts have been established**

**5321 - General Fee**

**5322 - Registration Fee**

**5323 - Special Subject Fees**

**5324 - Activity Fees**

**5325 - Other Fee Income**

**5330 - Books and Supplies**

Formerly 5303

**5340 - Cafeteria and Vending**

Formerly 5340

**5350 - Bad Debt Expense**

New Account

**5507 - Other Scholarships**

New Account

**6104 - Subvention Agreement**

New Account

**Expenses:**

**7101-7107 Clergy Personnel Costs**

Eliminated

**7300 Lay Personnel Costs**

These accounts have been completely changed to meet requirements of the Department of Education and the Patron's Programs.

**7301 - Full Time Teachers**

**7302 - Full Time Special Subject** *(formerly Social Security)*

**7303 - Part Time Special Subject** *(formerly Unemployment Insurance)*

**7304 - Full Time Aides** *(formerly Worker's Comp)*

**7305 - Part Time Aides** *(formerly ST Disability)*

**7310- Lay Employees - Non-Bargaining ONLY**

**7320 - Social Security**

New Account

**7330 - Unemployment Insurance**

New Account

**7340 - ST Disability**

New Account

**7350 - Medical/Life/AD&D/LTD**

New Account

**7360 - Pension Contributions**

New Account

**7370 - Annuity Match - Bargaining Employees ONLY**

New Account

**7380 - Retirement Bonus - Bargaining Employees ONLY**

New Account

**The Account Titled Workers Comp has been eliminated**

**7403 - Chapel Expenses**

Eliminated

**7406 - Accounting Services**

New Account

**7407 - Office Service Contracts**

New Account

**7500 - Title Account for Education Department Expenses**

Eliminated Accounts that did not pertain to Elementary Schools

**7520 - Desks/Chair/Furniture**

New Account

**7521 - Gym Equipment**

New Account

**7522 - Classroom Supplies**

New Account

**7701 - Plumbing**

Name Changed to Major Maintenance

**7702 - Electrical**

Eliminated

**7703 - Carpentry**

Eliminated

**7705 - Contracted Services**

Name Changed to Building and Grounds Contracted Services

**7706 - Painting**

Eliminated

**7804 - Rental Expense**

New Account

**7901 - Janitorial Supplies**

Eliminated

**7902 - Church Supplies**

Eliminated

Expenses: (continued)

- 7904 - Motor Vehicle Supplies**  
Eliminated
- 8101 - Food and Beverages**  
Name Changed to Cafeteria Food
- 8502 - Elementary School Development**  
Explanation changed to include salaries
- 8602 - Extended Day**  
Explanation changed to include salaries
- 8603 - Summer School**  
Explanation changed to include salaries
- 8607 - Library**  
Explanation changed to include salaries
- 8609 - After School Expenses**  
New Account
- 8102 - Household Supplies**  
Eliminated
- 8900 - Title Account Grants**  
Name changed to subventions
- 8901 - Grants to Archdiocese**  
Name changed to Subventions Agreement Payback
- 8902 - Grants to other Archdiocesan entities**  
Eliminated

PLEASE DO **NOT** PUT THESE CHANGES INTO EFFECT FOR  
THE FISCAL YEAR 2004-2005

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
<b>1100.000</b>	<b>Cash and Cash Equivalents</b>			
	1101.000	Operating Accounts	Operating accounts are the normal checking accounts maintained by the school. There could be a number of checking accounts that are considered operating accounts such as the school's primary checking account, a payroll account, checking accounts maintained for specific organizations that use the school Taxpayer Identification Number or checking accounts maintained for specific uses. Sub accounts for various checking accounts should have the name of the bank included in the sub account title. We suggest that at least one sub account be established for the school's primary checking account.	Primary checking account Payroll account Special purpose accounts Other checking accounts
	1102.000	Money Market Accounts	Money market accounts are specific accounts designed to hold funds that are not needed on a day to day basis. These funds typically pay interest to the account holder. Funds can be transferred into and out of the account relatively easily.	By Money Market Account
	1103.000	Savings Account	Savings are another type of bank account designed to hold funds that are not needed on a day to day basis. These accounts presently are paying a very low interest rate.	Savings accounts for specific purposes
	1104.000	Short Term Certificate of Deposit	Certificates of Deposit are bank instruments that evidence the deposit of funds for a particular period of time, generally 3 months up to one year. Certificates of Deposit generally pay a higher rate of interest than savings or money market accounts. Funds deposited into a Certificate of Deposit should be funds not currently needed nor expected to be needed in the immediate future. It may be beneficial to establish a number of Certificates of Deposit (if possible) so that at least one matures every six months.	By Certificate of Deposit Account
	1105.000	Petty Cash	Petty Cash is the cash maintained in the office for small and / or incidental purchases. The petty cash should be maintained on an imprest basis and replenished at least once each month. Imprest means that the receipts for paid items and the remaining cash equal a predetermined amount such as \$250.00	

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>					
<b>ASSETS</b>					
<b>1200.000</b>	<b>Accounts Receivable</b>				
		1202.000	School Receivables (Tuition)	School Receivables (Tuition) are funds billed and to be received by the school for tuition and fees.	
<b>1300.000</b>	<b>Notes and Loans Receivable</b>				
		1301.000	Deposit With Chancery (Deposit & Loan Account)	Funds deposited by the school/school in the Archdiocese's Deposit and Loan Account. More than one account may be opened with the Archdiocese.	By Account
		1302.000	Notes Receivable (Third Parties)	Funds lent to third parties that are represented by a formal note. The note should indicate the amount borrowed, the repayment terms and any interest due.	By Borrower
		1303.000	Mortgage Notes Receivable from ADNY	From time to time a school may lend funds to the Archdiocese for one purpose or another that is evidenced by a mortgage. This account records the amount due to the school and evidenced by a mortgage note.	By specific mortgage note
		1304.000	Mortgage Notes Receivable from Third Parties	From time to time schools may lend funds to a party other than the Archdiocese, for example another school or Archdiocesan entity. This account records the amount due and is evidenced by a mortgage note.	By specific mortgage note
<b>1400.000</b>	<b>Investments</b>				
		1401.000	Securities	The investment in stocks and/or bonds owned. Also stocks and / or bonds received as unrestricted donations or bequests would be recorded here and valued at the market value on the day of the donation or bequest. Stocks and /or bonds purchased as investments are recorded at the purchase price and adjusted to market value at year end.	By Security
		1402.000	Mutual Funds	The investment in a mutual fund. Also the value of the mutual fund shares received as a donation or bequest. The donations or bequests would be recorded here and valued at the market value on the day of the donation or bequest. Mutual Fund shares purchased as investments are recorded at the purchase price and adjusted to market value at year end.	By Mutual Fund
		1403.000	Long Term Certificates of Deposit	Certificates of Deposit with a maturity greater than one year. (See Account 1104 above for a definition of a Certificate of Deposit)	By Certificate of Deposit Account
		1405.000	Real Estate Investment	The investment in land which is not used for Religious or school purposes. Land received by donation or bequest is valued at the market value on the day of acquisition. Land purchased is valued at the purchase price.	By parcel of land



**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.				
Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
<b>1500.000</b>		<b>Other Assets</b>		
	1501.000	Other Assets	Assets for which a specific account has not been listed. These are recorded at their purchase price.	By asset type
<b>1600.000</b>		<b>Fixed Assets</b>		
	1601.000	Land	The purchase price of land used for school purposes. If the land was received by way of donation or bequest it should be valued at the market value on the day of acquisition. School purposes means that the land is used for a school building, school hall, parking lot etc. It is not vacant land.	By parcel of land
	1602.000	Buildings	The purchase price of the various buildings belonging to the school, school hall (activity center) etc.	By building
	1603.000	Building Improvements	The purchase price of improvements made to the various buildings owned by the school. Costs less than \$5,000 should be expensed.	By building
	1604.000	Furniture and Equipment	The purchase price of furniture and equipment purchased by the school for use in any of its buildings. Donated or bequested furniture and / or equipment should be valued at the market value on the day of acquisition. Costs less than \$5,000 should be expensed	By type
	1605.000	Computer Equipment	The purchase price of computer equipment or systems costing \$5,000 or more in the initial purchase. The purchase of an individual computer costing less than \$5,000 should be considered an expense and recorded as such. Purchases of individual software programs are recorded as expenses.	By type of equipment By individual piece of equipment
	1606.000	Automotive Equipment	All cars, trucks, vans or other motorized vehicles owned by the school and used for the transport of people.	By vehicle

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
<b>LIABILITIES AND NET ASSETS</b>				
<b>3100.000</b>	<b>Accounts Payable - Archdiocese</b>			
	3101.000	Archdiocese Consolidated Invoice <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The amount owed to the Archdiocese for the Current Year's Consolidated Invoice and prior year balances. This amount should agree at the end of the fiscal year with the amount shown as owing by the Archdiocese.	
	3108.000	Other ADNY Liabilities	Amounts owed to the Archdiocese for items not listed elsewhere	By type of liability
<b>3200.000</b>	<b>Accounts Payable and Accrued Liabilities</b>			
	3201.000	Vendors and Service Providers <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The amounts owing to providers of goods and services to the school. These amounts are normally incurred in the normal course of school business and represent the amount of unpaid vendor invoices at the statement date.	Sub Accounts Not Suggested
	3202.000	Payroll Taxes and Employee Withholdings	The amount of federal, state and local payroll taxes and voluntary employee deductions withheld from employees pay plus the employer portion of the FICA and Medicare tax.	Federal Taxes Withheld State & Local Taxes Withheld 403B Withheld Union Dues Medical Insurance Withheld Other employee withholdings
	3203.000	Deferred Tuition Income	This account represents the school tuition billed or the cash received prior to the start of the fiscal year. After September 1st the amount in this account (3203) should be released from this account and recorded as tuition income by reducing this account and increasing the Tuition Revenue account (Acct. #5301)	Tuition Registration Fees Book Fees
	3204.000	Other Accrued Liabilities	The amounts owing for various other liabilities not listed previously. Also, represents the amount due for items received or purchased for which an invoice has not been received.	
<b>3300.000</b>	<b>Notes and Loans Payable</b>			
	3301.000	Loans/Notes Payable-ADNY-Deposit & Loan Account	The principal amount due to the Archdiocese for borrowings from the Deposit and Loan account or from other Archdiocesan sources evidenced by a note.	By Deposit and Loan account
	3302.000	Notes Payable - Third Parties	The principal amount due to third parties for borrowings evidenced by a note or other repayment agreement. Outstanding loan interest to third parties would also be recorded in this account.	By Note
	3304.000	Loan Payable - Third Parties	The principal amount due to third parties for borrowings evidenced by a repayment agreement other than a note. Outstanding loan interest to third parties would also be recorded in this account	By repayment agreement Principal Interest

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
<b>LIABILITIES AND NET ASSETS</b>				
<b>3400.000</b>	<b>Mortgages Payable</b>			
	3401.000	Mortgages Payable - ADNY	The outstanding principal amount due to the Archdiocese for a mortgage held by the Archdiocese or one of its agencies.	By Mortgage
	3402.000	Mortgages Payable - Third Parties	The outstanding principal and interest amount due to third parties for a mortgage held by the third party.	By Mortgage Principal
<b>4900.000</b>	<b>Net Assets</b>			
	4901.000	Unrestricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the unrestricted assets and the unrestricted liabilities. The change in Unrestricted Net Assets from year end to year end should be the amount of the net surplus or deficit incurred during the fiscal year as reported on the Income Statement.	No Sub Accounts Should be Created
	4902.000	Temporarily Restricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the temporarily restricted assets and the temporarily restricted liabilities. Most restrictions will be of a temporary nature and will be fulfilled by the completion of the restriction or the passage of time. The change in the Temporarily Restricted Net Assets should be the amount of the net increase or decrease in temporarily restricted revenues after the release of temporarily restricted net assets to unrestricted net assets. <b>Please contact Parish Finance for assistance in recording a Temporarily Restricted donation or bequest.</b>	No Sub Accounts Should be Created
	4903.000	Permanently Restricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the permanently restricted assets and the permanently restricted liabilities. A permanent restriction should be a very rare occurrence within the Archdiocese. Permanent restrictions will generally allow only for the interest or dividends to be used. The principal will remain unavailable. The change in the Permanent Restricted Net Assets should be the amount of the net increase or decrease in permanently restricted revenues after the release of permanently restricted net assets to unrestricted net assets. <b>Please contact Parish Finance for assistance in recording a Temporarily Restricted donation or bequest.</b>	No Sub Accounts Should be Created

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>				
<b>REVENUE ACCOUNTS</b>				
<b>5100.000</b>	<b>Miscellaneous Sources</b>			
5106.000		Rental Income	All income received from the rental of property including rental of the school hall, or other facilities for receptions, community events and the like.	
5108.000		Salary Reimbursement	Receipts of reimbursements for salaries paid out on behalf of another - payment from ADNY Nutrition Program would be recorded in this account (Cost Center 55 must be used for this reimbursement)	
<b>5300.000</b>	<b>Educational Sources</b>			
		<b>Tuition</b>	School tuition payments from all sources	
5301.000		Tuition - In Parish	This includes funds released from Deferred Tuition	
5302.000		Tuition - Out of Parish	Income after September 1st. Prior to September 1st	
5303.000		Tuition - Pre K (use cost center 40)	funds received for tuition and fees are to be recorded	
5304.000		Tuition - Summer School	as Deferred Tuition Income (see Acct. # 3203)	
5305.000		Tuition - Extended Day (use cost center 80)		
5306.000		Other Tuition Income		
5307.000		Tuition - After School (use cost center 85)		
		<b>School Fees</b>	All general and activity fees	
5321.000		General Fee		
5322.000		Registration Fee		
5323.000		Special Subject Fees		
5324.000		Activity Fees		
5325.000		Other Fee Income		
5330.000		Books and Supplies	Receipts from the sale or rental of text books and workbooks. Text book fees cannot be charged for those issued by the state.	
5340.000		Cafeteria and Vending	Receipts from cafeteria programs, vending machines and nutrition programs.	
5350.000		Bad Debt Expense	Record the amount of money that will not be received in tuition here. Offset account will be either Tuition Income or Accounts Receivable. <b>ALL EFFORTS SHOULD BE MADE TO COLLECT 100%</b>	
<b>5400.000</b>	<b>Fund-raising</b>			
5403.000		Net Fund Raising Events	<b>ONLY</b> Net proceeds from fund raising events that are governed by the state Wage and Racing Commission e.g. Bingo, Games of Chance, Lotteries.	
5404.000		Fund Raising Programs	All receipts from fund raising programs established by the school such as dinners candy, cake and bake sales. (Expenses should be recorded to 8303)	

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>					
<b>REVENUE ACCOUNTS</b>					
		5405.000	Alumni Associations	Receipts from alumni/school alumni associations.	
<b>5500.000</b>	<b>Scholarships, Grants, Patrons and Development</b>				
		5501.000	Patron Funding	Funds received from Patrons	Only to be used if Patron Funds are Unrestricted
		5502.000	Development Funding	Funds received from the efforts of a school development office with no specific spending restriction attached.	
		5503.000	Inner City Scholarship	Revenues received through the Inner-City Scholarship Program, this is the per capita program.	
		5504.000	Grants	Funds received as a result of an application to or participation in a grant program or funding from foundation for capital improvements or curriculum enhancements	Partnership for Quality Education YESS Grants/Endowment for Inner City Education Grants
		5505.000	Scholarship	Funds received for the support of the students	Be a Students Friend
		5506.000	Donations	Independent and usually one time gifts and donations. Funds not received through the Inner-City Scholarship Program or PQE rather funds received from institutions and/or individuals	
		5507.000	Other Scholarships	Individual Scholarships received from sources other than ADNY	
<b>5900.000</b>	<b>Extraordinary</b>				
		5901.000	Donations and Bequests	Receipts from trusts, wills, estates, foundations, and individuals <b>WITHOUT</b> a restriction placed on it by the donor. Include stock and other securities received <b>but not sold</b> in the current fiscal year.	By category or type For Restricted Donations, Bequests etc. see Accounts # 6800 and 6900
		5902.000	Proceeds From Sale of Gift Securities	Proceeds from the sale and liquidation of gift stock or securities that were donated and sold in the same fiscal year.	
		5903.000	Other	Receipts from other extraordinary sources for which no classification has been provided	
<b>6100.000</b>	<b>Support</b>				
		6101.000	Archdiocesan Support	Record support received from all Archdiocesan sources	Inter Parish Finance Grant
		6102.000	Parish Support	Support from Parish	
		6104.000	Subvention Agreement	Proceeds from Grant given by Archdiocese for emergency capital repair. (If parish receives extraordinary income e.g. air rights proceeds, sale of property this funds must be used to payback both principal and interest accrued.)	

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.				
Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>				
<b>REVENUE ACCOUNTS</b>				
<b>6200.000</b>	<b>Governmental</b>			
	6201.000	NYS Mandated Services	Receipts for services rendered to NY State	
<b>6300.000</b>	<b>Investment Income</b>			
	6301.000	Unrealized Gains or Losses	Difference between the prior year closing market balance plus purchases and interest and dividends received less sales and the ending balance at market value.	
	6302.000	Realized Gains or Losses	Difference between the cost and the amount received from the sale of stock or other securities	
	6303.000	Interest and Dividends	Funds received from banking or other investment institutions for funds on deposit from unrestricted sources. (See Acct # 6800 and 6900 for restricted funds)	
<b>6400.00</b>	<b>Other revenues</b>			
	6401.000	Gain or Loss on Disposal of Fixed Assets	Difference between sale price and cost basis, if known. Cost may have to be estimated in some cases.	
	6403.000	Proceeds from insurance claims	Proceeds from the settlement of an insurance claim	
	6404.000	Other Revenues	Other revenues for which a classification has not been provided	
<b>6500.000</b>	<b>Net Assets Released From Restrictions</b>			
	6501.000	Net assets released from Temporary Restriction	The amount of funds released from restriction as a result of the fulfillment of the Temporary restriction. <b>Contact Parish Finance for correct method of recording.</b>	There should be at least two of these accounts one with fund 00 and then one for each restricted fund
	6502.000	Net Assets Released from Permanent Restriction	The amount of funds released from restriction as a result of the donor relaxing the permanent restriction restriction. <b>Contact Parish Finance for correct method of recording</b>	There should be at least two of these accounts one with fund 00 and then one for each restricted fund

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>					
<b>REVENUE ACCOUNTS</b>					
<b>6800.000</b>			<b>Temporarily Restricted Revenues and Gains</b>		
		6801.000	Temporarily Restricted Contributions <b>Contact Parish Finance for correct method of recording</b>	Contributions received from a donor who has imposed a restriction on the use of the funds. The restriction will be stay in place until the completion of a specified event. To be considered a restricted contribution it must be used for something narrower in scope than the mission or purpose of the school.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6802.000	Temporarily Restricted Donations <b>Contact Parish Finance for correct method of recording</b>	Donations received from a donor who has imposed a restriction on the use of the funds. The restriction will be stay in place until the completion of a specified event. To be considered a restricted donation it must be used for something narrower in scope than the mission or purpose of the school.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund <b>Restricted Patron Funding would be posted here</b>
		6803.000	Temporarily Restricted Bequests <b>Contact Parish Finance for correct method of recording</b>	Bequests received through the will of a decedent that has imposed a restriction on the use of the funds. The restriction will be stay in place over time or the completion of a specified event. To be considered a restricted bequest it must be used for something narrower in scope than the mission or purpose of the school.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6804.000	Interest and Dividends -TR Investments <b>Contact Parish Finance for correct method of recording</b>	Interest and dividends received on investments that were purchased using temporarily restricted funds received from contributions, donations, bequests or other means.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6805.000	Realized and Unrealized Gains (Losses) <b>Contact Parish Finance for correct method of recording</b>	Realized and Unrealized Gains and/or Losses from the sale of investments purchased with temporarily restricted funds or from the valuation of the investment to market value at the end of the fiscal year.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6806.000	Other Temporarily Restricted Revenue <b>Contact Parish Finance for correct method of recording</b>	Revenue from other sources not listed here which is temporarily restricted by the actions of the donor or by the requirements of law.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>					
<b>REVENUE ACCOUNTS</b>					
<b>6900.000</b>			<b>Permanently Restricted Revenues and Gains</b>		
		6901.000	Permanent Restricted Contributions <b>Contact Parish Finance for correct method of recording</b>	Contributions received from a donor who has imposed a restriction on the use of the funds. The restriction cannot be lifted with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific purpose.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6902.000	Permanent Restricted Donations <b>Contact Parish Finance for correct method of recording</b>	Donations received from a donor who has imposed a restriction on the use of the funds. The restriction cannot be lifted with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific purpose.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6903.000	Permanent Restricted Bequests <b>Contact Parish Finance for correct method of recording</b>	Bequests received through the will of a decedent that has imposed a restriction on the use of the funds. The restriction cannot be removed with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific purpose.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6904.000	Interest and Dividends -PR Investments <b>Contact Parish Finance for correct method of recording</b>	Interest and dividends received on investments that were purchased using permanently restricted funds received from contributions, donations, bequests or other means.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6905.000	Realized and Unrealized Gains (Losses) <b>Contact Parish Finance for correct method of recording</b>	Realized and Unrealized Gains and/or Losses from the sale of investments purchased with permanently restricted funds or from the valuation of the investment to market value at the end of the fiscal year.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
		6906.000	Other Permanent Restricted Revenue <b>Contact Parish Finance for correct method of recording</b>	Revenue from other sources not listed here which is permanently restricted by the actions of the donor or by the requirements of law.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund



**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>7200.000</b>	<b>Religious Personnel Costs</b>			
7201.000		Religious Stipends	Stipends paid to Religious working in school other than Catechetical	
7202.000		Travel Allowance	Travel Allowance paid to Religious	
7203.000		Medical Insurance	Medical insurance premiums for Religious	
7204.000		Domicile	Domicilium payments on behalf of Religious including payment for leased living space	
7205.000		Pension Contribution	Payment to Religious retirement plans	
<b>7300.000</b>	<b>Lay Personnel Costs</b>			
		<b>Lay salaries</b>	Salaries for all lay employees	
7301.000		Full Time Teachers		
7302.000		Full Time Special Subject		
7303.000		Part Time Special Subject		
7304.000		Full Time Aides		
7305.000		Part Time Aides		
7310.000		Lay Personnel - Non-Bargaining Only		
7320.000		Social Security	Employer share of FICA and Medicare taxes on lay employee's salaries. <b>This account is not the employee share of FICA taxes.</b>	
7330.000		Unemployment Insurance	Payments made for unemployment insurance and unemployment insurance claims	
7340.000		ST Disability	Payments made for short term disability insurance	
7350.000		Medical/Life/AD&D/LTD	Payments made for Lay medical insurance, lay life insurance, lay accidental death and dismemberment and long term disability	
7360.000		Pension Contribution	Pension contributions for lay employees	
7370.000		Annuity Match	Bargaining Employees ONLY	
7380.000		Retirement Bonus	Bargaining Employees ONLY	

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.				
Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>7400.000</b>	<b>Office and Clerical Support Services</b>			
	7401.000	Office expenses	Expenses related to operations of the office	Telephone and fax Office supplies Copier Supplies Printing expenses Internet Service Provider costs
	7402.000	Travel and Entertainment	Cost of all travel and transportation exclusive of travel allowances paid to priests and Religious	Auto Lease
	7404.000	Student Services	Office expenses related to student activities	
	7405.000	Other Office and Clerical Support Services	Expenses for other office and clerical support services that have not been provided for	Contracted Services (exclusive of Repair and Maintenance contracted services)
	7406.000	Accounting Services	Cost of Outside Accountant	
	7407.000	Office Service Contracts	Cost of Leased Office Equipment	
<b>7500.000</b>	<b>Educational Department Expenses (Exclusive of Salaries)</b>			
	7501.000	Textbooks and Instructional Materials	Expenses for textbooks and instructional materials	Textbooks Workbooks
	7502.000	Guidance	Expenses for guidance office exclusive of salary	
	7503.000	Graduation	Expenses incurred relating to graduation exercises	
	7504.000	Audiovisual	Audiovisual expenditures	
	7511.000	Art and Music	Expenses for the Art and Music Departments	Art Music Band Theatre
	7517.000	Other Educational Department Expenses	Expenses for Educational Departments not listed	
	7518.000	Technology	Computer Instruction and Computer laboratories (less than \$5,000)	
	7520.000	Desks, Chairs, Furniture	Costs of replacement desk, chairs, tables, etc (less than \$5,000)	
	7521.000	Gym Equipment	Costs of equipment for the gym (less than \$5,000)	
	7522.000	Classroom Supplies	Costs of supplies such as chalk, construction paper, borders, etc	

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.				
Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>7600.000</b>	<b>Utilities</b>			
	7601.000	Fuel	Expenses for fuel	Sub accounts by meter/bldg
	7602.000	Gas and Electricity	Expenses for Gas and Electricity	Sub accounts by meter/bldg
	7603.000	Water and Sewer	Expenses for Water and Sewer charges	Sub accounts by meter/bldg
<b>7700.000</b>	<b>Repairs and Maintenance (Non Capital Improvements)</b>			
	7701.000	Major Maintenance	Repairs over \$1,000.00 and below \$5,000.00 Repairs over \$5,000.00 should be coded to 1602 or 1603	Painting Plumbing Carpentry Electrical
	7704.000	Grounds Maintenance	Landscaping and other ground maintenance	Snowplowing Landscaping
	7705.000	Building and Grounds Contracted Services	All outside contracted repair and maintenance services	Exterminating Cleaning
	7707.000	Ordinary Repairs & Maintenance	Ordinary maintenance, repairs and supplies not covered above	Janitorial Supplies Motor Vehicle Supplies
<b>7800.000</b>	<b>Other Plant Costs</b>			
	7801.000	Property and General Insurance	Insurance Expenses for Property and General insurance (PIP insurance)	
	7802.000	Real Estate Taxes	Tax payments on recently acquired property not yet exempted from property tax; property not presently being used for a Religious purpose; or property for which income is being received.	
	7803.000	Other taxes	Other taxes related to the property. Outside of New York City, water and sewer taxes are recorded here. Inside New York City an exemption from water and sewer tax can be obtained for all lots except the rectory lot by filing an annual application to the City Comptroller's Office.	
	7804.000	Rental Expense	Expenses for use of a facility other than owned property	
<b>8100.000</b>	<b>Consumables</b>			
	8101.000	Cafeteria Food	Food for Lunches Snacks for Extended Day should be posted to 8602	Cost Center 55 Must be used

**Elementary School - Chart of Accounts**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts</b>					
<b>EXPENSE ACCOUNTS</b>					
<b>8200.000</b>			<b>Interest Expense</b>		
		8201.000	Interest to Archdiocese	Interest expense payable to the Archdiocese	Each Loan
		8202.000	Interest to third parties	Interest expense due to third parties	Each Loan
<b>8400.000</b>			<b>Fund-raising Expenditures</b>		
		8403.000	Other Fund-Raising	Expenses for the organization and conducting of school fund raising events.	Carnival School Fairs Book and Bake Sales
<b>8500.000</b>			<b>Development Expenses</b>		
		8502.000	Elementary School Development	Expenses, including salaries, for an elementary school development office	Salaries
<b>8600.000</b>			<b>Program Expenditures</b>		
		8601.000	Pre-Kindergarten	PreK Expenses exclusive of salary	Cost Center 40 must be used
		8602.000	Extended Day	Extended Day Expenses - including salaries	Salaries, Snacks (Cost Center 80 Must be Used)
		8603.000	Summer School	Summer School Expenses - including salaries	Salaries, Snacks
		8604.000	Student Activities	Expenditures, exclusive of salary for the program	Field Trips
		8605.000	Technology Improvements	Expenditures, exclusive of salary for the program	
		8606.000	Bookstore	Expenditures, exclusive of salary for the program	
		8607.000	Library	All Expenses for the Library - including salaries	Salaries, Books, Supplies
		8608.000	Other Program Expenses	Expenditures, exclusive of salary for programs not listed elsewhere	
		8609.000	After School Program Expenses	After School Program Expenses - including salaries	Salaries, Snacks (Cost Center 85 Must be Used)
<b>8700.000</b>			<b>Membership and Publications</b>		
		8702.000	Memberships - School Organizations	Membership costs for various school organizations	sub account by organization
		8703.000	Publications	Cost of various publications	sub account by publication
<b>8900.000</b>			<b>Subvention Agreement</b>		
		8901.000	Subvention Agreement Payback	Repayment of Subvention Agreement	
<b>9000.000</b>			<b>Charitable Contributions</b>		
		9001.000	Charitable Contributions	Donations to Charitable Organizations	
<b>9800.000</b>			<b>Prior Period Adjustments</b>		
		9801.000	Prior Period Adjustments	Adjustments made to balance sheet accounts to correct the beginning balance are offset in this account. <b>Contact Parish Finance For Assistance with this Account</b>	

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## PARISH CHART OF ACCOUNTS

Attached please find a chart of accounts for use in the 2005-2006 Fiscal Year  
**THE CHANGES BELOW ARE NOT FOR FISCAL YEAR 2004-2005**

The following changes were made:

Charts have been separated - there is now a chart of accounts for the Parish, Elementary School, High School and Cemetery

### **NEW COST CENTER - 15 - Mission Church**

#### **Assets:**

Restricted Accounts were eliminated

While funds that are received with a donor restriction on them SHOULD be maintained in a separate account it is not necessary. There are specific instructions on how to track those funds, contact Parish Finance for those instructions

#### **Liabilities:**

No Changes

#### **Income:**

##### **5109.000 Administrative Fees**

Eliminated

##### **5401.000 Cardinal's Appeal**

Name Changed to Cardinal's Appeal Rebate

If cash is received for Cardinal's appeal it should be deposited to account 3108 and paid from the same account

##### **6104.000 Subvention Agreement**

New Account

#### **Expenses:**

##### **7108.000 Auto Insurance**

New Account

(no longer included in Clergy Salary)

##### **7304.000 Workers Comp**

Eliminated

Cost is included with PIP (Account 7801)

##### **7320 - Social Security**

Old Account - 7302

##### **7330 - Unemployment Insurance**

Old Account - 7303

##### **7340 - ST Disability**

Old Account - 7305

##### **7350 - Medical/Life/AD&D/LTD**

Old Account - 7306

##### **7360 - Pension Contributions**

Old Account - 7307

##### **7406.000 Accounting Services**

New Account

##### **7407.000 Office Service Contracts**

New Account

Expenses: (continued)

<b>7403.000 Chapel Expenses</b>	Changed to 7450.000
<b>7450.000 Church/Chapel Expenses</b>	New Account
<b>7451.000 Choir</b>	New Account
<b>7452.000 Votive and Candles</b>	New Account
<b>7453.000 Flowers</b>	New Account
<b>7454.000 Altar Linens and Supplies</b>	New Account
<b>7455.000 Missalettes and Books</b>	New Account
<b>7460.000 Church Decoration</b>	New Account
<b>7701.000 Plumbing</b>	Name Changed to Major Maintenance
<b>7702.000 Electrical</b>	Eliminated
<b>7703.000 Carpentry</b>	Eliminated
<b>7706.000 Painting</b>	Eliminated
<b>7705.000 Contracted Services</b>	Name Changed to Building and Grounds Contracted Services
<b>7804.000 Rental Expense</b>	New Account
<b>7901.000 Janitorial Supplies</b>	Eliminated
<b>7902.000 Church Supplies</b>	Eliminated
<b>7904.000 Motor Vehicle Supplies</b>	Eliminated
<b>8100.000 Title Account Consumables</b>	Name Changed to House Living Expenses
<b>8900.000 Title Account Grants</b>	Name Changed to Subventions
<b>8901.000 Grants to Archdiocese</b>	Name changed to Subventions Agreement Payback
<b>8902.000 Grants to other Archdiocesan entities</b>	Eliminated
<b>9002.000 Poor Box Expenses</b>	New Account

**RELIGIOUS EDUCATION CHART OF ACCOUNTS**

Accounts specific to Religious Ed are listed on page 18  
 These accounts are in addition to the parish accounts all of which are available for use  
 by the Religious Education Department

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
<b>1100.000</b>	<b>Cash and Cash Equivalents</b>			
	1101.000	Operating Accounts	Operating accounts are the normal checking accounts maintained by the parish. There could be a number of checking accounts that are considered operating accounts such as the parish's primary checking account, a payroll account, checking accounts maintained for specific organizations that use the parish Taxpayer Identification Number or checking accounts maintained for specific, uses. Sub accounts for various checking accounts should have the name of the bank included in the sub account title. We suggest that at least one sub account be established for the parish's primary checking account.	Primary checking account Payroll account Special purpose accounts Other checking accounts Restricted checking accounts
	1102.000	Money Market Accounts	Money market accounts are specific accounts designed to hold funds that are not needed on a day to day basis. These funds typically pay interest to the account holder. Funds can be transferred into and out of the account relatively easily.	By Money Market Account
	1103.000	Savings Account	Savings are another type of bank account designed to hold funds that are not needed on a day to day basis. These accounts presently are paying a very low interest rate.	Savings accounts for specific purposes
	1104.000	Short Term Certificate of Deposit	Certificates of Deposit are bank instruments that evidence the deposit of funds for a particular period of time, generally 3 months up to one year. Certificates of Deposit generally pay a higher rate of interest than savings or money market accounts. Funds deposited into a Certificate of Deposit should be funds not currently needed nor expected to be needed in the immediate future. It may be beneficial to establish a number of Certificates of Deposit (if possible) so that at least one matures every six months.	By Certificate of Deposit Account
	1105.000	Petty Cash	Petty Cash is the cash maintained in the office for small and / or incidental purchases. The petty cash should be maintained on an imprest basis and replenished at least once each month. Imprest means that the receipts for paid items and the remaining cash equal a predetermined amount such as \$250.00	

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>					
<b>ASSETS</b>					
<b>1200.000</b>	<b>Accounts Receivable</b>				
		1201.000	Parish Receivables	Parish Receivables represent amounts owed to the parish from various sources. The parish could be owed money from someone it lent funds to, or it could be owed funds from a vendor for a refund etc.	Parishioner loans Vendor refunds
<b>1300.000</b>	<b>Notes and Loans Receivable</b>				
		1301.000	Deposit With Chancery (Deposit & Loan Account)	Funds deposited by the parish/school in the Archdiocese's Deposit and Loan Account. More than one account may be opened with the Archdiocese.	By Account
		1302.000	Notes Receivable (Third Parties)	Funds lent to third parties that are represented by a formal note. The note should indicate the amount borrowed, the repayment terms and any interest due.	By Borrower
		1303.000	Mortgage Notes Receivable from ADNY	From time to time a parish may lend funds to the Archdiocese for one purpose or another that is evidenced by a mortgage. This account records the amount due to the parish and evidenced by a mortgage note.	By specific mortgage note
		1304.000	Mortgage Notes Receivable from Third Parties	From time to time parishes may lend funds to a party other than the Archdiocese, for example another parish or archdiocesan entity. This account records the amount due and is evidenced by a mortgage note.	By specific mortgage note
<b>1400.000</b>	<b>Investments</b>				
		1401.000	Securities	The investment in stocks and/or bonds owned. Also stocks and / or bonds received as donations or bequests would be recorded here and valued at the market value on the day of the donation or bequest. Stocks and /or bonds purchased as investments are recorded at the purchase price and adjusted to market value at year end.	By Security
		1402.000	Mutual Funds	The investment in a mutual fund. Also the value of the mutual fund shares received as a donation or bequest. The donations or bequests would be recorded here and valued at the market value on the day of the donation or bequest. Mutual Fund shares purchased as investments are recorded at the purchase price and adjusted to market value at year end.	By Mutual Fund
		1403.000	Long Term Certificates of Deposit	Certificates of Deposit with a maturity greater than one year. (See Account 1104 above for a definition of a Certificate of Deposit)	By Certificate of Deposit Account
		1405.000	Real Estate Investment	The investment in land which is not used for Religious or church purposes. Land received by donation or bequest is valued at the market value on the day of acquisition. Land purchased is valued at the purchase price.	By parcel of land



**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>					
<b>ASSETS</b>					
<b>1500.000</b>		<b>Other Assets</b>			
		1501.000	Other Assets	Assets for which a specific account has not been listed. These are recorded at their purchase price.	By asset type
<b>1600.000</b>		<b>Fixed Assets</b>			
		1601.000	Land	The purchase price of land used for church purposes. If the land was received by way of donation or bequest it should be valued at the market value on the day of acquisition. Church purposes means that the land is used for a church building, parish hall, parking lot etc. It is not vacant land.	By parcel of land
		1602.000	Buildings	The purchase price of the various buildings belonging to the parish such as the church, rectory, convent, parish hall (activity center) etc.	By building
		1603.000	Building Improvements	The purchase price of improvements made to the various buildings owned by the school. Costs less than \$5,000 should be expensed.	By building
		1604.000	Furniture and Equipment	The purchase price of furniture and equipment purchased by the school for use in any of its buildings. Donated or bequested furniture and / or equipment should be valued at the market value on the day of acquisition. Costs less than \$5,000 should be expensed	By type
		1605.000	Computer Equipment	The purchase price of computer equipment or systems costing \$5,000 or more in the initial purchase. The purchase of an individual computer costing less than \$5,000 should be considered an expense and recorded as such. Purchases of individual software programs are recorded as expenses.	By type of equipment By individual piece of equipment
		1606.000	Automotive Equipment	All cars, trucks, vans or other motorized vehicles owned by the school and used for the transport of people.	By vehicle

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
		<b>LIABILITIES AND NET ASSETS</b>		
<b>3100.000</b>	<b>Accounts Payable - Archdiocese</b>			
	3101.000	Archdiocese Consolidated Invoice <i><b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b></i>	The amount owed to the Archdiocese for the Current Year's Consolidated Invoice and prior year balances. This amount should agree at the end of the fiscal year with the amount shown as owing by the Archdiocese.	
	3108.000	Other Liabilities	Amounts owing to the Archdiocese for items not listed elsewhere	By type of liability Cardinal's Appeal
	3109.000	Archdiocesan Collections	The amounts collected and due to the Archdiocese for various special archdiocesan collections and any Cardinal's Appeal funds that are collected in the parish. Cardinal's Appeal funds should be sent to the Archdiocese directly by the donor. Funds collected or received at the Parish are recorded here and paid to the Archdiocese in a timely fashion.	Various Special Collections
<b>3200.000</b>	<b>Accounts Payable and Accrued Liabilities</b>			
	3201.000	Vendors and Service Providers <i><b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b></i>	The amounts owing to providers of goods and services to the Parish. These amounts are normally incurred in the normal course of parish business and represent the amount of unpaid vendor invoices at the statement date.	Sub Accounts Not Suggested
	3202.000	Payroll Taxes and Employee Withholdings	The amount of federal, state and local payroll taxes and voluntary employee deductions withheld from employees pay plus the employer portion of the FICA and Medicare tax.	Federal Taxes Withheld State & Local Taxes Withheld 403B Withheld Union Dues Medical Insurance Withheld Other employee withholdings
	3204.000	Other Accrued Liabilities	The amounts owing for various other liabilities not listed previously. Also, represents the amount due for items received or purchased for which an invoice has not been received.	Organization Funds such as CYO Funds
<b>3300.000</b>	<b>Notes and Loans Payable</b>			
	3301.000	Loans/Notes Payable-ADNY-Deposit & Loan Account	The principal amount due to the Archdiocese for borrowings from the Deposit and Loan account or from other archdiocesan sources evidenced by a note.	By Deposit and Loan account
	3302.000	Notes Payable - Third Parties	The principal amount due to third parties for borrowings evidenced by a note or other repayment agreement. Outstanding loan interest to third parties would also be recorded in this account	By Note
	3304.000	Loan Payable - Third Parties	The principal amount due to third parties for borrowings evidenced by a repayment agreement other than a note. Outstanding loan interest to third parties would also be recorded in this account	By repayment agreement Principal Interest

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>BALANCE SHEET</b>				
		<b>LIABILITIES AND NET ASSETS</b>		
<b>3400.000</b>	<b>Mortgages Payable</b>			
	3401.000	Mortgages Payable - ADNY	The outstanding principal amount due to the Archdiocese for a mortgage held by the Archdiocese or one of its agencies.	By Mortgage
	3402.000	Mortgages Payable - Third Parties	The outstanding principal and interest amount due to third parties for a mortgage held by the third party	By Mortgage Principal
<b>4900.000</b>	<b>Net Assets</b>			
	4901.000	Unrestricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the unrestricted assets and the unrestricted liabilities. The change in Unrestricted Net Assets from year end to year end should be the amount of the net surplus or deficit incurred during the fiscal year as reported on the Income Statement.	No Sub Accounts Should be Created
	4902.000	Temporarily Restricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the temporarily restricted assets and the temporarily restricted liabilities. Most restrictions will be of a temporary nature and will be fulfilled by the completion of the restriction or the passage of time. The change in the Temporarily Restricted Net Assets should be the amount of the net increase or decrease in temporarily restricted revenues after the release of temporarily restricted net assets to unrestricted net assets. <b>Please contact Parish Accounting Reporting Management Services for assistance in recording a Temporarily Restricted donation or bequest.</b>	No Sub Accounts Should be Created Fund numbers are established for each restricted fund
	4903.000	Permanently Restricted Net Assets <b>THIS IS AN ACCOUNT FOR SYSTEM USE AND SHOULD NEVER BE POSTED TO</b>	The difference between the permanently restricted assets and the permanently restricted liabilities. A permanent restriction should be a very rare occurrence within the Archdiocese. Permanent restrictions will generally allow only for the interest or dividends to be used. The principal will remain unavailable. The change in the Permanent Restricted Net Assets should be the amount of the net increase or decrease in permanently restricted revenues after the release of permanently restricted net assets to unrestricted net assets. <b>Please contact Parish Accounting Reporting Management Services for assistance in recording a Permanently Restricted donation or bequest.</b>	No Sub Accounts Should be Created Fund numbers are established for each restricted fund

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>REVENUE ACCOUNTS</b>				
<b>5100.000</b>	<b>Parish Sources</b>			
	5101.000	Regular Collections	All receipts from collections taken up at various services in the parish including second collections and parish special collections such as maintenance. Parish Mission and Parish novena collections are included.	Second collections Maintenance Collections Document Searches Parish School Collections
	5102.000	Holyday Collections	All receipts from collections taken up at services on each holyday. Included are Christmas and Easter and all other holy-day collections	Christmas Easter Other Holydays
	5103.000	Votive Shrines and Candles	Receipts from shrines and candles and other devotional contributions	
	5104.000	Perquisites	Receipts for fees for baptism, marriage and funeral ceremonies exclusive of Mass stipends	Baptism Fees Marriage Fees Funeral Fees
	5105.000	Poor box, Books, Pamphlets	Receipts from poor boxes, pamphlet racks book sales etc.	Poor Box Books and pamphlets
	5106.000	Rental Income	All income received from the rental of property including rental of the parish hall, or other facilities for receptions, community events and the like. Rent received from the rental of a convent to a Religious order is recorded here. Costs associated with rental income from leased properties is an allowable exclusion for Cathedraticum purposes.	
	5107.000	Domicile Receipts	All domiciliums received for priests and Religious residing at parish facilities	
	5108.000	Salary Reimbursement	Receipts of reimbursements for salaries paid out on behalf of another	
	5110.000	Other Earned Income	All other income of an ordinary nature not classified elsewhere.	Catholic New York

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>					
<b>REVENUE ACCOUNTS</b>					
<b>5400.000</b>	<b>Fund-raising</b>				
	5401.000		Cardinal's Appeal Rebate Income	The parish share of the amount contributed over the parish goal. Received from the Archdiocese. Cardinal's campaign pledges and amounts received in parish for the campaign are to be recorded as a liability to the Archdiocese (see Acct. 3108)	
	5402.000		Parish Campaign	Proceeds from campaigns carried out within the parish for the benefit of the parish	Debt reduction General parish operations Campaigns for specific building improvements are considered to be restricted contributions or donations (See Account Nos. 6800 and 6900)
	5403.000		Net Fund Raising Events	Net proceeds from fund raising events that are governed by the state Wage and Racing Commission e.g. Bingo, Games of Chance, Lotteries	
	5404.000		Fund Raising Programs	All receipts from fund raising programs established by the parish such as dinners candy, cake and bake sales.	Bulletin Rebates
<b>5900.000</b>	<b>Extraordinary</b>				
	5901.000		Donations and Bequests	Receipts from trusts, wills, estates, foundations, and individuals <b>WITHOUT</b> a restriction placed on it by the donor. Include stock and other securities received <b>but not sold</b> in the current fiscal year.	By category or type For Restricted Donations, Bequests etc. see Accounts # 6800 and 6900
	5902.000		Proceeds From Sale of Gift Securities	Proceeds from the sale and liquidation of gift stock or securities that were donated and sold in the same fiscal year.	
	5903.000		Other	Receipts from other extraordinary sources for which no classification has been provided	

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>					
<b>REVENUE ACCOUNTS</b>					
<b>6100.000</b>		<b>Support</b>			
	6101.000		Archdiocesan Support	Record support received from all Archdiocesan sources	Commission for Inter-Parish Financing Grants from the Archdiocese
	6103.000		Shared Stewardship	Archdiocesan forgiveness program	
	6104.000		Subvention Agreement	Proceeds from Grant given by Archdiocese for emergency capital repair. (If parish receives extraordinary income e.g. air rights proceeds, sale of property this must be paid back - both principal and interest)	
<b>6300.000</b>		<b>Investment Income</b>			
	6301.000		Unrealized Gains or Losses	Difference between the prior year closing market balance plus purchases and interest and dividends received less sales and the ending balance at market value.	
	6302.000		Realized Gains or Losses	Difference between the cost and the amount received from the sale of stock or other securities	
	6303.000		Interest and Dividends	Funds received from banking or other investment institutions for funds on deposit from unrestricted sources. (See Acct # 6800 and 6900 for restricted funds)	
<b>6400.00</b>		<b>Other revenues</b>			
	6401.000		Gain or Loss on Disposal of Fixed Assets	Difference between sale price and cost basis, if known. Cost may have to be estimated in some cases.	
	6402.000		Proceeds from the sale of air rights	Proceeds from the sale of air rights	
	6403.000		Proceeds from insurance reimbursements	Proceeds from the settlement of an insurance claim	
	6404.000		Other Revenues	Other revenues for which a classification has not been provided	
<b>6500.000</b>		<b>Net Assets Released From Restrictions</b>			
	6501.000		Net assets released from Temporary Restriction	The amount of funds released from restriction as a result of the fulfillment of the Temporary restriction. <b>Contact Parish Finance for correct method of recording.</b>	Sub Accounts are not Suggested There should be at least two of these accounts one with fund 00 and then one for each restricted fund
	6502.000		Net Assets Released from Permanent Restriction	The amount of funds released from restriction as a result of the donor relaxing the permanent restriction on the funds. <b>Contact Parish Finance for correct method of recording</b>	Sub Accounts are not Suggested There should be at least two of these accounts one with fund 00 and then one for each restricted fund

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>REVENUE ACCOUNTS</b>				
<b>6800.000</b>	<b>Temporarily Restricted Revenues and Gains</b>			
6801.000		Temporarily Restricted Contributions <b>Contact Parish Finance for correct method of recording</b>	Contributions received from a donor who has imposed a restriction on the use of the funds. The restriction will be stay in place until the completion of a specified event. To be considered a restricted contribution it must be used for something narrower in scope than the mission or purpose of the parish.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
6802.000		Temporarily Restricted Donations <b>Contact Parish Finance for correct method of recording</b>	Donations received from a donor who has imposed a restriction on the use of the funds. The restriction will be stay in place until the completion of a specified event. To be considered a restricted donation it must be used for something narrower in scope than the mission or purpose of the parish.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
6803.000		Temporarily Restricted Bequests <b>Contact Parish Finance for correct method of recording</b>	Bequests received through the will of a decedent that has imposed a restriction on the use of the funds. The restriction will be stay in place over time or the completion of a specified event. To be considered a restricted bequest it must be used for something narrower in scope than the mission or purpose of the parish.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
6804.000		Interest and Dividends -TR Investments <b>Contact Parish Finance for correct method of recording</b>	Interest and dividends received on investments that were purchased using temporarily restricted funds received from contributions, donations, bequests or other means.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
6805.000		Realized and Unrealized Gains (Losses) <b>Contact Parish Finance for correct method of recording</b>	Realized and Unrealized Gains and/or Losses from the sale of investments purchased with temporarily restricted funds or from the valuation of the investment to market value at the end of the fiscal year.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
6806.000		Other Temporarily Restricted Revenue <b>Contact Parish Finance for correct method of recording</b>	Revenue from other sources not listed here which is temporarily restricted by the actions of the donor or by the requirements of law.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>					
<b>REVENUE ACCOUNTS</b>					
<b>6900.000</b>		<b>Permanently Restricted Revenues and Gains</b>			
	6901.000		Permanent Restricted Contributions <b>Contact Parish Finance for correct method of recording</b>	Contributions received from a donor who has imposed a restriction on the use of the funds. The restriction cannot be removed with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific purpose.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
	6902.000		Permanent Restricted Donations <b>Contact Parish Finance for correct method of recording</b>	Donations received from a donor who has imposed a restriction on the use of the funds. The restriction cannot be removed with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific purpose.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
	6903.000		Permanent Restricted Bequests <b>Contact Parish Finance for correct method of recording</b>	Bequests received through the will of a decedent that has imposed a restriction on the use of the funds. The restriction cannot be removed with the passage of time or the completion of a specified event. The restriction may specify that the principal be kept in perpetuity and only the income generated be used for a specific	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
	6904.000		Interest and Dividends -PR Investments <b>Contact Parish Finance for correct method of recording</b>	Interest and dividends received on investments that were purchased using permanently restricted funds received from contributions, donations, bequests or other means.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
	6905.000		Realized and Unrealized Gains (Losses) <b>Contact Parish Finance for correct method of recording</b>	Realized and Unrealized Gains and/or Losses from the sale of investments purchased with permanently restricted funds or from the valuation of the investment to market value at the end of the fiscal year.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund
	6906.000		Other Permanent Restricted Revenue <b>Contact Parish Finance for correct method of recording</b>	Revenue from other sources not listed here which is permanently restricted by the actions of the donor or by the requirements of law.	Sub Accounts are not Suggested Fund numbers are established for each restricted fund



**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>EXPENSE ACCOUNTS</b>				

7100.000	<b>Clergy Personnel Costs</b>			
7101.000	Clergy Salary and Stipends	Salaries and Stipends for priests assigned to the parish. Include payments made to visiting priests for weekend work and/or other services to the parish.	Visiting Priests Deacons Salaries	
7102.000	Travel allowance	Travel allowance for each priest		
7103.000	Medical Insurance	Medical insurance premiums for each priest		
7104.000	Domicile Expenditures	Domicilium payments made on behalf of a priest including payment for leased living space		
7105.000	Priests Retirement	Premiums paid for priests retirement based on billing from the Archdiocese		
7106.000	Continuing Education	Payments for tuition, fees etc. for continuing priests education and conferences	Pastoral Life Conference	
7107.000	Retreats	Payments made for priest retreats		
7108.000	Auto Insurance	Cost of Auto Insurance Paid to the Priest this account is not to be used for church vehicles		
7200.000	<b>Religious Personnel Costs</b>			
7201.000	Religious Stipends	Stipends paid to Religious working in parish other than Catechetical		
7202.000	Travel Allowance	Travel Allowance paid to Religious		
7203.000	Medical Insurance	Medical insurance premiums for Religious		
7204.000	Domicile	Domicilium payments on behalf of Religious including payment for leased living space		
7205.000	Pension Contribution	Payment to Religious retirement plans		

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>7300.000</b>	<b>Lay Personnel Costs</b>			
	7310.000	Lay salaries	Salaries for all lay employees	
	7320.000	Social Security	Employer share of FICA and Medicare taxes on lay employee's salaries. <b>This account is not the employee share of FICA taxes.</b>	
	7330.000	Unemployment Insurance	Payments made for unemployment insurance and unemployment insurance claims	
	7340.000	ST Disability	Payments made for short term disability insurance	
	7350.000	Medical/Life/AD&D/LTD	Payments made for Lay medical insurance, lay life insurance, lay accidental death and dismemberment and long term disability	Medical Paid Medical Withheld
	7360.000	Pension Contribution	Pension contributions for lay employees	
<b>7400.000</b>	<b>Office and Clerical Support Services</b>			
	7401.000	Office expenses	Expenses related to operations of the office	Telephone and fax Office supplies Copier Supplies Printing Expense - Collection Envelopes Printing expenses- Other Internet Service Provider costs
	7402.000	Travel and Entertainment	Cost of all travel and transportation exclusive of travel allowances paid to priests and Religious	Auto Lease
	7404.000	Student Services	Office expenses related to student activities	
	7405.000	Other Office and Clerical Support Services	Expenses for other office and clerical support services that have not been provided for	Contracted Services (exclusive of Repair and Maintenance contracted services and leases of equipment)
	7406.000	Accounting Services	Cost of an outside Accountant	
	7407.000	Office Service Contracts	Expenses related to leased equipment	
	7450.000	Church/Chapel Expenses	Expenses related to the operations of the church	
	7451.000	Choir	Choir Expense	Organist Salary Music Piano/Organ Tuning/Repair
	7452.000	Votive and Candles	Cost of Votives and Candles	
	7453.000	Flowers	Both Donations and Expenses for Memorial Flowers	Flowers
	7454.000	Altar Linens and Supplies	Cost of Altar Linens and Supplies	
	7455.000	Missalettes and Books	Costs of Missalettes and Books	
	7460.000	Church Decoration	Cost of decorating the church for holidays.	Christmas decorations

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Primary Use	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>					
<b>EXPENSE ACCOUNTS</b>					
<b>7600.000</b>			<b>Utilities</b>		
		7601.000	Fuel	Expenses for fuel	
		7602.000	Gas and Electricity	Expenses for Gas and Electricity	Sub accounts by meter/bldg
		7603.000	Water and Sewer	Expenses for Water and Sewer charges	
<b>7700.000</b>			<b>Repairs and Maintenance (Non Capital Improvements)</b>		
		7701.000	Major Maintenance	Repairs over \$1,000 and under \$5,000 Repairs over \$5,000 should be coded to 1602 or 1603	Painting Plumbing Carpentry Electrical
		7704.000	Grounds maintenance	Landscaping and other ground maintenance	Snowplowing Landscaping
		7705.000	Building and Grounds Contracted Services	All outside contracted repair and maintenance services	Exterminating Cleaning
		7707.000	Repairs & Maintenance	All other repair and maintenance services not covered above	Janitorial Supplies Motor Vehicle Supplies
<b>7800.000</b>			<b>Other Plant Costs</b>		
		7801.000	Property and General Insurance	Insurance Expenses for Property and General insurance (PIP insurance)	
		7802.000	Real Estate Taxes	Tax payments on recently acquired property not yet exempted from property tax; property not presently being used for a Religious purpose; or property for which income is being received.	
		7803.000	Other taxes	Other taxes related to the property. Outside of New York City, water and sewer taxes are recorded here. Inside New York City an exemption from water and sewer tax can be obtained for all lots except the rectory lot by an annual application to the City Comptroller's Office.	
		7804.000	Rental Expense	Expenses for use of a facility other than owned property	
<b>8100.000</b>			<b>House Living Expense</b>		
		8101.000	Food and beverages	Food and beverages for the rectory/convent	
		8102.000	Household supplies	Cleaning and other supplies for the rectory/convent	

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>8200.000</b>	<b>Interest Expense</b>			
	8201.000	Interest to Archdiocese	Interest expense payable to the Archdiocese	Each Loan
	8202.000	Interest to third parties	Interest expense due to third parties	Each Loan
<b>8300.000</b>	<b>Assessments</b>			
	8301.000	Cathedraticum	Cathedraticum amount from the Consolidated Invoice	
<b>8400.000</b>	<b>Fund-Raising Expenditures</b>			
	8402.000	Parish Campaign	Expenses for the organization and conducting of a parish capital campaign.	
	8403.000	Other Fund-Raising	Expenses for the organization and conducting of parish fund raising events.	Carnival Parish Fairs Book and Bake Sales
<b>8500.000</b>	<b>Development Expenses</b>			
	8501.000	Parish Development	Expenses, inclusive of salary, for a parish development office	
<b>8600.000</b>	<b>Program Expenditures</b>			
	8601.000	Pre-Kindergarten	Expenditures, exclusive of salary for the program	
	8608.000	Other Program Expenses	Expenditures, exclusive of salary for programs not listed elsewhere	
	8609.000	Outreach Programs	Expenditures, exclusive of salary for outreach programs	Soup Kitchen Homeless Shelter
	8610.000	Ministry Programs	Expenditures, exclusive of salary for ministry programs.	Retreat for Religious Ed Teachers
<b>8700.000</b>	<b>Membership and Publications</b>			
	8701.000	Memberships - Church Organizations	Membership costs for various church organizations	sub account by organization
	8703.000	Publications	Cost of various publications	sub account by publication

**PARISH - CHART OF ACCOUNTS**  
**Parish Finance Office of The Archdiocese of New York**

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
<b>Income and Expense Accounts - any account is available to the Religious education program - entity code 60 and either subaccounts 30 or 35 must be used</b>				
<b>EXPENSE ACCOUNTS</b>				
<b>8800.000</b>	<b>Support Expenditures</b>			
	8801.000	Parish Support to Elementary School	Amounts transferred to or expenses paid on behalf of the elementary school	Must match income on Elementary School Books
	8802.000	Parish Support to Co-Ed High School	Amounts transferred to or expenses paid on behalf of the Co-Ed High School	Must match income on Co-Ed High School Books
	8803.000	Parish Support to Boys High School	Amounts transferred to or expenses paid on behalf of the Boys' High School	Must match income on Boys High School Books
	8804.000	Parish Support to Girls High School	Amounts transferred to or expenses paid on behalf of the Girls' High School	Must match income on Girls High School Books
	8805.000	Parish Support to Religious Education	Amounts transferred to or expenses paid on behalf of the Religious Education Program	Must match income on Religious Education Books
	8806.000	Parish Support Shared Costs	Amounts paid as tuition and/or fees to another parish's school	
	8807.000	Parish Support to Cemetery	Amount transferred to or expense paid on behalf of the Cemetery	Must match income on Cemetery Books
<b>8900.000</b>	<b>Subvention Agreement</b>			
	8901.000	Subvention Agreement Payback	Payback of Subvention Agreement	
<b>9000.000</b>	<b>Charitable Contributions</b>			
	9001.000	Charitable Contributions	Donations to Charitable Organizations	
	9002.000	Poor Box Expenses	Donations from the Poor Box Collections	
<b>9800.000</b>	<b>Prior Period Adjustments</b>			
	9801.000	Prior Period Adjustments	Adjustments made to balance sheet accounts to correct the beginning balances are offset in this account. <b>Contact Parish Finance For Assistance with this Account</b>	

**PARISH - CHART OF ACCOUNTS**  
 Parish Finance Office of The Archdiocese of New York

Title Accts.	Parent Accts	Descriptions	Explanations	Sub Account Suggestions
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**Religious EDUCATION ONLY ACCOUNTS**

These accounts are in addition to the parish accounts all of which are available to be used by the Religious Education Department  
 When using these accounts entity 60 and either subaccounts 30 or 35 must be used

**Income and Expense Accounts**


<b>5200.000</b>		<b>Religious Education</b>		
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5201.000	Catechetical Income	Tuition and other receipts earned by the Religious education program. This income is to be recorded on the Religious Education Entity.	
5202.000	RCIA Income	Fees and other income associated with the RCIA program.	
5203.000	Book Income	Income from Book Sales	

<b>7500.000</b>		<b>Educational Department Expenses (Exclusive of Salaries)</b>		
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7501.000	Textbooks and Instructional Materials	Expenses for textbooks and instructional materials	Textbooks Workbooks
7503.000	Confirmation/1st Communion Expenses	Expenses incurred relating to Confirmation/1st Communion	Confirmation 1st Communion
7517.000	Other Religious Education Expenses	Expenses not listed above	Catechist Training Celebrations Retreats
7522.000	Religious Education Supplies	Costs of supplies such as chalk, construction paper, borders, etc	
7523.000	RCIA Expenses	Any expense for the RCIA Program	

APPENDIX F - Consolidated Invoice

	<b>Finance Office</b> <b>Archdiocese of New York</b> <b>1011 First Avenue</b> <b>New York, New York 10022</b>																																																						
<b>Consolidated Invoice</b>																																																							
Rev. John Smith Church of St. Elsewhere (0P) St. Elsewhere Street New York, NY 10022	<b>Invoice #:</b> 1 <b>Invoice Date:</b> 3/10/2005																																																						
Institution Code 00000P Invoice Period March, 2005 Current Fiscal Year: September 1, 2004 through August 31, 2005																																																							
<b>Current Fiscal Year</b>																																																							
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(1) Reflects any prepayment of one or more items.																																																							
Please direct all questions regarding this billing to the Data Systems at 212-371-1011 ext. 3381 or 3394 Please make checks payable to: Archdiocese of New York Please send payment and the remittance copy of this invoice to																																																							
Invoice Paid through ACH Program																																																							
<b>Archdiocese of New York</b> <b>P.O. Box 3403</b> <b>Long Island City, NY 11103-0418</b>																																																							

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APPENDIX G - Request for Authorization (RFA)

**RFA Review Sheet - Instructions for RFA**

**REQUEST FOR AUTHORIZATION**

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1. Institution: Parish Name (or School, Hospital, etc.) i.e. St. Ann's, Nyack
2. Project No.: To be completed by ABC Field Consultant
3. Requested By: Name of person requesting permission, i.e. Rev. Msgr. John Smith
4. Title: Title of person requesting permission, i.e. Pastor, Principal

**SECTION I: PURPOSE**

Check one or more that apply

**SECTION II: PROJECT COST INFORMATION**

\*This section will typically be completed by ABC Field Consultants

- Lines 1, 2, 3: List each project and circle Priority Code.
- Line 4: State amount of total anticipated design fees. These typically range from 6%-15% of Construction Cost.
- Line 5: State amount of Archdiocesan Building Commission Fee.
- |                |   |           |      |
|----------------|---|-----------|------|
| \$0            | - | \$100,000 | → 5% |
| \$100,000      | - | \$200,000 | → 4% |
| \$200,000      | - | \$300,000 | → 3% |
| \$300,000      | - | \$400,000 | → 2% |
| Over \$400,000 |   |           | → 1% |
- Line 6: State total of all non-construction or indirect costs such as furniture, Liturgical appointments, permit fees etc...
- Line 7: State a contingency of not less than 10% of total construction costs (Lines 1+2+3).
- Line 8: Sum of Lines 1 through 7.

**SECTION III: PROJECT FINANCING INFORMATION**

- Line 9: State amount of Parish funds on hand to fund the project. This includes savings accounts, redeemed pledges, etc...
- Line 10: If the project entails a property damage claim, state amount of settlement.
- Line 11: State amount of fund anticipated to be redeemed prior to cash drawdowns for construction outlays.
- Line 12: Bank Loan → State amount of loan and attach a Letter of Commitment listing terms.
- Line 13: Archdiocesan Loan → State amount requested and attach letter of need from Pastor/Administrator.
- Line 14: State total amounts of other funds including foundation grants, restricted funds, government funding, etc... Attach a summary list if more than one source.
- Line 15: Sum of lines 9 through 14 (must equal or exceed line 8).

Sign and date the RFA  
Identify All Attachments



## Archdiocesan Building Commission - Request for Authorization

Institution: \_\_\_\_\_ Project Number: \_\_\_\_\_

Requested By: \_\_\_\_\_ Title: \_\_\_\_\_

**I. PURPOSE: THE PARISH/INSTITUTION IS HEREBY REQUESTING PERMISSION TO: (check one)**

- 1. Conceptual Approval (      )
- 2. Retain an Architect/Engineer (      )
- 3. Enter into a Contract for Construction (      )
- 4. Amend an existing Authorization (      )
- 5. Other: \_\_\_\_\_ (      )

**II. PROJECT COST INFORMATION (LIST EACH CONTRACT)**

	<u>PROJECT NAME:</u>	<u>PRIORITY CODE:</u> (circle one)	<u>COST:</u>
1.	_____	N C A B C D E	_____
2.	_____	N C A B C D E	_____
3.	_____	N C A B C D E	_____
4.	ARCH/ENG. FEES: _____		_____
5.	A.B.C. FEE (TOTAL FOR ALL PROJECTS LISTED): _____		_____
6.	OTHER COSTS: (F. F. & E, PERMITS, ETC...) _____		_____
7.	CONTINGENCY: _____		_____
8.	TOTAL BUDGET: _____		_____

**III. PROJECT FINANCING INFORMATION**

9.	AMOUNT OF CURRENT PARISH FUNDS AVAILALE FOR THE PROJECT	_____
10.	INSURANCE SETTLEMENT	_____
11.	ANTICIPATED CAMPAIGN FUNDS	_____
12.	BANK LOAN	_____
13.	ARCHDIOCESAN LOAN REQUESTED	_____
14.	OTHER	_____
15.	TOTAL FUNDING (MUST EQUAL OR EXCEED LINE 8)	_____

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
mm dd yy

Pastor/Administrator

Attachments    A. \_\_\_\_\_

                    B. \_\_\_\_\_

                    C. \_\_\_\_\_



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## APPENDIX H - Common Investment Fund

### Policy Statement, Ethical Guidelines and List of Excluded Investments

#### **Investment Policy Statement**

Effective as of January 1, 2004

##### *General Information*

The Common Investment Fund (Fund) was established in 1982 to provide entities related to the Archdiocese of New York with an investment alternative that would provide participants with the benefits and advantages of cooperative and centralized custody, management and investment of assets.

The Fund must be invested according to “**The Prudent Man Rule**”.

The Prudent Man rule in general, requires fiduciaries to exercise the discretion that would be expected of prudent men in investing their own funds for reasonable income and preservation of capital. It is not a license to speculate.” (Section 1507(c) of the Not For Profit Corporation Law)(Section 11-2.2 of Estates, Powers and Trusts Law).

##### *Objective*

The general investment objective of the Fund is to obtain a reasonable total rate of return defined as income plus realized and unrealized capital gains and losses.

Since the Fund is an entity related to the ongoing work of the Catholic Church, the investments are expected to meet the highest standards of moral and ethical practices. Toward that end, the Archdiocesan Investment Ethics Guidelines and Procedures are incorporated into and made a part of this Investment Policy Statement. Notwithstanding the foregoing, the exact restrictions and method for compliance with such Archdiocesan Investment Ethics Guidelines and Procedures applicable to the Investment Managers are specifically addressed in this Investment Policy Statement and/or the applicable Investment Management Agreement.

##### *Scope*

This statement reflects the investment policy, objectives, responsibilities and constraints of the Fund.

##### *Purpose*

This statement is set forth by the Fund in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives for Fund assets.

- 
3. Offer guidance and limitations to all Investment Managers regarding the investment of Fund assets.
  4. Establish a basis for evaluating investment results.
  5. Establish the relevant investment class for Fund assets.

In general, the purpose of this statement is to outline a philosophy and attitude, which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

#### *Delegation of Authority*

The Fund Committee and the Archdiocese are responsible for directing and monitoring the investment management of Fund assets. As such, the Archdiocese is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. **Investment Advisory Committee:** The Committee may assist the Archdiocese in: establishing investment policy, objectives, and guidelines; selecting Investment Managers and reviewing such Investment Managers over time.
2. **Investment Consultant(s):** The Investment Consultant may assist the Archdiocese in: selecting Investment Managers; reviewing such Investment Managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
3. **Investment Manager(s):** The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives and that comply with this Investment Policy Statement.
4. **Custodian(s):** The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.

#### *Definitions*

1. **“Archdiocese”** shall mean the Archdiocese of New York.
2. **“Fund”** shall mean the Common Investment Fund.
3. **“Fund Committee”** shall mean the Fund Committee as defined in the Common Investment Fund.
4. **“Investment Manager”** shall mean any individual, group of individuals, or organization employed to manage the investments of all or part of the Fund assets.

- 
5. **“Investment Advisory Committee”** shall mean the Committee appointed by the Archbishop as an Advisory Committee to the Archdiocesan Finance Council.
  6. **“Investment Consultant”** shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, Investment Manager search, and performance monitoring.
  7. **“Securities”** shall refer to the marketable investment securities, which are defined as acceptable in this Statement of Investment Policy.
  8. **“Investment Horizon”** shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for evaluating Investment Managers is a three to five (3-5) year economic cycle.

*Assignment or Responsibility*

**Responsibilities of the Fund Committee**

The Fund Committee is charged with the responsibility for the management of the assets of the Fund. The Fund Committee shall discharge its duties solely in the interest of the Fund, its participants, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiarly with such matters would use in the conduct of an enterprise of a like character with like aims. The specific responsibilities of the Fund Committee relating to the investment management of Fund assets includes:

1. Projecting the Fund’s financial needs and communicating such needs to the Investment Managers on a timely basis.
2. Determining the Fund’s risk tolerance and investment horizon, and communicating these to the appropriate parties.
3. Establishing reasonable and consistent investment objectives, policies and guidelines, which will direct the investment of the Fund’s assets.
4. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).
5. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitoring investment objective progress.
6. Developing and enacting proper control procedures such as: providing for the safeguarding of Fund assets; providing for the accounting of assets, liabilities, income and expenses; providing for an annual examination by certified public accountants; and replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines, or poor performance.

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*Responsibilities of Investment Advisory Committee*

1. Advise Fund Committee on the establishment of investment policy and guidelines.
2. Assist Fund Committee in selecting investment managers.
3. Review investment performance in light of the established policy and guidelines.

*Responsibilities of the Investment Consultant(s)*

1. Assisting in the development and periodic review of investment policy.
2. Conducting Investment Manager searches when requested by the Fund Committee.
3. Providing “due diligence,” or research, on the Investment Manager(s).
4. Monitoring the performance of the Investment Manager(s) to provide the Fund Committee with the ability to determine the progress toward the investment objectives.
5. Communicating the matters of policy, Investment Manager research, and Investment Manager performance to the Fund Committee on a quarterly basis.
6. Reviewing Fund investment history, historical capital markets performance and the contents of this investment policy statement with the Fund Committee as requested by the Fund Committee.

*Responsibilities of the Investment Manager(s)*

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all general investment principles and all policies, guidelines, constraints, and philosophies as specifically applicable to Investment Managers and outlined in this Statement of Investment Policy. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management decisions including to buy, sell, or hold individual Securities and/or index funds, and to alter asset allocation within the guidelines established in this Statement of Investment Policy.
2. Complying with any and all regulatory requirements as they pertain to fiduciary duties and responsibilities.
3. Reporting, on a monthly, quarterly, and annual basis the investment performance results of the Fund assets managed by the Investment Manager to the Investment Consultant and to the Fund. Presenting to the Fund Committee upon request an annual review of performance, economic outlook, investment strategy and tactics, organizational changes of personnel responsible for managing the Fund assets, risk, and rate of return estimates.

- 
4. Communicating any major changes to economic outlook, investment strategy, or any other factors, which affect implementation of investment process, or the investment objective progress of the Fund's investment management. Any material changes in the ownership, investment management style of the Fund assets managed by the Investment Manager or key personnel of management should be forwarded in writing to the Fund Committee.
  5. Informing the Fund Committee regarding any qualitative change to investment management organization such as changes in portfolio management personnel, ownership structure, investment philosophy, etc.
  6. Voting proxies on behalf of the Fund assets managed by the Investment Manager. (Unless the Archdiocese reserves this responsibility). Keeping detailed records of said voting of proxies and related actions and complying with all regulatory obligations related thereto.
  7. Using prudence and due diligence and acknowledging in writing to their fiduciary responsibility to fully comply with the entire Investment Policy Statement set forth herein and applicable to the Investment Manager, and as modified in the future; provided that prior notice of any such modification is provided to the Investment Manager in writing.
  8. If at any time the investment managers feel that the guidelines restrict their performance, or that the objectives cannot be met, the Fund Committee should be notified in writing.

#### *General Investment Principles*

1. Investments shall be made solely in the interest of the participants of the Fund.
2. The Fund shall be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a Fund of like character and with like aims.
3. Investment options of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Fund Committee may employ one or more Investment Managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.
6. Investments in securities that conflict with official moral and social teachings of the Roman Catholic Church are prohibited; a list of prohibited securities will be provided to the Investment Manager as detailed below.

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### *Moral and Social Responsibility*

With regard to morally and socially responsible investing, the Fund Committee characterizes the investment management of Fund assets as a process of avoidance; that is, the Fund Committee believes that it will be meeting the needs of the Fund and society by avoiding companies, which may harm society in one or more ways. This investment process does not require any changes to an Investment Manager's investment process other than that it, in effect, reduces that universe of securities in which to invest by screening companies for socially undesirable characteristics.

### *Expectations of Social Investing*

The Fund Committee believes that, in the long-term, the socially responsible investment process implemented by the Fund will not present a trade-off of risk or return as compared to the market.

### *Implementation of Socially Responsible Investment*

The Fund Committee has placed restrictions on the Fund investments based upon excluding securities that violate the principles and teachings of the Catholic Church. Investments in excluded securities are prohibited; a list of excluded securities will be supplied to the Investment Manager(s) on an annual basis by the Investment Consultant and the Fund Committee. The principles by which the list will be compiled are securities of:

1. Any companies in which the manufacture or distribution of contraceptives and/or other "birth control" devices provide any portion of their revenues.
2. Any companies which to the Archdiocese's knowledge receive any revenues from performing abortion.
3. Any companies primarily engaged in production or development of weapons inconsistent with Catholic teaching on war (e.g., biological and chemical weapons, arms designed or regarded as first-strike nuclear weapons, indiscriminate weapons of mass destruction, etc.)
4. Any company which conducts fetal tissue research.
5. Any company whose primary business is directly related to pornography.

Upon reasonable request, the Investment Manager(s) will work with the Investment Consultant and the Fund Committee to compile and update the annual list of excluded securities. (See final page of this Appendix)



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*Investment Management Policy*

1. **Preservation of Capital** – Consistent with their respective investment styles and philosophies, Investment Managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities as a result of market cycles and/or security-specific conditions.
2. **Risk/Aversion** – Understanding that risk is present in all types of securities and investment styles, the Fund Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the Investment Managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. **Adherence to Investment Discipline** – Investment Managers are expected to adhere to the investment management styles for which they were hired. Investment Managers will be evaluated regularly for adherence to investment discipline.

*Investment Objectives*

In order to meet its needs, the investment strategy of the Fund is to emphasize long-term appreciation of the assets and consistency of total portfolio returns; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objectives in the investment management for Fund assets shall be:

1. **Income Requirements** – Earn sufficient income for financial requirements.
2. **Liquidity** – Achieve or exceed on an on-going basis a return on short-term investment funds.
3. **Preservation of Capital** – Over the investment time horizon, capital gains are to be protected. A positive return should be experienced over the investment time horizon.
4. **Preservation of Purchasing Power** – Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation in order to preserve purchasing power of the Fund's assets.

*Specific Investment Goals*

Over the investment horizon established in this statement, the goal of this Investment Policy Statement is that the aggregate Fund assets meet or exceed:

1. the representative index, universe, or blended market index and universe selected and agreed upon by the participants that most closely corresponds to the Investment Manager's style of investment management.

- 
2. display an overall level of risk in the portfolio, which is consistent with the risk associated with the representative index. Risk will be measured by the standard deviation of quarterly returns and such other risk measurements as the Investment Consultant may, from time to time, use.

Specific investment goals and constraints for each Investment Manager, if any, shall be incorporated as part of this Statement of Investment Policy. Each Investment Manager may receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire Fund.

The Fund Committee acknowledges that the Investment Manager cannot provide any guarantee with respect to performance or preservation of Fund assets under their management and that the risk and performance objectives herein are targets only and should not be considered as an assurance or guarantee of the risk of or performance of the Fund assets managed by the Investment Manager or impose any liability on the Investment Manager should the risk or performance objectives not be obtained provided the Investment Manager has otherwise complied with the terms of this Investment Policy Statement and the relevant investment management agreement.

#### *Time Horizon*

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate return and risk. Most investment styles require a full market cycle to allow an Investment Manager to demonstrate its abilities. Performance expectations will be monitored over a full market cycle generally defined as a three-to-five year time period. Shorter time periods may be used to determine the trend of out-performance or deficiencies.

#### *Investment Guidelines*

Every Investment Manager selected to manage Fund assets must adhere to specific guidelines.

#### *Prohibited Assets*

Prohibited investments include, but are not limited to the following:

1. Investments in guaranteed insurance contracts, municipal or tax exempt securities, commodities, puts, calls or straddles, futures, options, short sales, and foreign currency speculation and margin transactions.
2. Direct real estate investments.
3. Investment in lettered stock or unregistered securities.

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### *Prohibited Transactions*

Prohibited transactions include, but are not limited to the following:

1. Short Selling.
2. Margin Transactions.
3. Short-term financial instruments considered to contain speculative characteristics.
4. The use of “primes” and “scores”.
5. Securities lending, pledging, or hypothecating securities.
6. 144A securities.

### *Selection of Investment Managers*

The Fund Committee’s selection of Investment Manager(s) must be based on prudent due diligence procedures. The Fund Committee may require that each Investment Manager provide, in writing, acknowledgement of fiduciary responsibility to the Fund.

Manager(s) must meet the following minimum criteria:

1. Must be recognized providers of investment management services for the asset class they will manage.
2. Evidence a stable organization that offers ownership or appropriate incentives to investment professionals, in hopes of minimizing professional turnover.
3. Be in full compliance with Federal and local laws regarding equal employment opportunities and securities regulations.
4. Articulate a clear philosophy and investment strategy that has been consistently applied over time.
5. Possess an investment process including buy and sell disciplines that are well defined and executed.
6. Provide a track record of at least three years established by the manager or management team that will be responsible for the Fund’s portfolio with the key people in the organization having at least five years of experience managing money in a similar style. Ability to provide historical returns, gross and net of fees, for a composite of similar accounts along with a published fee schedule.
7. If applicable, provide a current ADV and ADV Part II.

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*Brokerage Policy*

All transactions effected by the Fund will be “subject to best price and execution” and otherwise in accordance with the provisions of the applicable investment management agreement.

*Performance Supervision*

Investment performance will be reviewed at least quarterly by the Fund Committee and the Investment Consultant to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives. In particular, short-term changes in the financial markets should not require adjustments to the Investment Policy Statement.

*Conclusion*

It is anticipated that any important deviation from the guidelines set forth in this document and the reasons therefore will be brought to the attention of the Fund Committee on a timely basis. This Investment Policy Statement will be reviewed on a periodic basis.

**Approved By:**

_____	_____	_____	_____
Name	Date	Investment Manager	Date
Common Investment Fund			
Fund Committee		Investment Company	

---

## **Investment Ethics Guidelines and Procedures**

In recognition of their roles as fiduciaries of the Plan, investment managers agree to the following responsibilities:

### **Policy**

To carry out the mandates of the Gospel in the modern world, the Archdiocese requires financial support to sustain her many pastoral programs. While this support is mainly provided by the voluntary contributions of the faithful, income from investments provides an important auxiliary source. This latter source helps to enable the Archdiocese to carry on programs of Christian worship, charity and education with some reasonable stability.

The Archdiocese is continuing to express concern over policies, which govern these investments because we are convinced that there is a moral dimension to investment activities.

“In regard to temporal possessions, whatever be their use, it must never happen that the evangelical witness which the Church is required to give becomes ambiguous...Although in general it is difficult to draw a line between what is needed for right use and what is demanded by prophetic witness, we must certainly keep firmly to this principle: our faith demands of us a certain sparingness in use, and the Church is obliged to live and administer its own goods in such a way that the Gospel is proclaimed to the poor.”

The Archdiocese strives to provide moral leadership and believes that we should exercise such leadership in affairs that touch upon decisions having a broad social impact. The Archdiocese scrutinizes closely its investment practices, as they relate particularly to efforts for world justice and peace, sound medical-moral ethics, pro-life activities, social and racial justice, equal opportunity for all, economic and consumer justice and safer environment.

The Church is the fortunate heir and custodian of the rich and relevant social teaching spelled out in a gradual and timely way from the encyclical *Rerum Novarum* to the letter *Octogesima Adveniens*. Social responsibility guidelines rest on a comprehensive set of objectives drawn from this social teaching of the Church. We recognize that detailed and unequivocal guidelines applicable to every situation are not available. Nevertheless, we have strived to set down broad ethical guidelines to assist the Archdiocese in administering its own investments.

### **Guidelines**

The investment policy of the Archdiocese of New York is to strive for maximum safety and rate of return on funds that are in its custody for charitable, educational and pastoral designations, while avoiding support of corporate activities which increase human suffering and exploitation. Specific examples of corporate activities which we deem to be injurious are:

- 
1. Activities causing social injury to employees, consumers and others, when for example, such activities violate domestic or international laws protecting health, safety or human rights.
  2. Activities causing social injury resulting from discrimination, exploitation or the abuse of people, their resources and their environment.
  3. Providing, in significant quantities, products or services which are contrary to the moral teachings of the Church, such as, but not limited to, anti-life products and services, immoral publications (pornographic materials) etc.
  4. Activities, a significant part of which, consist of the manufacture of materials or weapons likely to destroy human life indiscriminately, or which depend for their viability or growth on the manufacture of weapons of war.

### *Procedures*

The Archdiocese implements this policy through the choice of the most appropriate following courses or actions:

1. Avoid investment in the first instance
2. Dispose of existing investments
3. To seek to encourage reform in corporations in which the Archdiocese holds investments
  - a. Voting shareholder resolutions based on their merit.
  - b. Voting for or against management based on management's policies.
  - c. Raising questions with and making suggestions for corporate management.

In the implementation of these courses of action the Archdiocese assumes that most businessmen try conscientiously to direct their corporations in responsible channels and that their problem-solving communications can be effective. The Archdiocese also utilizes the results of independent research services whose primary function is to provide impartial timely, in-depth analysis concerning corporate social responsibility issues.

An Archdiocesan Investment Ethics Committee was established to provide further assistance to the Cardinal in the implementation of these policies:

- It is required that the assets shall be invested with the same care, skill, prudence and due diligence under the circumstances then prevailing, that an experienced, professional investment manager acting in a like capacity and fully familiar with such matters, would use in the investment of like assets with like aims.

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- To exercise investment discretion (including holding cash equivalents as an alternative) within the Policy objectives and guidelines set forth herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the manager's current investment strategy and that are compatible with the Policy objectives and guidelines.
  - To avoid all conflicts of interest when using Plan assets to pay brokerage expenses and to ensure that all trading expenditures are made for the exclusive benefit of the Plan. To monitor trading costs and obtain best execution at the lowest possible cost to the Plan.

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## List of Excluded Investments

Effective as of January 1, 2004

### STANDARD SRI EXCLUSIONARY LIST

Akzo Nobel  
Alliant Techsystems Inc.  
Allied Healthcare Products Inc.  
Barr Laboratories Inc.  
Boeing  
Bristol Myers Squibb Co.  
Columbia Laboratories Inc.  
Esterline Technologies  
Female Health Co.  
General Dynamics Corp.  
Genentech Inc.  
Geron Corp.  
Goodrich Corp.  
Johnson & Johnson  
L-3 Communications Holdings Inc.  
Lockheed Martin Corp.  
McDermott International Inc.  
Metro Global Media Inc.  
Million Dollar Saloon Inc.  
New Frontier Media Inc.  
Northrop Grumman Corp.  
Pfizer Inc.  
Playboy  
Private Media Group Ltd.  
Q Seven Systems Inc.  
Raytheon  
Rick's Cabaret International Inc.  
Schering Plough Corp.  
StemCELLs Inc.  
Tenet Healthcare Corp.  
Titan Pharmaceuticals  
United Industrial  
Universal Health Services Inc.  
Vitro Diagnostics  
Watson Pharmaceuticals Inc.  
Wyeth