

St. Anthony Mare de Claret (SAMC)

Organization/Ministries Financial Management & Fundraising Guidelines

Your attitude of service to our Parish is a constant reminder of the love of Christ for His Church. We, the Finance Council, as Saint Paul says, “give thanks to God always for all of you, remembering you in our prayers, unceasingly calling to mind your work of faith and labor of love and endurance in hope of our Lord Jesus Christ, before our God and Father, knowing, brothers loved by God, how you were chosen (1Thessalonians 1:2-3). We are grateful with all organizations and ministries here at SAMC because you are the living stones of our Parish. Thank you for giving of yourselves and using the talents God instilled in every one of you to enrich the lives of others.

Now we like to share with you these recommendations from the USCCB (United States Conference of Catholic Bishops):

“...there exists among all the Christian faithful a true equality with regard to dignity and the activity whereby all cooperate in the building up of the Body of Christ in accord with each one's own condition and function (CCC 872).” The Church is also responsible for the financial resources which have been entrusted to it. This responsibility includes safeguarding Church assets, exercising prudence in financial matters, accountability to those who provide monetary support to the Church and to regulatory authorities, and compliance with all civil regulations.

As such, the Church is committed to the highest standards of fiscal integrity and accountability. Strong systems of internal controls are needed to safeguard assets by reducing the risk of fraud, misuse, waste or embezzlement. It is important that all organizations of the Parish be sure that best financial practices are being followed. Best financial practices dictate that parroquial organizations review their policies and procedures in light of the continuing developments and those recent developments outlined below.

The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act, was enacted in response to several corporate and accounting scandals that occurred in 2001 and 2002. Its purpose is to rebuild trust in America's corporate sector and promote stability in the financial markets. The law pertains primarily to public companies and addresses auditor independence, corporate responsibility for financial reports and internal controls, and management issues. Certain provisions of Sarbanes-Oxley apply to all organizations, including not-for-profits, because of preexisting law. The record retention provision and the whistle blower protection provisions apply to not-for-profit organizations, including churches. However, it behooves the Church to consider all the Act's provisions in developing best financial practices.

Not-for-profit organizations are fast becoming the focus of similar oversight measures. For example, California passed the Nonprofit Integrity Act of 2004 which addresses two broad areas of nonprofit activity: management and fundraising. **While religious organizations are exempt**

from most of the provisions of this law, they are subject to its fundraising and compensation review provisions.

The Senate Finance Committee has been considering a host of recommendations intended to strengthen the not-for-profit sector's transparency, management and accountability. Also, the Internal Revenue Service (IRS) has expanded its Form 990 regarding information to be included in the Form relating to a new or expanded section titled "Governance, Management, and Disclosures". The remainder of this chapter addresses several financial management issues that are offered as advice to diocesan bishops to be used in their dioceses as they deem appropriate.

The Committee on Budget and Finance of the United States Conference of Catholic Bishops (USCCB) has published a framework titled Diocesan Internal Controls. A copy of the book can be obtained on line at <http://www.usccb.org/finance/internal.shtml>.

To fulfill this ideal, please understand that:

- The Finance Council is responsible for ensuring that all committees and ministries using the parish's tax identification number comply with Federal/IRS, State of Texas, Archdiocese of Austin and SAMC financial regulations and policies.
- The officers and leaders of the groups or ministries have the responsibility for achieving the goals and objectives of the parish and of your own organization. You also take on the accountability for stewardship and the fiduciary responsibility for the funds that your organization collects, spends, and ultimately contributes to the causes that you have deemed important in your planning and funding objectives.
- Organizations with their own tax identification numbers (Saint Vincent de Paul and Knights of Columbus), should follow the organization's by-laws and procedures, however they must adhere to applicable SAMC policies when conducting activities on SAMC grounds.

RAFFLES

The **CHARITABLE RAFFLE** Enabling Act of Texas, effective January 1, 1990, permits "qualified organizations" to hold up to **TWO RAFFLES PER CALENDAR YEAR**, with certain specified restrictions. The restrictions are outlined in Chapter 2002, Occupations Code, Texas Codes Annotated. This has been formalized to all parishes by the Diocese of Austin in their Memorandum, "Raffles", dated June 28, 2011.

St. Anthony's has determined that its two permitted raffles will be:

- (1) Annual Fiesta,
- (2) Religious Education Carnival Fundraiser.

The IRS has many rules that also affect an organization that conducts raffles. The amount paid for raffle tickets is not considered a donation and cannot be deducted for tax purposes. Raffle prizes over \$600 requires that tax ID information be obtained from the winner, and a W2-G be issued to the winner and to the IRS.

REPORTING REQUIREMENTS:

- Each organization needs to submit a written financial and organization plan for the year.
 - o It should list major expected sources of revenue, associated expenses, and purpose and receipt of net revenues.
 - o In addition to the budget, a brief description should be included that states the group's goals and purpose for raising funds beyond the organization's overhead expenses.
 - o Include all Officers/leader names and contact information (phone/email)
 - o For groups following the churches calendar (July 1st through June 30th), budgets must be submitted by May 1 for review. For those working on a calendar basis, the reports are due by November 1st each year.
- At the end of each year (either church calendar or yearly calendar) a report must be submitted listing actual revenues and expenses for the year. Please see *Addendum 5* for sample reports.
 - o Both revenues and expenses should be labeled by category, dollar amounts, and purpose.
 - o If a checking account is maintained, the cash balance and a copy of the bank statement as of 12/31 or 6/30 should be included.
 - o A summary of the organization's accomplishment(s) should be included in the report.
 - o The Office Administrator will help generate the report for Organizations that maintain their funds with SAMC.
 - o The Office Administrator will help generate the report for Organizations that maintain their funds with SAMC.
 - o Calendar year organizations need to submit the report by Feb. 15th and church calendar groups need to submit their reports by August 15th.
- If your group needs help in preparing a budget or your actual results, please contact the finance council for assistance.
- The paragraph below is quoted from the IRS website so that a better understanding of what the IRS considers a charitable purpose can be understood. Expenses must be appropriate for the exempt activity that the organization is dedicated to serve.

“The exempt purposes set forth in ***Internal Revenue Code section 501(c)(3)*** are *charitable*, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and the prevention of cruelty to children or animals. The term *charitable* is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.”

FUNDRAISING GUIDELINES

Fundraising is the major source of income for most organizations. We ask that the officers are always cognizant of the many requests placed upon parishioners for financial support. We have included some guidelines that will help you as an officer to safeguard cash and assets. Safeguarding of funds is an area that has extreme risk for misplacement, theft and embezzlement, so the following guidelines will help mitigate this risk. These are necessary to ensure the finance council and any auditors from the diocese, that policies are in place, and that individual organizations are adhering to these guidelines.

- 1 Fundraisers on parish grounds must benefit the parish community or the charity that the organization supports. An annual meeting is conducted in May where all organizations, ministries, and committees request dates for their group's fundraisers, meetings, retreats and other events for the upcoming fiscal year. (July 1st through June 30th)
- 2 **No** organization or ministry that uses SAMC tax id may conduct a raffle--on or off SAMC grounds. SAMC has designated the two (2) permitted raffles.
- 3 All organizations (including SVDP and KC's) will be provided the opportunity to schedule two (2) non-raffle fundraisers per fiscal year on SAMC grounds. Additional off campus non-raffle fundraisers are permitted.
 - a. For each fundraiser, the organization will be given the opportunity to schedule two (2) weekends to pre-sell tickets on the parish grounds.
 - b. There shall be no more than two (2) approved organization's fundraisers per weekend on church grounds.
 - c. Organizations cannot solicit in front of the church; however, members of the organization can hold hand-made (not to exceed 30" x 24") signs (or directional signs). No outside verbal announcements are allowed.
 - d. SEI (Special Event Insurance) and Security **may** be required. Please contact the Parish Administrator at least 8 weeks in advance of your event to ensure all guidelines are met. See exclusions on 3e.
 - i. SEI and/or Security **must be** secured for all events with alcohol (including BYOB). For other events, please check with the Parish Administrator.
 - e. SEI exclusion: Events/meetings on Parish grounds/facilities by legal entities separate from SAMC:
 - Knights of Columbus
 - Squires
 - Cub Scouts
 - Society of St. Vincent de Paul
- 4 An organization that wants their event publicized in the church bulletin must provide the bulletin announcement to the parish office at least three (3) weeks prior to the event to ensure that this will be communicated to the parish community. Pulpit announcements are at the discretion of the pastor.
- 5 Grandfathered fundraisers. The following organizations have an annual fundraiser that have priority over other fundraising dates:

- a. St. Anthony Ladies Altar Society –
 - i. Mother’s Day Cake Sale – 2nd Sunday in May
 - ii. Christmas Bazaar – 1st Sunday in December
 - b. St. Anthony Women’s Organization
 - i. Valentine’s Dance – 2nd Saturday in February
 - ii. Plate Sale - Fall TBD
 - c. Knights of Columbus
 - i. Annual Fish Fry – Friday during Lent
 - ii. Casino Night – 1st Saturday in February
 - d. Squires
 - i. BBQ – May and November
 - e. Guadalupana Society
 - i. Scholarship Benefit – 1st Friday in May
 - ii. Fish Fry – Friday during Lent
 - f. Religious Education
 - i. Spring Carnival – April--exact date will be after Easter celebration.
- 6 Annual Fiesta
- a. Special scheduling applies to the parish and neighboring fiestas. May through October, St. Anthony and neighboring parishes plan their parish festival. Usually raffles and the event take precedence when scheduling individual organizations scheduling events. A limit of one other fundraiser will be allowed during the event and the weeks leading up to the festival date.
- 7 New organizations formed after the annual planning meeting will need to use a special Fundraiser Special Request form. This is the same process for an organization that wants to schedule a fundraiser after the annual calendar meeting. (See Addendum 3)
- 8 Funds collected need to be turned in to the office by the third day after they are collected, or the event is completed. Expenses **are not** to be paid with cash collected.
- a. Exceptions are Ladies Altar Society, The Woman’s organization, Caminando con Jesus y Maria, and the Guadalupana Society who maintain their own checking accounts.
 - i. These groups need to turn in a copy of their procedures for collecting, counting, depositing and paying expenses to the parish finance committee.
 - ii. The procedures should indicate the methods that are being used to prevent fraud, embezzlement, and proper accounting for revenues and expenses.
 - b. All funds need to be safeguarded until they are turned into the SAMC office along with a brief description of why and how the funds were collected.
- 9 **Stewards Breakfast (Required):** Each fundraising organization will host a parish breakfast(s) on a rotation basis during the Religious Education School Year.
- a. Organizations may choose their own menu items and prices.
 - b. Organizations must purchase ALL their supplies, including paper products and utensils.
 - c. Net breakfast profits (revenue less expenses), will be split 50/50 with the Parish.
- 10 **Summer Stewards Breakfast (Optional):** Each organization will receive summer dates for a fundraising opportunity. This date(s) can be relinquished and available for another organization. Proceeds will be split 50/50 with the Parish.

The stewards breakfast will **NOT** be considered as a “fundraiser” under 2 fundraiser cap rules.

- 11 As part of the organization’s planning and reporting requirements, Addendum 4 lists suggested expenses that the proceeds of individual organization’s fundraising activities be used to diminish.
- 12 Maintaining parish facilities is expected of each organization. Premises should be left at least as in as good condition as they were found. See Addendum 2 for specifics.
- 13 A check request should be submitted to pay for expenses and must be signed by two members.
- 14 **NO** checks are written from one organization to help another organization in our Parish for their fundraising efforts.
 - a. **EXCEPTION:** *Society of St. Vincent de Paul*, donations reflect community outreach.
 - b. Organizations may “**pass the hat**” among their members to assist an individual and/or another SAMC organization with financial concerns.
- 15 These procedures apply to all activities whether held on the church grounds or elsewhere.
- 16 If a group only collects funds that will be used to repay the parish for expenses incurred, the reporting and budgeting reports are not required. An example would be if the lectors paid \$10 to cover the cost of the lectionaries used to prepare for Sunday mass, and the \$10 was only collected to cover the cost of the books the parish purchased, then there is no charitable purpose of work, and this collecting of funds would not fall under the reporting guideline. Groups collecting funds at a meeting to cover the cost (no profit is intended) of donuts or other food consumed at a meeting would also fall in the non-reporting category. However, funds collected for a charitable purpose should not be used to purchase food for members of the group.

Scholarship Awards Guidelines for donor organizations using the SAMC EIN tax id:

1. Scholarship funds will be mailed directly to the school, college or university with accompanying letter stating scholarship terms. See *Addendum 6* for sample.
[Note: As such, SAMC is alleviated from the IRS and individual reporting requirements. Required school is responsible for IRS filing.]
2. Written acknowledgement of award to student with terms of scholarship [e.g. receipt of enrollment, student identifier number to ensure scholarship is correctly applied by the school].

Administration:

As the Parish Finance Council is responsible for ensuring that organizations within the parish comply with Diocesan rules, state and federal laws, any changes or recommendations to these guidelines should be submitted to the pastor and finance council for consideration.

Addendum 1:

SAMC ORGANIZATIONS

SPIRITUAL	FORMATION
ACTS Adoration of the Sacred Sacrament Caminando con Jesus y Maria Central Texas Fellowship of Catholic Men Come Holy Spirit Praise and Worship Prayer Group Devocion a la Sangre Preciosa de Jesucristo Extraordinary Ministers for the Sick/Homebound Guadalupana Society Immaculate Heart of Mary New Evangelization Committee Prison Ministry Rosary Making Guild St. Anthony Ladies Altar Society Talleres de Oración de Vida	Bible Studies (Men & Women) Bible Study-Men (English & Spanish) Covenant of Love Faith Formation Marriage Preparation Pastoral Familiar RCIA (Rite of Christian Initiation of Adults) Religious Education RE Commission Youth Ministry
LITURGICAL	SERVICE
Adult Altar Servers Altar Servers (English & Spanish) Choirs (English & Spanish) Extraordinary Ministers of Communion Lectors (English & Spanish) Liturgical Commission Sacristans Ushers & Greeters (English & Spanish)	Annulment Advocates Fiesta Committee Funeral Meal Ministry Knights of Columbus Maintenance Project Gabriel & Respect Life Ministry Sound Board Ministry Squires St. Anthony Women’s Organization St. Vincent de Paul Society Scouts (Cubs & Boys)
ADVISORS	
Building Committee Finance Council Pastoral Council Stewardship Committee	

Addendum 2:

Facilities Guidelines

Every organization and ministry must furnish ALL SUPPLIES: pots, pans, utensils, napkins, plates, cups, dish soap, dish towels and etc.

Kitchen:

- Remove all supplies.
- Sanitize counters and sinks.
- CLEAN STOVE (includes griddle top, burners, grease traps (above the oven doors), grease container (next to the wall above the stove) and steamers drain water.
- Clean the inside and outside of the refrigerator and microwave after each use.
- Make sure the coffee decanters are cleaned and the filter is empty.
- Discard or take home all liquid and/or food. **Do not leave food in the refrigerator.** This includes salad dressings, condiments, salsa, etc.
- Sweep and wet mop floor (mops and brooms are kept in the unlocked closet next to the men's restroom).
- Remove trash, dispose in trash dumpster and replace liner.

Hall:

- Thermostats are preprogrammed to turn off when building is not in use.
DO NOT PUSH HOLD when setting your desired temperature.
- Swept and wet mop floors (mops and brooms are kept in the unlocked closet next to the men's restroom).
- Sanitize tables and chairs.
- Replace tables and chairs in storage racks.
- Remove trash, replace liner. Trash should be disposed in dumpster.
- Turn off all lights including bathrooms and ceiling fans.
- Remove all coats, papers, cans, etc.

Classrooms and Holy Family House:

- Remove trash, replace liner. Dispose trash in dumpster.
- Replace tables and chairs in storage racks.
- Turn off all lights.
- Thermostats are preprogrammed to turn off when building is not in use.
DO NOT PUSH HOLD when setting your desired temperature.

Addendum 4:

List of possible church expenses which organization/ministry fundraising funds can support:

Resource Item	Annual Requirement
Communion Hosts	\$2900
Altar Flowers	\$4000
Candle Oil	\$200
Wine	\$3000
Church Security Phone Lines	\$1200
Church Carpet Cleaning	\$1000
Catholic School Scholarships	\$13000
The Word Among Us	\$2300
Catholic Spirit	\$7200

Addendum 5:

Sample A : Statement of Revenue and Expenses from Organizations:

Organization Name

Time Period: July 1, 201x thru June 30, 201x

Beginning Cash in bank		\$1,000.00
Income:		
Member Dues	100.00	
Christmas Bazaar Fundraiser (net of expenses of \$25)	1,150.00	
XXX Dance (net of expenses of \$ 500)	1,250.00	
Cakes Fundraiser (net of expenses of \$511.32)	1,492.00	
Easter gift basket sales (net of expenses of \$50.04)	255.00	
Blessing and More net income (net of store purchases of \$7525.47)	<u>2,275.71</u>	
Total Income		\$6,522.71
Expenses:		
Donations to SAMC--cash	(2,000.00)	
Donations to SAMC--purchase of ????--list separately	(452.38)	
Donations to SAMC--Fiesta related	(925.00)	
SAMC Senior scholarships (2 @\$500)	(1,000.00)	
Donations to ABC	(150.00)	
Donations to DEF	(350.00)	
Donations to GHI	(200.00)	
Conference expenses (net of collections of \$xxx)	(250.00)	
Dues paid to sister/brother organizations	(200.00)	
Member t-shirts/aprons (net of collections of \$350)	(28.00)	
Operating supplies	<u>(300.00)</u>	
Total expenses		\$5,855.38
Ending Cash in bank		\$1,667.33
Commitments on ending cash in bank:		
Sales Tax Payable	(347.52)	
Member t-shirts shirts-- vendor not paid yet	(10.00)	
Scholarship awarded not yet paid out	(500.00)	
Total commitments		\$ 857.52
Available Cash		<u><u>\$809.81</u></u>

Sign: Submitted by: _____

Printed name, position, date: _____

Addendum 5 (cont):

Sample B : Statement of Revenue and Expenses from Organizations:

Organization Name _____

Time Period: July 1, 201x thru June 30, 201x

Beginning Cash in bank \$ 1,000.00

	<u>Income</u>	<u>Expenses</u>	<u>Profit/Loss</u>
Member Dues	100.00	0.00	100.00
Christmas Bazaar Fundraiser	1,175.00	25.00	1,150.00
XXX Dance	1,750.00	500.00	1,250.00
Cakes Fundraiser	2,003.32	511.32	1,492.00
Sale of gift baskets	305.04	50.04	255.00
Blessing and More net income	9,801.18	7,525.47	2,275.71
Donations to SAMC--cash		2,000.00	-2,000.00
Donations to SAMC--purchase of ????--list separately		452.38	-452.38
Donations to SAMC--Fiesta related		925.00	-925.00
SAMC Senior scholarships (2 @\$500)		1,000.00	-1,000.00
Donations to ABC		150.00	-150.00
Donations to DEF		350.00	-350.00
Donations to GHI		200.00	-200.00
Conference expenses	500.00	750.00	-250.00
Dues paid to sister/brothers organizations		200.00	-200.00
Member t-shirts/aprons	350.00	378.00	-28.00
Operating supplies		300.00	<u>-300.00</u>
Total income and expenses			\$ 667.33

Ending Cash in Bank \$ 1,667.33

Commitments on ending cash in bank:

Sales Tax Payable	347.52	
Member t-shirts shirts-- vendor not paid yet	10.00	
Scholarship awarded not yet paid out	500.00	
Total commitments		\$ -857.52

Available Cash \$ 809.81

Sign: Submitted by: _____

Printed name, position, date : _____

Addendum 6:

Sample of Scholarship letter to accompany scholarship check to school/college/university. The SAMC Office Administrator will gladly print your letter on SAMC letterhead.

August xx, 201x

[name of college/university]

[address provided by scholarship recipient]

Attention: *[information provided by scholarship recipient—will be on school's web site]*

RE: *[student name]*

Student ID [XXXXXXXXXX]

Please find enclosed our Scholarship funds for *[student name]*, *Student ID [XXXXXXXXXX]*, in the amount of \$1,000.00. Please apply these funds to her/his tuition and fees. Any excess funds can be refunded to the student to go towards her/his books and housing.

If the student does not enroll for this semester, please refund to us.

Sincerely,

Jane Doe

Scholarship Committee

[organization's name]

St Anthony Marie de Claret Catholic Church

PO Box 268

Kyle, TX 78640

CC: *[student name]*

[Student address]